

Interim Financial Report as at 30 June 2022

INDEX

PREFACE	4
INTERIM MANAGEMENT REPORT AS AT 30 JUNE 2022	5
HIGHLIGHTS	6
MAIN ECONOMIC AND FINANCIAL FIGURES	7
INDICATORS.....	8
SHAREHOLDER INFORMATION	10
RECLASSIFIED CONSOLIDATED INCOME STATEMENT	12
RECLASSIFIED CONSOLIDATED BALANCE SHEET	15
CONDENSED RECLASSIFIED CONSOLIDATED CASH FLOW STATEMENT	17
INCOME STATEMENT REVIEW	18
BALANCE SHEET REVIEW	35
ACQUISITION OF COMPANIES AND BUSINESSES	45
OUTLOOK	46
CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS AS AT 30 JUNE 2022	48
CONSOLIDATED STATEMENT OF FINANCIAL POSITION.....	49
CONSOLIDATED INCOME STATEMENT	51
STATEMENT OF CONSOLIDATED COMPREHENSIVE INCOME	52
STATEMENT OF CHANGES IN CONSOLIDATED EQUITY.....	53
STATEMENT OF CONSOLIDATED CASH FLOWS	55
SUPPLEMENTARY INFORMATION TO THE STATEMENT OF CONSOLIDATED CASH FLOWS	56
NOTES.....	57
1. General Information.....	57

2.	Impacts of conflict in Ukraine and COVID-19 emergency on the Group's performance and financial position	58
3.	Acquisitions and goodwill	59
4.	Intangible fixed assets with finite useful life.....	62
5.	Tangible fixed assets	63
6.	Right-of-use assets	64
7.	Share capital	65
8.	Net financial position	66
9.	Financial liabilities	69
10.	Provisions for risk and charges.....	72
11.	Lease liabilities	72
12.	Revenues from sales and services.....	73
13.	Operating costs, depreciation and impairment, financial income-expenses and taxes.....	73
14.	Performance Stock Grant	74
15.	Discontinued operations	76
16.	Non-recurring significant events.....	77
17.	Earnings (loss) per share	77
18.	Transactions with parents and other related parties	78
19.	Contingent liabilities	79
20.	Financial risk management	79
21.	Translation of foreign companies' financial statements.....	80
22.	Segment reporting	81
23.	Accounting policies	86
24.	Subsequent events	91
ANNEXES		92
	Consolidation scope	92
	Declaration of the Executive Responsible for Corporate Accounting Information pursuant to Article 154-bis of Legislative Decree 58/1998 (Consolidated finance act).....	95
	INDEPENDENT AUDITOR'S REPORT ON REVIEW OF CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS AS AT 30 JUNE 2022	96

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 several 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 2021 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 2022

HIGHLIGHTS

In the first six months of 2022 Amplifon recorded an important increase in revenues, with positive results across all geographies, as well as improved profitability and cash generation. This result was achieved thanks to solid organic growth driven by the effectiveness of the continuous investments made in the business and operating efficiency.

(€ thousands)	First Half 2022		First Half 2021	
	Recurring	Total	Recurring	Total
Economic figures:				
Revenues from sales and services	1,037,206	1,037,206	931,786	931,786
Gross operating profit (loss) (EBITDA)	260,117	255,088	230,741	226,449
Operating profit (loss) (EBIT)	142,196	137,167	123,892	119,600
Profit (loss) before tax	124,899	119,870	109,550	105,258
Group net profit (loss)	89,901	86,283	78,609	77,144

The first six months of the year closed with:

- turnover of €1,037,206 thousand, an increase of 11.3% compared to the same period of the prior year (+9.1% at constant exchange rates).
- a gross operating margin (EBITDA) of €255,088 thousand, 12.7% higher on a recurring basis compared to the first six months of 2021, with an EBITDA margin of 25.1% (+0.3 p.p. against the comparison period).
- Group net profit of €86,283 thousand, an increase of €9,139 thousand (+11.8%) against the first half of 2021 on a recurring basis.

Net financial debt excluding lease liabilities came to €895,298 thousand, compared to €871,186 thousand at year-end 2021. The Group's ability to generate cash flow was confirmed with free cash flow reaching a positive €107,592 thousand (versus €118,783 thousand in the first six months of the prior year) after absorbing net capital expenditure of €48,004 thousand (€36,580 thousand in the comparison period). This result made it possible to finance cash-outs for acquisitions of €31,049 thousand (€46,526 thousand in the comparison period), continue with the buyback program (€42,872 thousand versus €13,331 thousand in the comparison period) and pay €58,237 thousand in dividends to shareholders (€49,356 thousand in the comparison period).

MAIN ECONOMIC AND FINANCIAL FIGURES

(€ thousands)	First Half 2022				First Half 2021				
	Recurring	Non-recurring	Total	% on revenues recurring	Recurring	Non-recurring	Total	% on revenues recurring	Change % on recurring
Economic figures:									
Revenues from sales and services	1,037,206	-	1,037,206	100.0%	931,786	-	931,786	100.0%	11.3%
Gross operating profit (loss) (EBITDA)	260,117	(5,029)	255,088	25.1%	230,741	(4,292)	226,449	24.8%	12.7%
Operating profit (loss) before the depreciation and amortization of PPA related assets (EBITA)	165,431	(5,029)	160,402	15.9%	145,108	(4,292)	140,816	15.6%	14.0%
Operating profit (loss) (EBIT)	142,196	(5,029)	137,167	13.7%	123,892	(4,292)	119,600	13.3%	14.8%
Profit (loss) before tax	124,899	(5,029)	119,870	12.0%	109,550	(4,292)	105,258	11.8%	14.0%
Group net profit (loss)	89,901	(3,618)	86,283	8.7%	78,609	(1,465)	77,144	8.4%	14.4%

(€ thousands)	06/30/2022	12/31/2021	Change
Financial figures:			
Non-current assets	2,860,638	2,772,581	88,057
Net invested capital	2,349,418	2,250,398	99,020
Group net equity	976,277	925,178	51,099
Total net equity	978,603	927,281	51,322
Net financial indebtedness	895,298	871,186	24,112
Lease liabilities	475,518	451,931	23,587
Total lease liabilities and net financial indebtedness	1,370,816	1,323,118	47,698

(€ thousands)	First Half 2022	First Half 2021
Free cash flow	107,592	118,783
Cash flow generated from (absorbed by) business combinations	(31,049)	(46,526)
(Purchase) sale of other investments and securities	-	3,644
Cash flow provided by (used in) financing activities	(100,978)	(62,652)
Net cash flow from the period	(24,435)	13,249
Effect of exchange rate fluctuations on the net financial position	323	(61)
Effect of discontinued operations on net financial indebtedness	-	(52)
Net cash flow from the period with changes for exchange rate fluctuations and discontinued operations	(24,112)	13,136

- **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

	06/30/2022	12/31/2021	06/30/2021
Net financial indebtedness (€ thousands)	895,298	871,186	620,529
Lease liabilities (€ thousands)	475,517	451,931	426,449
Total lease liabilities & net financial indebtedness (€ thousands)	1,370,815	1,323,117	1,046,978
Net equity (€ thousands)	978,603	927,281	833,644
Group Net Equity (€ thousands)	976,277	925,178	832,602
Net financial indebtedness/Net Equity	0.91	0.94	0.74
Net financial indebtedness/Group Net Equity	0.92	0.94	0.75
Net financial indebtedness/EBITDA	1.67	1.68	1.23
EBITDA/Net financial expenses	23.09	29.13	29.09
Earnings per share (EPS) (€)	0.38474	0.70182	0.34337
Diluted EPS (€)	0.37992	0.69409	0.33947
EPS (€) adjusted for non-recurring transactions and amortization/depreciation related to purchase price allocations to tangible and intangible assets	0.37992	0.92550	0.42768
Group Net Equity per share (€)	4.361	4.112	3.707
Period-end price (€)	29.250	47.450	41.640
Highest price in period (€)	47.430	47.590	42.340
Lowest price in period (€)	25.260	29.330	29.330
Share price/net equity per share	6.707	11.539	11.232
Market capitalization (€ millions)	6,547,621	10,675,36	9,371,15
Number of shares outstanding	223,850,303	224,981,270	225,051,615

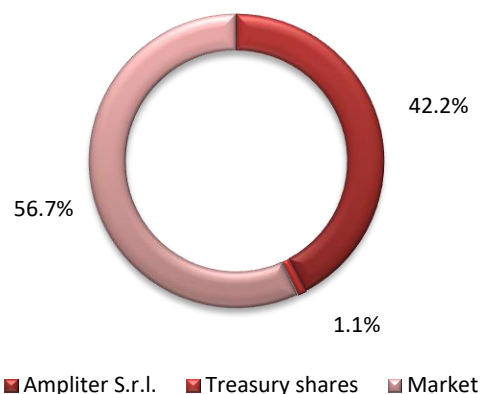
- **Net financial indebtedness/net equity** is the ratio of net financial indebtedness, excluding lease liabilities and short-term investments not cash equivalents, to total net equity.
- **Net financial indebtedness/Group net equity** is the ratio of the net financial indebtedness, excluding lease liabilities 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 2022 are:



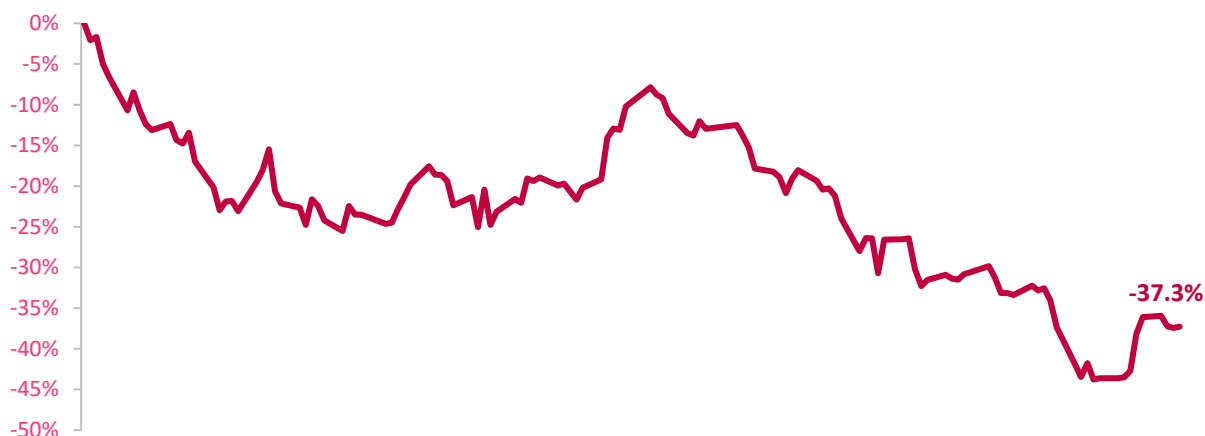
Shareholder	No. of ordinary shares	% held	% of the total share capital in voting rights
Ampliter S.r.l.	95,604,369	42.2%	59.3%
Treasury shares	2,538,217	1.1%	0.8%
Market	128,246,034	56.7%	39.9%
Total	226,388,620	100.0%	100.0%

(*) Number of shares related to the share capital registered with the Company registrar on 30 June 2022.

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 Euronext Milano (EXM) 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 30 December 2021 to 30 June 2022.



As at 30 June 2022 market capitalization was €6,547.6 million.

Dealings in Amplifon shares in the screen-based stock market Euronext Milano (EXM) during the period 30 December 2021– 30 June 2022, showed:

- average daily value: €21,363,690.03;
- average daily volume: €591,959.82 shares;
- total volume traded of 75,178,897 shares, or 33.6% of the total number of shares comprising the share capital, net of treasury shares.

RECLASSIFIED CONSOLIDATED INCOME STATEMENT

(€ thousands)	First Half 2022				First Half 2021				
	Recurring	Non-recurring (*)	Total	% on recurring	Recurring	Non-recurring (*)	Total	% on recurring	Change % on recurring
Revenues from sales and services	1,037,206	-	1,037,206	100.0%	931,786	-	931,786	100.0%	11.3%
Operating costs	(780,764)	(4,978)	(785,742)	-75.3%	(704,278)	(4,156)	(708,434)	-75.5%	-10.9%
Other income and costs	3,675	(51)	3,624	0.4%	3,233	(136)	3,097	0.3%	13.7%
Gross operating profit (loss) (EBITDA)	260,117	(5,029)	255,088	25.1%	230,741	(4,292)	226,449	24.8%	12.7%
Depreciation, amortization and impairment losses on non-current assets	(41,011)	-	(41,011)	-4.0%	(38,935)	-	(38,935)	-4.2%	-5.3%
Right-of-use depreciation	(53,675)	-	(53,675)	-5.2%	(46,698)	-	(46,698)	-5.0%	-14.9%
Operating result before the amortization and impairment of PPA related assets (EBITA)	165,431	(5,029)	160,402	15.9%	145,108	(4,292)	140,816	15.6%	14.0%
PPA related depreciation, amortization and impairment	(23,235)	-	(23,235)	-2.2%	(21,216)	-	(21,216)	-2.3%	-9.5%
Operating profit (loss) (EBIT)	142,196	(5,029)	137,167	13.7%	123,892	(4,292)	119,600	13.3%	14.8%
Income, expenses, valuation and adjustments of financial assets	267	-	267	0.0%	829	-	829	0.1%	-67.8%
Net financial expenses	(15,837)	-	(15,837)	-1.5%	(14,489)	-	(14,489)	-1.5%	-9.3%
Exchange differences, inflation accounting and Fair Value valuation	(1,727)	-	(1,727)	-0.2%	(682)	-	(682)	-0.1%	-153.2%
Profit (loss) before tax	124,899	(5,029)	119,870	12.0%	109,550	(4,292)	105,258	11.8%	14.0%
Tax	(34,815)	1,411	(33,404)	-3.3%	(30,910)	1,109	(29,801)	-3.4%	-12.6%
Profit (loss) from continuing operations	90,084	(3,618)	86,466	8.7%	78,640	(3,183)	75,457	8.4%	14.6%
Profit (loss) from discontinued operations	-	-	-	0.0%	-	1,718	1,718	0.0%	-
Net profit (loss)	90,084	(3,618)	86,466	8.7%	78,640	(1,465)	77,175	8.4%	14.6%
Profit (loss) of minority interests	183	-	183	0.0%	31	-	31	0.0%	490.3%
Net profit (loss) attributable to the Group	89,901	(3,618)	86,283	8.7%	78,609	(1,465)	77,144	8.4%	14.4%

(*) See table at page 14 for details of non-recurring transactions.

(€ thousands)	Second Quarter 2022				Second Quarter 2021				
	Recurring	Non-recurring (*)	Total	% on recurring	Recurring	Non-recurring (*)	Total	% on recurring	Change % on recurring
Revenues from sales and services	541,399	-	541,399	100.0%	503,274	-	503,274	100.0%	7.6%
Operating costs	(396,247)	(1,982)	(398,229)	-73.2%	(369,008)	(1,752)	(370,760)	-73.3%	-7.4%
Other income and costs	2,112	-	2,112	0.4%	557	(136)	421	0.1%	279.2%
Gross operating profit (loss) (EBITDA)	147,264	(1,982)	145,282	27.2%	134,823	(1,888)	132,935	26.8%	9.2%
Depreciation, amortization and impairment losses on non-current assets	(20,989)	-	(20,989)	-3.9%	(19,709)	-	(19,709)	-3.9%	-6.5%
Right-of-use depreciation	(27,558)	-	(27,558)	-5.1%	(23,513)	-	(23,513)	-4.7%	-17.2%
Operating result before the amortization and impairment of PPA related assets (EBITA)	98,717	(1,982)	96,735	18.2%	91,601	(1,888)	89,713	18.2%	7.8%
PPA related depreciation, amortization and impairment	(11,725)	-	(11,725)	-2.1%	(10,657)	-	(10,657)	-2.1%	-10.0%
Operating profit (loss) (EBIT)	86,992	(1,982)	85,010	16.1%	80,944	(1,888)	79,056	16.1%	7.5%
Income, expenses, valuation and adjustments of financial assets	218	-	218	0.0%	842	-	842	0.2%	-74.1%
Net financial expenses	(7,993)	-	(7,993)	-1.4%	(7,327)	-	(7,327)	-1.5%	-9.1%
Exchange differences, inflation accounting and Fair Value valuation	(1,079)	-	(1,079)	-0.2%	(343)	-	(343)	-0.1%	-214.6%
Profit (loss) before tax	78,138	(1,982)	76,156	14.5%	74,116	(1,888)	72,228	14.7%	5.4%
Tax	(20,934)	558	(20,376)	-3.9%	(19,921)	464	(19,457)	-3.9%	-5.1%
Profit (loss) from continuing operations	57,204	(1,424)	55,780	10.6%	54,195	(1,424)	52,771	10.8%	5.6%
Profit (loss) from discontinued operations	-	-	-	0.0%	-	1,106	1,106	0.0%	-
Net profit (loss)	57,204	(1,424)	55,780	10.6%	54,195	(318)	53,877	10.8%	5.6%
Profit (loss) of minority interests	183	-	183	0.0%	7	-	7	0.0%	2514.3%
Net profit (loss) attributable to the Group	57,021	(1,424)	55,597	10.6%	54,188	(318)	53,870	10.8%	5.2%

(*) See table at page 14 for details of non-recurring transactions.

The details of the non-recurring transactions, included in the previous tables, are shown below. More in detail, in addition to the costs stemming from the Bay Audio integration for €2,347 thousand, costs of €1,682 thousand were incurred for the second phase of the GAES integration and a €1 million for donation was made to UNHCR to help Ukraine.

(€ thousands)	H1 2022	H1 2021
BAY AUDIO integration costs	(2,347)	-
GAES integration costs	(1,682)	(2,666)
Donations to UNHCR for emergency in Ukraine	(1,000)	-
Amplifon S.p.A restructuring costs	-	(1,626)
Impact of the non-recurring items on EBITDA	(5,029)	(4,292)
Impact of the non-recurring items on EBIT	(5,029)	(4,292)
Impact of the non-recurring items on profit before tax	(5,029)	(4,292)
Impact of the above items on the tax burden for the period	1,411	1,109
Impact of the non-recurring items on profit from continued operations in the period	(3,618)	(3,183)
Profit (loss) from discontinued operations	-	1,718
Impact of the non-recurring items on net profit	(3,618)	(1,465)

(€ thousands)	Q2 2022	Q1 2021
BAY AUDIO integration costs	(1,347)	-
GAES integration costs	(635)	(1,230)
Donations to UNHCR for emergency in Ukraine	-	-
Amplifon S.p.A restructuring costs	-	(658)
Impact of the non-recurring items on EBITDA	(1,982)	(1,888)
Impact of the non-recurring items on EBIT	(1,982)	(1,888)
Impact of the non-recurring items on profit before tax	(1,982)	(1,888)
Impact of the above items on the tax burden for the period	558	464
Impact of the non-recurring items on profit from continued operations in the period	(1,424)	1,424
Profit (loss) from discontinued operations	-	1,106
Impact of the non-recurring items on net profit	(1,424)	(318)

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)	06/30/2022	12/31/2021	Change
Goodwill	1,743,543	1,681,470	62,073
Customer lists, non-compete agreements, trademarks and location rights	277,280	284,592	(7,312)
Software, licenses, other int.ass., wip and advances	134,902	129,938	4,964
Tangible assets	194,591	186,845	7,746
Right of use assets	458,442	437,377	21,065
Fixed financial assets (1)	10,378	11,923	(1,545)
Other non-current financial assets (1)	41,502	40,436	1,066
Total fixed assets	2,860,638	2,772,581	88,057
Inventories	67,271	62,570	4,701
Trade receivables	179,178	168,680	10,498
Other receivables	103,140	96,761	6,379
Current assets (A)	349,589	328,011	21,578
Total assets	3,210,227	3,100,592	109,635
Trade payables	(294,632)	(242,507)	(52,125)
Other payables (2)	(355,470)	(377,394)	21,924
Provisions for risks (current portion)	(2,155)	(3,282)	1,127
Short term liabilities (B)	(652,257)	(623,183)	(29,074)
Net working capital (A) - (B)	(302,668)	(295,172)	(7,496)
Derivative instruments (3)	11,148	(3,447)	14,595
Deferred tax assets	94,716	85,185	9,531
Deferred tax liabilities	(117,902)	(105,191)	(12,711)
Provisions for risks (non-current portion)	(24,368)	(29,079)	4,711
Employee benefits (non-current portion)	(12,719)	(20,763)	8,044
Loan fees (4)	6,005	7,017	(1,012)
Other long-term payables	(165,432)	(160,733)	(4,699)
NET INVESTED CAPITAL	2,349,418	2,250,398	99,020
Shareholders' equity	976,277	925,178	51,099
Third parties' equity	2,326	2,103	223
Net equity	978,603	927,281	51,322
Long term net financial debt (4)	950,058	1,023,780	(73,722)
Short term net financial debt (4)	(54,760)	(152,594)	97,834
Total net financial debt	895,298	871,186	24,112
Lease liabilities	475,517	451,931	23,586
Total lease liabilities & net financial debt	1,370,815	1,323,117	47,698
NET EQUITY, LEASE LIABILITIES AND NET FINANCIAL DEBT	2,349,418	2,250,398	99,020

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.

The cash flow shown below includes discontinued activities impacts, for further details see paragraph "Cash flow statement".

(€ thousands)	First Half 2022	First Half 2021
EBIT	137,167	121,554
Amortization, depreciation and write-downs	117,921	106,861
Provisions, other non-monetary items and gain/losses from disposals	7,817	6,577
Net financial expenses	(13,850)	(13,543)
Taxes paid	(25,060)	(30,931)
Changes in net working capital	(16,183)	10,702
Cash flow provided by (used in) operating activities before repayment of lease liabilities	207,812	201,220
Repayment of lease liabilities	(52,216)	(45,857)
Cash flow provided by (used in) operating activities (A)	155,596	155,363
Cash flow provided by (used in) operating investing activities (B)	(48,004)	(36,580)
Free Cash Flow (A) + (B)	107,592	118,783
Net cash flow provided by (used in) acquisitions (C)	(31,049)	(46,526)
(Purchase) sale of other investment and securities (D)	-	3,644
Cash flow provided by (used in) investing activities (B+C+D)	(79,053)	(79,462)
Cash flow provided by (used in) operating activities and investing activities	76,543	75,901
Dividends	(58,237)	(49,356)
Treasury Shares	(42,872)	(13,331)
Capital increases, third parties' contributions and dividends paid by subsidiaries to third parties	(67)	(119)
Hedging instruments and other changes in non-current assets	198	154
Net cash flow from the period	(24,435)	13,249
Net financial indebtedness at the beginning of the period	(871,186)	(633,665)
Effect of exchange rate fluctuations on net financial indebtedness	323	(61)
Effect of discontinued operations on net financial indebtedness	-	(52)
Changes in net indebtedness	(24,435)	13,249
Net financial indebtedness at the end of the period	(895,298)	(620,529)

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

(€ thousands)	First Half 2022	First Half 2021
Free cash flow	107,592	118,783
Free cash flow generated by non-recurring transactions (see page 44 for details)	(4,141)	(3,731)
Free cash flow generated by recurring transactions	111,733	122,514

INCOME STATEMENT REVIEW

Consolidated income statement by segment and geographic area

(€ thousands)	First Half 2022				
	EMEA	Americas	Asia Pacific	Corporate	Total
Revenues from sales and services	704,649	180,790	151,493	274	1,037,206
Operating costs	(499,672)	(131,683)	(114,165)	(40,222)	(785,742)
Other income and costs	3,195	(559)	193	795	3,624
Gross operating profit (loss) (EBITDA)	208,172	48,548	37,521	(39,153)	255,088
Depreciation, amortization and impairment of non-current assets	(19,868)	(5,457)	(6,584)	(9,102)	(41,011)
Right-of-use depreciation	(37,548)	(3,716)	(11,280)	(1,131)	(53,675)
Operating profit (loss) before the depreciation and amortization of PPA related assets (EBITA)	150,756	39,375	19,657	(49,386)	160,402
PPA related depreciation, amortization and impairment	(15,466)	(1,632)	(6,096)	(41)	(23,235)
Operating profit (loss) (EBIT)	135,290	37,743	13,561	(49,427)	137,167
Income, expenses, revaluation and adjustments of financial assets					267
Net financial expenses					(15,837)
Exchange differences, inflation accounting and Fair Value valuation					(1,727)
Profit (loss) before tax					119,870
Tax					(33,404)
Profit (loss) from continuing operations					86,466
Profit (loss) from discontinued operations					-
Net profit (loss)					86,466
Profit (loss) of minority interests					183
Net profit (loss) attributable to the Group					86,283

(€ thousands)	First Half 2022 – Only recurring operations				
	EMEA	Americas	Asia Pacific	Corporate	Total
Revenues from sales and services	704,649	180,790	151,493	274	1,037,206
Gross operating profit (loss) (EBITDA)	209,854	48,548	39,868	(38,153)	260,117
Operating profit (loss) before the depreciation and amortization of PPA related assets (EBITA)	152,437	39,375	22,005	(48,386)	165,431
Operating profit (loss) (EBIT)	136,972	37,743	15,908	(48,427)	142,196
Profit (loss) before tax	-	-	-	-	124,899
Profit (loss) from continuing operations	-	-	-	-	90,084
Net profit (loss) attributable to the Group					89,901

(€ thousands)	First Half 2021				
	EMEA	Americas	Asia Pacific	Corporate	Total
Revenues from sales and services	673,954	144,592	113,240	-	931,786
Operating costs	(484,648)	(106,735)	(79,189)	(37,862)	(708,434)
Other income and costs	3,129	41	(385)	312	3,097
Gross operating profit (loss) (EBITDA)	192,435	37,898	33,666	(37,550)	226,449
Depreciation, amortization and impairment of non-current assets	(20,774)	(5,851)	(5,209)	(7,101)	(38,935)
Right-of-use depreciation	(37,067)	(3,055)	(6,155)	(421)	(46,698)
Operating profit (loss) before the depreciation and amortization of PPA related assets (EBITA)	134,594	28,992	22,302	(45,072)	140,816
PPA related depreciation, amortization and impairment	(16,361)	(1,479)	(3,376)	-	(21,216)
Operating profit (loss) (EBIT)	118,233	27,513	18,926	(45,072)	119,600
Income, expenses, revaluation and adjustments of financial assets					829
Net financial expenses					(14,489)
Exchange differences, inflation accounting and Fair Value valuation					(682)
Profit (loss) before tax					105,258
Tax					(29,801)
Profit (loss) from continuing operations					75,457
Profit (loss) from discontinued operations					1,718
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	144,592	113,240	-	931,786
Gross operating profit (loss) (EBITDA)	195,297	37,898	33,666	(36,120)	230,741
Operating profit (loss) before the depreciation and amortization of PPA related assets (EBITA)	137,456	28,992	22,303	(43,643)	145,108
Operating profit (loss) (EBIT)	121,096	27,513	18,926	(43,643)	123,892
Profit (loss) before tax					109,550
Profit (loss) from continuing operations					78,640
Net profit (loss) attributable to the Group					78,609

(€ thousands)	Second Quarter 2022				
	EMEA	Americas	Asia Pacific	Corporate	Total
Revenues from sales and services	364,478	96,769	80,031	121	541,399
Operating costs	(250,927)	(68,326)	(61,075)	(17,901)	(398,229)
Other income and costs	2,212	(565)	234	231	2,112
Gross operating profit (loss) (EBITDA)	115,763	27,878	19,190	(17,549)	145,282
Depreciation, amortization and impairment of non-current assets	(10,132)	(3,021)	(3,137)	(4,699)	(20,989)
Right-of-use depreciation	(18,894)	(1,818)	(6,274)	(572)	(27,558)
Operating profit (loss) before the depreciation and amortization of PPA related assets (EBITA)	86,737	23,039	9,779	(22,820)	96,735
PPA related depreciation, amortization and impairment	(7,762)	(879)	(3,065)	(19)	(11,725)
Operating profit (loss) (EBIT)	78,975	22,160	6,714	(22,839)	85,010
Income, expenses, revaluation and adjustments of financial assets					(218)
Net financial expenses					(7,993)
Exchange differences, inflation accounting and Fair Value valuation					(1,079)
Profit (loss) before tax					76,156
Tax					(20,376)
Profit (loss) from continuing operations					55,780
Profit (loss) from discontinued operations					-
Net profit (loss)					55,780
Profit (loss) of minority interests					183
Net profit (loss) attributable to the Group					55,597

(€ thousands)	Second Quarter 2022 – Only recurring operations				
	EMEA	Americas	Asia Pacific	Corporate	Total
Revenues from sales and services	364,478	96,769	80,031	121	541,399
Gross operating profit (loss) (EBITDA)	116,398	27,878	20,537	(17,549)	147,264
Operating profit (loss) before the depreciation and amortization of PPA related assets (EBITA)	87,372	23,038	11,126	(22,819)	98,717
Operating profit (loss) (EBIT)	79,610	22,160	8,061	(22,839)	86,992
Profit (loss) before tax	-	-	-	-	78,138
Profit (loss) from continuing operations					57,204
Net profit (loss) attributable to the Group	-	-	-	-	57,021

Second Quarter 2021					
(€ thousands)	EMEA	Americas	Asia Pacific	Corporate	Total
Revenues from sales and services	362,870	79,811	60,593	-	503,274
Operating costs	(252,235)	(57,577)	(42,565)	(18,383)	(370,760)
Other income and costs	405	(24)	(254)	294	421
Gross operating profit (loss) (EBITDA)	111,040	22,210	17,774	(18,089)	132,935
Depreciation, amortization and impairment of non-current assets	(10,259)	(2,877)	(2,627)	(3,946)	(19,709)
Right-of-use depreciation	(18,608)	(1,492)	(3,109)	(304)	(23,513)
Operating profit (loss) before the depreciation and amortization of PPA related assets (EBITA)	82,173	17,841	12,038	(22,339)	89,713
PPA related depreciation, amortization and impairment	(8,281)	(691)	(1,685)	-	(10,657)
Operating profit (loss) (EBIT)	73,892	17,150	10,353	(22,339)	79,056
Income, expenses, revaluation and adjustments of financial assets					842
Net financial expenses					(7,327)
Exchange differences, inflation accounting and Fair Value valuation					(343)
Profit (loss) before tax					72,228
Tax					(19,457)
Profit (loss) from continuing operations					52,771
Profit (loss) from discontinued operations					1,106
Net profit (loss)					53,877
Profit (loss) of minority interests					7
Net profit (loss) attributable to the Group					53,870

Second Quarter 2021 – Only recurring operations					
(€ thousands)	EMEA	Americas	Asia Pacific	Corporate	Total
Revenues from sales and services	362,870	79,811	60,593	-	503,274
Gross operating profit (loss) (EBITDA)	112,464	22,210	17,774	(17,625)	134,823
Operating profit (loss) before the depreciation and amortization of PPA related assets (EBITA)	83,597	17,842	12,038	(21,876)	91,601
Operating profit (loss) (EBIT)	75,316	17,150	10,354	(21,876)	80,944
Profit (loss) before tax					74,116
Profit (loss) from continuing operations					54,195
Net profit (loss) attributable to the Group					54,188

Revenues from sales and services

(€ thousands)	First Half 2022	First Half 2021	Change	Change %
Revenues from sales and services	1,037,206	931,786	105,420	11.3%

(€ thousands)	Second Quarter 2022	Second Quarter 2021	Change	Change %
Revenues from sales and services	541,399	503,274	38,125	7.6%

Consolidated revenues from sales and services amounted to €1,037,206 thousand in the first six months of 2022, an increase of €105,420 thousand (+11.3%) compared to the same period of the prior year.

The increase against the first half of 2021 is explained for €40,196 thousand (+4.3%) by organic growth and for €45,103 thousand (+4.8%) by acquisitions. The foreign exchange effect was positive for €20,121 thousand (+2.2%).

The performance was positive across all regions: EMEA recorded a slight increase compared to prior period; in the AMERICAS, USA reported an excellent performance boosted by organic growth, as well as a double-digit growth in revenues; the revenue growth reported in APAC was fueled mainly by the consolidation of the revenues generated by Bay Audio Ltd., acquired in the fourth quarter of 2021.

In the second quarter alone, consolidated revenues from sales and services were €38,125 thousand (+7.6%) higher than in the comparison period, coming in at €541,399 thousand. The increase against the second quarter of 2021 is explained for €2,499 thousand (+0.5%) by organic growth and for €22,672 thousand (+4.5%) by acquisitions. The exchange effect was positive for €12,954 thousand (+2.6%).

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

(€ thousands)	H1 2022	% on Total	H1 2021	% on Total	Change	Change %	Exchange diff.	Change % in local currency
EMEA	704,649	67.9%	673,954	72.3%	30,695	4.6%	2,900	4.1%
Americas	180,790	17.4%	144,592	15.5%	36,198	25.0%	13,512	15.7%
Asia Pacific	151,493	14.7%	113,240	12.2%	38,253	33.8%	3,709	30.6%
Corporate	274	0.0%	-	0.0%	274	0.0%	-	0.0%
Total	1,037,206	100.0%	931,786	100.0%	105,420	11.3%	20,121	9.1%

Europe, Middle-East and Africa

Period (€ thousands)	2022	2021	Change	Change %
I quarter	340,171	311,084	29,087	9.4%
II quarter	364,478	362,870	1,608	0.4%
I Half Year	704,649	673,954	30,695	4.6%

Consolidated revenues from sales and services amounted to €704,649 thousand in the first six months of 2022, an increase of €30,695 thousand (+4.6%) compared to the same period of the prior year, of which €23,310 thousand is attributable to organic growth (+3.5%).

The contribution of acquisitions was positive for €4,485 thousand (+0.7%) and the foreign exchange effect was positive for €2,900 thousand (+0.4%).

A significant growth was recorded in Spain, Portugal, the UK and the Netherlands. France performance was impacted by an anticipated contraction due to the significant structural growth posted in 2021 for the regulatory reform.

In the second quarter alone, consolidated revenues from sales and services amounted to €364,478 thousand, €1,608 thousand (+0.4%) higher than in the comparison period. The difference is explained for €1,788 thousand (+0.5%) by the positive contribution of acquisitions while organic growth was negative by €1,435 thousand (-0.4%). The foreign exchange effect was positive for €1,255 thousand (+0.3%).

Americas

Period (€ thousands)	2022	2021	Change	Change %
I quarter	84,021	64,781	19,240	29.7%
II quarter	96,769	79,811	16,958	21.2%
I Half Year	180,790	144,592	36,198	25.0%

Consolidated revenues from sales and services amounted to €180,790 thousand in the first six months of 2022, an increase of €36,198 thousand (+25.0%).

The increase against the first half of 2021 is explained for €18,709 thousand (+12.9%) by organic growth, driven mainly by the outstanding performance of Miracle-Ear. Acquisitions contributed €3,977 thousand (+2.8%), while the foreign exchange effect was positive for €13,512 thousand (+9.3%).

In addition to the excellent performance reported in the United States, there was also significant growth in Latin America.

In the second quarter alone, consolidated revenues from sales and services amounted to €96,769 thousand, €16,958 thousand (+21.2%) higher than in the comparison period. The increase against the second quarter of 2021 is explained for €6,017 thousand (+7.5%) by organic growth, for €2,049 thousand (+2.6%) by acquisitions, and for €8,892 thousand (+11.1%) by a positive foreign exchange effect.

Asia Pacific

Period (€ thousands)	2022	2021	Change	Change %
I quarter	71,462	52,647	18,815	35.7%
II quarter	80,031	60,593	19,438	32.1%
I Half Year	151,493	113,240	38,253	33.8%

Consolidated revenues from sales and services amounted to €151,493 thousand in the first six months of 2022, an increase of €38,253 thousand (+33.8%) compared to the first half of 2021, explained mainly by acquisitions which contributed €36,367 thousand (+32.1%). The foreign exchange effect was positive for €3,709 thousand (+3.3%) and organic growth was negative for €1,823 thousand (-1.6%).

In the second quarter alone, consolidated revenues from sales and services rose €19,438 thousand (+32.1%) to €80,031 thousand as a result of contribution made by acquisitions (€18,714 thousand), a negative organic growth for €2,083 thousand (-3.4%) and the foreign exchange effect which was positive for €2,807 thousand (+4.6%).

Gross operating profit (EBITDA)

(€ thousands)	First Half 2022			First Half 2021		
	Recurring	Non-recurring	Total	Recurring	Non-recurring	Total
Gross operating profit (loss) (EBITDA)	260,117	(5,029)	255,088	230,741	(4,292)	226,449

(€ thousands)	Second Quarter 2022			Second Quarter 2021		
	Recurring	Non-recurring	Total	Recurring	Non-recurring	Total
Gross operating profit (loss) (EBITDA)	147,264	(1,982)	145,282	134,823	(1,888)	132,935

Gross operating profit (EBITDA) amounted to €255,088 thousand in the first six months of 2022, an increase of €28,639 thousand (+12.6%) with respect to the comparison period. The EBITDA margin came to 24.6%, 0.3 p.p. higher than in the comparison period.

Non-recurring expenses of €5,029 thousand were incurred during the reporting period explained for €2,347 thousand by the integration of Bay Audio, for €1,682 thousand by the second phase of the GAES integration, for €1,000 thousand by the donation made to UNHCR to help Ukraine.

In the first six months of 2021 non-recurring expenses of €4,292 thousand were also incurred. Net of these items, EBITDA would have been €29,376 thousand (+12.7%) higher than in the first six months of 2021 with an increase in the EBITDA margin of +0.3 p.p.

In the second quarter alone, EBITDA amounted to €145,282 thousand (with an EBITDA margin of 26.8%), an increase against the comparison period of €12,347 thousand (+9.3%). The EBITDA margin was +0.4 p.p. higher.

Non-recurring expenses of €1,982 thousand were incurred in the quarter explained for €1,347 thousand by the integration of Bay Audio and for €635 thousand by the second phase of the GAES integration.

The second quarter of 2021 was also impacted by non-recurring expenses of € 1,888 thousand. Net of these items, recurring EBITDA would have been €12,441 thousand (+9.2%) higher than in the second quarter of 2021 with a +0.4 p.p. increase in the EBITDA margin.

The breakdown of EBITDA by region is shown below.

(€ thousands)	H1 2022	EBITDA Margin	H1 2021	EBITDA Margin	Change	Change %
EMEA	208,172	29.5%	192,435	28.6%	15,737	8.2%
Americas	48,548	26.9%	37,898	26.2%	10,650	28.1%
Asia Pacific	37,521	24.8%	33,666	29.7%	3,855	11.5%
Corporate (*)	(39,153)	-3.8%	(37,550)	-4.0%	(1,603)	4.3%
Total	255,088	24.6%	226,449	24.3%	28,639	12.6%

(€ thousands)	Q2 2022	EBITDA Margin	Q2 2021	EBITDA Margin	Change	Change %
EMEA	115,763	31.8%	111,040	30.6%	4,723	4.3%
Americas	27,878	28.8%	22,210	27.8%	5,668	25.5%
Asia Pacific	19,190	24.0%	17,774	29.3%	1,416	8.0%
Corporate (*)	(17,549)	-3.2%	(18,089)	-3.6%	540	-3.0%
Total	145,282	26.8%	132,935	26.4%	12,347	9.3%

(*) 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 2022	EBITDA Margin	H1 2021	EBITDA Margin	Change	Change %
EMEA	209,854	29.8%	195,297	29.0%	14,557	7.5%
Americas	48,548	26.9%	37,898	26.2%	10,650	28.1%
Asia Pacific	39,868	26.3%	33,666	29.7%	6,202	18.4%
Corporate (*)	(38,153)	-3.7%	(36,120)	-3.9%	(2,033)	5.6%
Total	260,117	25.1%	230,741	24.8%	29,376	12.7%

(€ thousands)	Q2 2022	EBITDA Margin	Q2 2021	EBITDA Margin	Change	Change %
EMEA	116,398	31.9%	112,464	31.0%	3,934	3.5%
Americas	27,878	28.8%	22,210	27.8%	5,668	25.5%
Asia Pacific	20,537	25.7%	17,774	29.3%	2,763	15.5%
Corporate (*)	(17,549)	-3.2%	(17,625)	-3.5%	76	-0.4%
Total	147,264	27.2%	134,823	26.8%	12,441	9.2%

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

Europe, Middle-East and Africa

Gross operating profit (EBITDA) amounted to €208,172 thousand in the first six months of 2022, an increase of €15,737 thousand (+8.2%) with respect to the comparison period. The EBITDA margin came to 29.5%, 0,9 p.p. higher than in the first half of 2021.

The result for the first half reflects non-recurring expenses of €1,682 thousand attributable to the second phase of the GAES integration. Non-recurring expenses of €2,862 thousand were also incurred in the first six months of 2021. Net of this item, EBITDA would have been €14,557 thousand (+7.5%) higher than in the first six months of 2021 with the EBITDA margin up +0.8 p.p.

In the second quarter alone, EBITDA amounted to €115,763 thousand, an increase against the comparison period of €4,723 thousand (+4.3%). At 31.8% the EBITDA margin was 1.2 p.p. higher than in the comparison quarter.

The result for the quarter reflects non-recurring expenses of €635 thousand attributable to the second phase of the GAES integration.

The second quarter of 2021 was also impacted by non-recurring expenses of €1,424 thousand. Net of these items, recurring EBITDA would have been €3,934 thousand (+3.5%) higher than in the second quarter of 2021 with the EBITDA margin up +0.9 p.p.

Americas

Gross operating profit (EBITDA) amounted to €48,548 thousand in the first six months of 2022, an increase of €10,650 thousand (+28.1%) with respect to the comparison period. The EBITDA margin came to 26.9%, 0.7 p.p. higher than in the first half of 2021.

In the second quarter alone, EBITDA amounted to €27,878 an increase against the comparison period of €5,668 thousand (+25.5%). The EBITDA margin was 1.0 p.p. higher than in the comparison period, coming in at 28.8%.

Asia Pacific

Gross operating profit (EBITDA) amounted to €37,521 thousand in the first six months of 2022, an increase of €3,855 thousand (+11.5%) with respect to the comparison period. The EBITDA margin came to 24.8%, 4.9 p.p. lower than in the first half of 2021.

The result reflects non-recurring expenses of €2,347 thousand attributable to the integration of Bay Audio. Net of this item, EBITDA would have been €6,202 thousand (+18.4%) higher than in the first six months of 2021 with the EBITDA margin down 3.4 p.p.

In the second quarter alone, EBITDA amounted to €19,190 thousand, an increase against the comparison period of €1,416 thousand (+8.0%).

The EBITDA margin came to 24.0%, 5.3 p.p. lower than in the comparison period.

The result for the reporting period reflects non-recurring expenses of €1,347 thousand relating to the Bay Audio integration. Net of this item, EBITDA would have been €2,763 thousand (+15.5%) higher than in the second quarter of 2021 with the EBITDA margin down 3.6 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 €39,153 thousand in the first six months of 2022 (-3.8% of the revenues generated by the Group's sales and services), a change of €1,603 thousand (+4.3%) with respect to the same period of the prior year.

The result for the reporting period reflects non-recurring corporate costs of €1,000 thousand explained by the donation made to UNHCR to help Ukraine. In the first six months of 2021 non-recurring expenses of €1,430 thousand were also incurred

Net of these items, costs would have been €2,033 thousand (5.6%) higher than in the first six months of 2021 and the margin would have been 0.2 p.p. higher

In the second quarter alone, the corporate costs amounted to €17,549 thousand (-3.2% of the revenues generated by the Group's sales and services), €540 thousand (-3.0%) lower than in the second quarter of 2021.

The result for the comparison quarter was impacted for €464 thousand by non-recurring expenses relating to the corporate restructuring of Amplifon S.p.A.

Net of this item, the costs would have been €76 thousand lower (-0.4%) than in the second quarter of 2021 and the margin would have been +0,3 p.p. higher.

Operating Profit (EBIT)

(€ thousands)	First Half 2022			First Half 2021		
	Recurring	Non-recurring	Total	Recurring	Non-recurring	Total
Operating profit (loss) (EBIT)	142,196	(5,029)	137,167	123,892	(4,292)	119,600

(€ thousands)	Second Quarter 2022			Second Quarter 2021		
	Recurring	Non-recurring	Total	Recurring	Non-recurring	Total
Operating profit (loss) (EBIT)	86,992	(1,982)	85,010	80,944	(1,888)	79,056

Operating profit (EBIT) amounted to €137,167 thousand in the first six months of 2022, an increase of €17,567 thousand (+14.7%) with respect to the comparison period.

The EBIT margin came to 13.2%, an increase of 0.4 p.p. against the comparison period.

The result was impacted for €5,029 thousand by the same non-recurring expenses described in the section on EBITDA. The first six months of 2021 were also impacted by the non-recurring expenses described above in the section on EBITDA. Net of these items, EBIT would have been €18,304 thousand higher (+14.8%) compared to the first six months of 2021, with the EBIT margin rising +0.4 p.p.

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 alone, operating profit (EBIT) amounted to €85,010 thousand (15.7% of revenues from sales and services), an increase against the comparison period of €5.954 thousand (+7.5%).

The EBIT margin came to 15.7%, in line with the same period of 2021.

The result was impacted for €1,982 thousand by the same non-recurring expenses described in the section on EBITDA. The second quarter of 2021 was impacted by non-recurring expenses described in the section on EBITDA.

Net of this item, recurring EBIT would have been €6,048 thousand higher (+7.5%) compared to the second quarter of 2021, with the EBIT margin in line with the prior quarter.

The breakdown of EBIT by segment is shown below.

(€ thousands)	H1 2022	EBIT Margin	H1 2021	EBIT Margin	Change	Change %
EMEA	135,290	19.2%	118,233	17.5%	17,057	14.4%
Americas	37,743	20.9%	27,513	19.0%	10,230	37.2%
Asia Pacific	13,561	9.0%	18,926	16.7%	(5,365)	-28.3%
Corporate (*)	(49,427)	-4.8%	(45,072)	-4.8%	(4,355)	9.7%
Total	137,167	13.2%	119,600	12.8%	17,567	14.7%

(€ thousands)	Q2 2022	EBIT Margin	Q2 2021	EBIT Margin	Change	Change %
EMEA	78,975	21.7%	73,892	20.4%	5,083	6.9%
Americas	22,160	22.9%	17,150	21.5%	5,010	29.2%
Asia Pacific	6,714	8.4%	10,353	17.1%	(3,639)	-35.1%
Corporate (*)	(22,839)	-4.2%	(22,339)	-4.4%	(500)	2.2%
Total	85,010	15.7%	79,056	15.7%	5,954	7.5%

(*) 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 2022	EBIT Margin	H1 2021	EBIT Margin	Change	Change %
EMEA	136,972	19.4%	121,096	18.0%	15,876	13.1%
Americas	37,743	20.9%	27,513	19.0%	10,230	37.2%
Asia Pacific	15,908	10.5%	18,926	16.7%	(3,018)	-15.9%
Corporate (*)	(48,427)	-4.7%	(43,643)	-4.7%	(4,784)	11.0%
Total	142,196	13.7%	123,892	13.3%	18,304	14.8%

(€ thousands)	Q2 2022	EBIT Margin	Q2 2021	EBIT Margin	Change	Change %
EMEA	79,610	21.8%	75,316	20.8%	4,294	5.7%
Americas	22,160	22.9%	17,150	21.5%	5,010	29.2%
Asia Pacific	8,061	10.1%	10,354	17.1%	(2,293)	-22.1%
Corporate (*)	(22,839)	-4.2%	(21,876)	-4.3%	(963)	4.4%
Total	86,992	16.1%	80,944	16.1%	6,048	7.5%

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

Europe, Middle-East and Africa

Operating profit (EBIT) amounted to €135,290 thousand in the first six months of 2022, an increase of €17,057 thousand (+14.4%) with respect to the comparison period. The EBIT margin came to 19.2% (+1.7 p.p. against the first six months of 2021).

The result was impacted for €1,682 thousand by the same non-recurring expenses described above. The first six months of 2021 were also affected by non-recurring expenses of €2,863 thousand.

Net of these items, EBIT would have been €15,876 thousand higher (+13.1%) compared to the first six months of 2021, with the EBIT margin up +1.4 p.p.

In the second quarter alone, EBIT amounted to €78,975 thousand, an increase against the comparison period of €5,083 thousand (+6.9%). The EBIT margin rose by 1.3 p.p. against the comparison period to 21.7%.

The result for the quarter was impacted for €635 thousand by the same non-recurring expenses described in the section on EBITDA. The second quarter of 2021 were also affected by non-recurring expenses of €1,424 thousand.

Net of this item, recurring EBIT would have been €4,294 thousand higher (+5.7%) compared to the second quarter of 2021, with the EBIT margin up +1,0 p.p.

Americas

Operating profit (EBIT) amounted to €37,743 thousand in the first six months of 2022, an increase of €10,230 thousand (+37.2%) with respect to the comparison period. The EBIT margin came to 20.9%, 1.9 p.p. higher than in the first half of 2021. The increase in EBIT was largely in line with the growth seen in EBITDA.

In the second quarter alone, EBIT amounted to €22,160 thousand, an increase against the comparison period of €5,010 thousand (+29.2%). The EBIT margin rose by 1.4 p.p. against the comparison period to 22.9%.

Asia Pacific

Operating profit (EBIT) amounted to €13,561 thousand in the first six months of 2022, a decrease of €5,365 thousand (-28.3%) with respect to the comparison period. The EBIT margin came to 9.0%, 7.7 p.p. lower than in the first half of 2021.

The result was impacted for €2,347 thousand by the same non-recurring expenses described above. Net of this item, EBIT would have been €3,018 thousand lower (-15.9%) compared to the first six months of 2021, with the EBIT margin down 6.2 p.p.

In the second quarter alone, EBIT amounted to €6,714 thousand, a decrease against the comparison period of €3,639 thousand (-35.1%). The EBIT margin fell by 8.7 p.p. against the second quarter of 2021 to 8.4%.

The result for the quarter was impacted for €1,347 thousand by the same non-recurring expenses described above. Net of this item, recurring EBIT would have been €2,293 thousand lower (-22.1%) compared to the second quarter of 2021, with the EBIT margin down 7.0 p.p.

Corporate

The net cost of centralized Corporate functions at the EBIT level amounted to €49,427 thousand in the first six months of 2022 (4.8% of the revenues generated by the Group's sales and services), a change of €4,355 thousand.

The result was impacted for €1,000 thousand by the non-recurring expenses described above. The first half of 2021 was also impacted by non-recurring expenses which amounted to €1,430 thousand.

Net of these items, the costs would have been €4,784 thousand (+11.0%) higher.

In the second quarter alone, the cost of centralized Corporate functions totaled €22,839 thousand (4.2% of the revenues generated by the Group's sales and services), an increase of €500 thousand (+2.2%) against the second quarter of 2021.

The second quarter of 2021 was impacted for €464 thousand by the same non-recurring expenses described in the section on EBITDA.

Net of this item, costs would have been €963 thousand higher (+4.4%) compared to the second quarter of 2021, with the EBIT margin up +0.1 p.p.

Profit before taxes

(€ thousands)	First Half 2022			First Half 2021		
	Recurring	Non-recurring	Total	Recurring	Non-recurring	Total
Profit before taxes	124,899	(5,029)	119,870	109,550	(4,292)	105,258

(€ thousands)	Second Quarter 2022			Second Quarter 2021		
	Recurring	Non-recurring	Total	Recurring	Non-recurring	Total
Profit before taxes	78,138	(1,982)	76,156	74,116	(1,888)	72,228

Profit before tax amounted to €119,870 thousand in the first six months of 2022, showing an increase of €14,612 thousand (+13.9%) against the comparison period, with a gross profit margin of 11.6% (+0.3 p.p. with respect to the comparison period).

Financial expenses have been negatively impacted by inflation accounting on the Argentinian subsidiary and the fact that the comparison period benefitted from a gain following the disposal of the Irish subsidiary. The result for the first half of 2022 was impacted for €5,029 thousand by the same non-recurring costs described above. The first six months of 2021 were also affected by non-recurring expenses of €4,292 thousand. Net of these items profit before tax would have been €15,349 thousand (+14.0%) higher.

In the second quarter alone, where, as mentioned above, financial expenses have been negatively impacted by inflation accounting on the Argentinian subsidiary and the fact that the comparison period benefitted from a gain following the disposal of the Irish subsidiary; profit before tax amounted to €76,156 thousand, an increase against the comparison period of €3,928 thousand (+5.4%). The gross profit margin came to 14.1% (-0.3 p.p. against the comparison period).

The result for the second quarter of 2022 was impacted for €1,982 thousand by the same non-recurring costs described in the section on EBITDA. The second quarter of 2021 were also affected by non-recurring expenses of €1,888 thousand. Net of this item profit before tax would have been €4,022 thousand (+5.4%) higher than in the second quarter of 2021.

Group net profit

(€ thousands)	First Half 2022			First Half 2021		
	Recurring	Non-recurring	Total	Recurring	Non-recurring	Total
Group net profit	89,901	(3,618)	86,283	78,609	(1,465)	77,144

(€ thousands)	Second Quarter 2022			Second Quarter 2021		
	Recurring	Non-recurring	Total	Recurring	Non-recurring	Total
Group net profit	57,021	(1,424)	55,597	54,188	(318)	53,870

The Group's net profit came to €86,283 thousand in the first six months of 2022, an increase of €9,139 thousand (+11.8%) against the comparison period, with a profit margin of 8.3% (+0.0 p.p. against the comparison period).

The result for the reporting period was impacted for €3,618 thousand by the same non-recurring expenses described above, net of the tax effect. The amount reported in the first six months of 2021 net of non-recurring expenses also included the contribution made by discontinued operations of €1,465 thousand.

On a recurring basis, the increase in net profit would have reached €11,292 thousand (+14.4%) with respect to the first six months of 2021, with the profit margin up 0.2 p.p.

The tax rate was 27.9% in the reporting period compared to 28.3% in the first half of 2021.

In the second quarter alone, the Group's net profit came to €55,597 thousand (10.3% of revenues from sales and services), an increase of €1,727 thousand (+3.2%) against the comparison period with the profit margin down 0.4 p.p.

Net of the non-recurring expenses, the increase would have reached €2,833 thousand (-0.2 p.p.).

BALANCE SHEET REVIEW

Consolidated balance sheet by geographical area (*)

(€ thousands)	06/30/2022				
	EMEA	Americas	Asia Pacific	Eliminations	Total
Goodwill	908,836	187,900	646,807	-	1,743,543
Non-competition agreements, trademarks, customer lists and lease rights	189,852	20,979	66,449	-	277,280
Software, licenses, other intangible fixed assets, fixed assets in progress and advances	97,554	27,608	9,740	-	134,902
Tangible assets	142,638	18,092	33,861	-	194,591
Right-of-use assets	371,544	30,289	56,609	-	458,442
Financial fixed assets	3,937	6,441	-	-	10,378
Other non-current financial assets	38,159	2,143	1,200	-	41,502
Non-current assets	1,752,520	293,452	814,666	-	2,860,638
Inventories	51,328	5,648	10,295	-	67,271
Trade receivables	195,644	30,614	19,847	(66,927)	179,178
Other receivables	67,630	26,927	8,792	(209)	103,140
Current assets (A)	314,602	63,189	38,934	(67,136)	349,589
Operating assets	2,067,122	356,641	853,600	(67,136)	3,210,227
Trade payables	(268,953)	(57,264)	(35,342)	66,927	(294,632)
Other payables	(275,193)	(49,536)	(30,950)	209	(355,470)
Provisions for risks and charges (current portion)	(1,669)	(486)	-	-	(2,155)
Current liabilities (B)	(545,815)	(107,286)	(66,292)	67,136	(652,257)
Net working capital (A) - (B)	(231,213)	(44,097)	(27,358)	-	(302,668)
Derivative instruments	11,148	-	-	-	11,148
Deferred tax assets	64,907	18,970	10,839	-	94,716
Deferred tax liabilities	(65,646)	(32,796)	(19,460)	-	(117,902)
Provisions for risks and charges (non-current portion)	(18,298)	(4,546)	(1,524)	-	(24,368)
Liabilities for employees' benefits (non-current portion)	(11,792)	(251)	(676)	-	(12,719)
Loan fees	6,005	-	-	-	6,005
Other non-current liabilities	(148,421)	(14,922)	(2,089)	-	(165,432)
NET INVESTED CAPITAL	1,359,210	215,810	774,398	-	2,349,418
Group net equity					976,277
Minority interests					2,326
Total net equity					978,603
Net medium and long-term financial indebtedness					950,058
Net short-term financial indebtedness					(54,760)
Total net financial indebtedness					895,298
Lease liabilities	381,978	33,016	60,523	-	475,517
Total lease liabilities & net financial indebtedness					1,370,815
NET EQUITY, LEASE LIABILITIES AND NET FINANCIAL INDEBTEDNESS					2,349,418

(*) 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)	12/31/2021				
	EMEA	Americas	Asia Pacific	Eliminations	Total
Goodwill	894,227	166,694	620,549	-	1,681,470
Non-competition agreements, trademarks, customer lists and lease rights	196,789	19,391	68,412	-	284,592
Software, licenses, other intangible fixed assets, fixed assets in progress and advances	91,502	27,521	10,915	-	129,938
Tangible assets	140,362	13,836	32,647	-	186,845
Right-of-use assets	360,625	23,100	53,652	-	437,377
Financial fixed assets	3,968	7,954	-	-	11,923
Other non-current financial assets	37,631	1,808	998	-	40,437
Non-current assets	1,725,104	260,304	787,173	-	2,772,581
Inventories	49,896	5,557	7,117	-	62,570
Trade receivables	166,832	20,334	18,478	(36,964)	168,680
Other receivables	84,542	27,310	7,205	(22,296)	96,761
Current assets (A)	301,270	53,201	32,800	(59,260)	328,011
Operating assets	2,026,374	313,505	819,973	(59,260)	3,100,592
Trade payables	(210,434)	(42,938)	(26,099)	36,964	(242,507)
Other payables	(290,527)	(69,422)	(39,741)	22,296	(377,394)
Provisions for risks and charges (current portion)	(2,804)	(478)	-	-	(3,282)
Current liabilities (B)	(503,765)	(112,838)	(65,840)	59,260	(623,183)
Net working capital (A) - (B)	(202,495)	(59,637)	(33,040)	-	(295,172)
Derivative instruments	(3,447)	-	-	-	(3,447)
Deferred tax assets	67,388	6,796	11,001	-	85,185
Deferred tax liabilities	(65,339)	(19,607)	(20,245)	-	(105,191)
Provisions for risks and charges (non-current portion)	(21,291)	(6,369)	(1,419)	-	(29,079)
Liabilities for employees' benefits (non-current portion)	(19,624)	(375)	(763)	-	(20,762)
Loan fees	7,018	-	-	-	7,018
Other non-current liabilities	(146,630)	(12,386)	(1,716)	-	(160,732)
NET INVESTED CAPITAL	1,340,684	168,726	740,991	-	2,250,401
Group net equity					925,178
Minority interests					2,103
Total net equity					927,281
Net medium and long-term financial indebtedness					1,023,780
Net short-term financial indebtedness					(152,594)
Total net financial indebtedness					871,186
Lease liabilities	369,516	25,496	56,922	-	451,934
Total lease liabilities & net financial indebtedness					1,323,118
NET EQUITY, LEASE LIABILITIES AND NET FINANCIAL INDEBTEDNESS					2,250,401

Non-current assets

Non-current assets amounted to €2,860,638 thousand at 30 June 2022, an increase of €88,057 thousand against the €2,772,581 thousand recorded at 31 December 2021.

The changes in the reporting period are explained (i) for €50,170 thousand by capital expenditure (ii) for €70,235 thousand by the recognition of right-of-use assets acquired in the reporting period; (iii) for €38,276 thousand by acquisitions; (iv) for €117,996 thousand by depreciation, amortization and impairment which includes the amortization of the above leased right-of-use assets; (v) for €47,372 thousand by other net increases relating primarily to positive foreign exchange differences.

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

(€ thousands)	06/30/2022	12/31/2021	Change
EMEA			
Goodwill	908,836	894,227	14,609
Non-competition agreements, trademarks, customer lists and lease rights	189,852	196,789	(6,937)
Software, licenses, other intangible fixed assets, fixed assets in progress and advances	97,554	91,502	6,052
Tangible assets	142,638	140,362	2,276
Right-of-use assets	371,544	360,625	10,919
Financial fixed assets	3,937	3,968	(31)
Other non-current financial assets	38,159	37,631	528
Non-current assets	1,752,520	1,725,104	27,416
Americas			
Goodwill	187,900	166,694	21,206
Non-competition agreements, trademarks, customer lists and lease rights	20,979	19,391	1,588
Software, licenses, other intangible fixed assets, fixed assets in progress and advances	27,608	27,521	87
Tangible assets	18,092	13,836	4,256
Right-of-use assets	30,289	23,100	7,189
Financial fixed assets	6,441	7,954	(1,513)
Other non-current financial assets	2,143	1,808	335
Non-current assets	293,452	260,304	33,148
Asia Pacific			
Goodwill	646,807	620,549	26,258
Non-competition agreements, trademarks, customer lists and lease rights	66,449	68,412	(1,963)
Software, licenses, other intangible fixed assets, fixed assets in progress and advances	9,740	10,915	(1,175)
Tangible assets	33,861	32,647	1,214
Right-of-use assets	56,609	53,652	2,957
Financial fixed assets	-	-	-
Other non-current financial assets	1,200	998	202
Non-current assets	814,666	787,173	27,493
Total	2,860,638	2,772,581	88,057

Europe, Middle-East and Africa

Non-current assets amounted to €1,752,520 thousand at 30 June 2022, an increase of €27,416 thousand against the €1,725,104 thousand recorded at 31 December 2021.

This increase is explained:

- for €48,332 thousand, by right-of-use assets acquired during the year as a result of the renewal of existing leases, network expansion, as well as a new lease for the offices of the Italian subsidiary;
- for €24,663 thousand, by acquisitions made in the period;
- for €20,862 thousand, by investments in plant, property and equipment, relating primarily to the opening of new stores and the renewal of existing ones, as well as the purchase of hardware needed for the Group Information Technology projects detailed below;
- for €16,929 thousand, by investments in intangible assets, relating to the ongoing implementation and standardization of the Group ERP cloud system for back-office functions (Human Resources, Procurement, Administration and Finance), as well as front office systems;
- for €83,232 thousand, by amortization, depreciation and impairment losses, including the amortization and depreciation of the right-of-use assets referred to above;
- for €138 thousand, by other decreases.

Americas

Non-current assets amounted to €293,452 thousand at 30 June 2022, an increase of €33,148 thousand against the €260,304 thousand recorded at 31 December 2021.

This increase is explained:

- for €9,034 thousand, by right-of-use assets acquired during the year as a result of the renewal of existing leases and network expansion;
- for €3,310 thousand, by investments in property, plant and equipment, relating mainly to the opening of stores and the renewal of existing ones, particularly those pertaining to the Latin American subsidiaries;
- for €4,482 thousand, by investments in intangible assets relating mainly to the development of front office IT systems primarily at US subsidiaries;
- for €6,321 thousand, by acquisitions made in the reporting period;
- for €10,805 thousand, by amortization and depreciation, including the amortization and depreciation of the right-of-use assets referred to above;
- for €21,806 thousand, by other changes relating primarily to positive foreign exchange differences due to the strengthening of the US dollar against the Euro.

Asia Pacific

Non-current assets amounted to €814,666 thousand at 30 June 2022, an increase of €27,493 thousand against the €787,173 thousand recorded at 31 December 2021.

This increase is explained:

- for €12,869 thousand, by right-of-use assets acquired during the year as a result of the renewal of existing leases and network expansion, relative primarily to the Australian subsidiaries and, to a lesser degree, the Chinese ones;
- for €7,292 thousand, by acquisitions made in the reporting period;
- for €5,025 thousand, by investments in property, plant and equipment, relating mainly to the opening of stores and the renewal of existing ones, as well as the purchase of the hardware needed to implement IT projects;
- for €562 thousand, by investments in intangible assets;
- for €23,959 thousand, by amortization and depreciation, including the amortization and depreciation of the right-of-use assets referred to above;
- for €25,704 thousand, by other changes relating primarily to positive foreign exchange differences which had the greatest impact on the goodwill of companies in Asia Pacific.

Net invested capital

Net invested capital came to €2,349,418 thousand at 30 June 2022, an increase of €99,017 thousand against the €2,250,401 thousand recorded at 31 December 2021.

This increase is substantially attributable to the change in non-current assets described above.

The breakdown of net invested capital by geographical region is shown below.

(€ thousands)	06/30/2022	12/31/2021	Change
EMEA	1,359,210	1,340,684	18,526
Americas	215,810	168,726	47,084
Asia Pacific	774,398	740,991	33,407
Total	2,349,418	2,250,401	99,017

Europe, Middle East and Africa

Net invested capital came to €1,359,210 thousand at 30 June 2022, an increase of €18,526 thousand against the €1,340,684 thousand recorded at 31 December 2021.

The increase in non-current assets described above was partially offset by a decrease in working capital of €28,718 thousand. The items other than working capital had a positive impact on net invested capital of €19,828 thousand due mainly to an increase in the value of derivatives.

Factoring without recourse in the period involved trade receivables with a face value of €15,179 thousand (€31,044 thousand in the same period of the prior year).

Americas

Net invested capital came to €215,810 thousand at 30 June 2022, an increase of €47,084 thousand against the €168,726 thousand recorded at 31 December 2021.

This increase is explained mainly by the change in non-current assets described above which was supported by the change in working capital.

Asia Pacific

Net invested capital came to €774,398 thousand at 30 June 2022, an increase of €33,407 thousand against the €740,991 thousand recorded at 31 December 2021.

This increase is attributable mainly to the change in non-current assets described above, along with the increase in working capital.

Net financial indebtedness

(€ thousands)	06/30/2022	12/31/2021	Change
Net medium and long-term financial indebtedness	950,058	1,023,780	(73,722)
Net short-term financial indebtedness	157,622	165,771	(8,149)
Cash and cash equivalents	(212,383)	(318,365)	105,982
Net financial indebtedness (A)	895,298	871,186	24,112
Lease liabilities – current portion	100,748	98,665	2,083
Lease liabilities – non-current portion	374,770	353,267	21,503
Lease liabilities (B)	475,518	451,932	23,586
Total lease liabilities & net financial indebtedness (A+B) (C)	1,370,816	1,323,118	47,698
Group net equity (D)	976,277	925,178	51,099
Minority interests	2,326	2,103	223
Net Equity (E)	978,603	927,281	51,322
Financial indebtedness/Group net equity (A/D)	0.92	0.94	
Financial indebtedness/Net equity (A/E)	0.91	0.94	
Financial indebtedness/EBITDA (*)	1.67	1.68	

(*) 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).

Excluding lease liabilities net financial debt amounted to €895,298 thousand at 30 June 2022, an increase of €24,112 thousand compared to 31 December 2021.

In the first half of 2022 the Group confirmed good cash generation, with free cash flow reaching a positive €107,592 thousand (slightly lower than the €118,783 thousand recorded in the first six months of the prior year) after absorbing net capital expenditure of €48,004 thousand (€11,424 thousand higher than in the same period of the prior year). This result made possible to finance €31,049 thousand in acquisitions (€46,526 thousand in the comparison period), pay €58,237 thousand in dividends (€49,356 thousand in the first six months of 2021), and continue with the buyback program (€42,872 thousand versus €13,331 thousand in the comparison period).

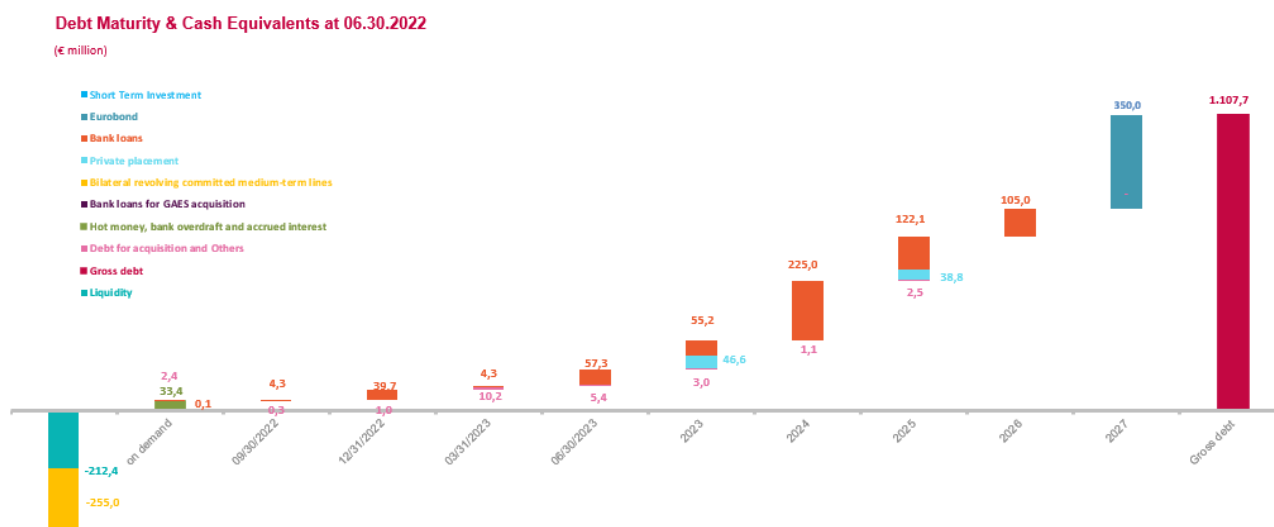
At 30 June 2022, the Group had cash and cash equivalents, as well as other liquid investments, of €212,383 thousand compared to total net financial indebtedness of €895,298 thousand, net of lease liabilities.

Long-term debt amounts to €950,058 thousand, €7,405 thousand of which refers to the long-term portion of deferred payments for acquisitions. The decrease in the period is attributable mainly to the reclassification of portions of bank debt from long- to short-term.

Short-term debt amounts to €157,622 thousand, a decrease of €8,149 thousand. The short-term portion refers primarily to the short-term portion of long-term bank debt (€105,630 thousand), the hot money accounts used to support treasury activities (€20,000 thousand) and other credit lines (€6,848 thousand), the interest payable on the Eurobond (€1,498 thousand) and on the

private placement (€1,615 thousand) and other bank loans and, lastly, the best estimate of the deferred payments for acquisitions (€16,963 thousand).

The chart below shows the debt maturities compared to the €212 million in available cash and cash equivalents and the unutilized portions of irrevocable credit lines which amount to €255 million, as well as the €197 million in other uncommitted credit lines. The total liquidity includes quotas in low-risk money market funds managed by top-tier financial institutions for €50 million.



Interest payable on financial indebtedness amounted to €9,450 thousand at 30 June 2022, €8,819 thousand at 30 June 2021.

Interest payable on leases recognized in accordance with IFRS 16 amounted to €5,535 thousand versus €5,216 thousand at 30 June 2021.

Interest receivable on bank deposits came to €71 thousand at 30 June 2022 versus €76 thousand at 30 June 2021.

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

CASH FLOW STATEMENT

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. The reclassified statement of cash flow below includes impacts of discontinued operations (business “Elite”). For further details, please refer to note 15.

(€ thousands)	First six months 2022	First six months 2021
OPERATING ACTIVITIES		
Net profit (loss) attributable to the Group	86,283	77,144
Minority interests	183	31
<i>Amortization, depreciation and impairment:</i>		
- Intangible fixed assets	38,807	35,325
- Tangible fixed assets	25,439	24,283
- Right-of-use assets	53,675	47,253
Total amortization, depreciation and impairment	117,921	106,861
Provisions, other non-monetary items and gain/losses from disposals	7,817	6,577
Group's share of the result of associated companies	(267)	(9)
Financial income and charges	17,568	14,012
Current and deferred income taxes	33,404	30,374
<i>Change in assets and liabilities:</i>		
- Utilization of provisions	(6,037)	(4,801)
- (Increase) decrease in inventories	(2,695)	(2,201)
- Decrease (increase) in trade receivables	(5,501)	(2,879)
- Increase (decrease) in trade payables	47,176	22,684
- Changes in other receivables and other payables	(49,126)	(2,100)
Total change in assets and liabilities	(16,183)	10,703
Dividends received	340	-
Net interest charges	(14,194)	(13,542)
Taxes paid	(25,060)	(30,931)
Cash flow provided by (used in) operating activities before repayment of lease liabilities	207,812	201,220
Repayment of lease liabilities	(52,216)	(45,857)
Cash flow generated from (absorbed) by operating activities	155,596	155,363
INVESTING ACTIVITIES:		
Purchase of intangible fixed assets	(20,973)	(19,143)
Purchase of tangible fixed assets	(29,197)	(19,510)
Consideration from sale of tangible fixed assets and businesses	2,166	2,073
Cash flow generated from (absorbed) by investing activities	(48,004)	(36,580)
Cash flow generated from operating and investing activities (Free cash flow)	107,592	118,783
Business combinations (*)	(31,049)	(46,526)
(Purchase) sale of other investments and securities	-	3,644
Net cash flow generated from acquisitions	(31,049)	(42,882)
Cash flow generated from (absorbed) by investing activities	(79,053)	(79,462)

(€ thousands)	First six months 2022	First six months 2021
FINANCING ACTIVITIES:		
Other non-current assets	198	154
Treasury shares	(42,872)	(13,331)
Dividends	(58,237)	(49,356)
Capital increases, third parties' contributions and dividends paid by subsidiaries to third parties	(67)	(119)
Cash flow generated from (absorbed) by financing activities	(100,978)	(62,652)
Changes in net financial indebtedness	(24,435)	13,249
Net financial indebtedness at the beginning of the period	(871,186)	(633,665)
Effect of disposal operations on net financial indebtedness	-	(52)
Effect of exchange rate fluctuations on net financial indebtedness	323	(61)
Changes in net indebtedness	(24,435)	13,249
Net financial indebtedness at the end of the period	(895,298)	(620,529)

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

The change in net financial indebtedness of €24,435 thousand is attributable to:

- (i) Investing activities:
 - capital expenditure on property, plant and equipment and intangible assets of €50,170 thousand relating primarily to ongoing implementation and standardization of the Group cloud based ERP system, new front-office solutions and network expansion.
 - acquisitions amounting to €31,049 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;
 - net proceeds from the disposal of assets of €2,166 thousand.
- (ii) Operating activities:
 - interest payable on financial indebtedness and other net financial expenses of €14,194 thousand;
 - payment of taxes amounting to €25,060 thousand;
 - payment of principle on lease obligations of €52,216 thousand;
 - cash flow generated by operations of €247,065 thousand.
- (iii) financing activities:
 - dividends distribution of €58,237 thousand;
 - purchase of €42,872 thousand in treasury shares;
 - net proceeds from other financial assets of €198 thousand relating mainly to reimbursement on active financing;
 - €67 thousand dividends paid to third parties
- (iv) Net debt was also impacted by exchange gains of €323 thousand.

Non-recurring transactions had a negative impact on cash flow of €4,141 thousand in the first six months of 2022 attributable for €1,000 thousand to the costs for charitable donation to the UNHCR for the Ukraine emergency, and €1,594 thousand to the costs incurred for the second part of GAES Integration and €1,547 thousand to the acquisition related cost for Bay Audio acquisition.

ACQUISITION OF COMPANIES AND BUSINESSES

The Group's external growth continued in the first six months of 2022, 75 points of sale were acquired for a total investment of €31.049 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 three months:

- 29 points of sale were acquired in Germany
- 19 points of sale were acquired in China;
- 9 points of sale were acquired in France;
- 7 points of sale were acquired in Canada;
- 4 points of sale were acquired in the United States;
- 4 points of sale were acquired in Belgium;
- 2 points of sale were acquired in Ecuador;
- a point of sale was acquired in Switzerland.

OUTLOOK

In a general environment characterized by increasing volatility and uncertainty, the Group achieved results in the first half of 2022 overall in line with expectations.

Looking into the second half of 2022:

- a still high comparison base is expected in the third quarter, then easing in the fourth quarter;
- French hearing care market is expected to develop in line with the Group's FY 2022 expectations previously disclosed (namely a 5-10% market contraction due to the significant structural growth reported in 2021 as a result of the regulatory reform);
- Covid negative impact across APAC markets is still today affecting consumers and staff.

The Group also expects to be in the ideal position to continue to grow faster than the reference market also in the second half of the year and to further strengthen its global leadership in any possible scenario.

In light of the above, under the assumption of no further global economic activity slowdown due to, among others, the well-known pandemic, geopolitical (also with reference to Ukraine conflict) and inflation related issues, we are positive on our previously issued FY 2022 outlook.

Milan, June 28th, 2022

CEO
Enrico Vita

**CONDENSED INTERIM CONSOLIDATED FINANCIAL
STATEMENTS AS AT 30 JUNE 2022**

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (*)

(€ thousands)		06/30/2022	12/31/2021	Change
ASSETS				
<u>Non-current assets</u>				
Goodwill	Note 3	1,743,543	1,681,470	62,073
Intangible fixed assets with finite useful life	Note 4	412,183	414,531	(2,348)
Tangible fixed assets	Note 5	194,591	186,845	7,746
Right-of-use assets	Note 6	458,442	437,377	21,065
Equity-accounted investments		2,057	2,133	(76)
Hedging instruments		31,708	10,983	20,725
Deferred tax assets		94,716	85,185	9,531
Contract costs		10,459	9,452	1,007
Other assets		39,363	40,773	(1,410)
Total non-current assets		2,987,062	2,868,749	118,313
<u>Current assets</u>				
Inventories		67,271	62,570	4,701
Trade receivables		179,179	168,680	10,499
Contract costs		5,249	5,187	62
Other receivables		97,873	91,555	6,318
Hedging instruments		8	168	(160)
Other financial assets		49,958	49,836	122
Cash and cash equivalents	Note 8	162,443	268,546	(106,103)
Total current assets		561,981	646,542	(84,561)
TOTAL ASSETS		3,549,043	3,515,291	33,752

(€ thousands)		06/30/2022	12/31/2021	Change
LIABILITIES				
Net Equity				
Share capital	Note 7	4,528	4,528	-
Share premium reserve		202,712	202,712	-
Treasury shares		(69,812)	(28,841)	(40,971)
Other reserves		52,650	(5,272)	57,922
Retained earnings		699,916	594,266	105,650
Profit (loss) for the period		86,283	157,785	(71,502)
Group net equity		976,277	925,178	51,099
Minority interests		2,326	2,103	223
Total net equity		978,603	927,281	51,322
Non-current liabilities				
Medium/long-term financial liabilities	Note 9	958,767	1,010,585	(51,818)
Lease liabilities	Note 11	374,770	353,267	21,503
Provisions for risks and charges	Note 10	24,368	29,079	(4,711)
Liabilities for employees' benefits		12,719	20,762	(8,043)
Hedging instruments		-	2,531	(2,531)
Deferred tax liabilities		117,902	105,191	12,711
Payables for business acquisitions		7,405	19,571	(12,166)
Contract liabilities		147,942	144,414	3,528
Other long-term liabilities		17,489	16,318	1,171
Total non-current liabilities		1,661,362	1,701,718	(40,356)
Current liabilities				
Trade payables		294,631	242,507	52,124
Payables for business acquisitions		16,963	12,667	4,296
Contract liabilities		114,711	107,414	7,297
Tax liabilities		61,686	54,537	7,149
Other payables		177,118	211,475	(34,357)
Hedging instruments		876	552	324
Provisions for risks and charges	Note 10	2,155	3,282	(1,127)
Liabilities for employees' benefits		3,539	4,081	(542)
Short-term financial liabilities	Note 9	136,651	151,112	(14,461)
Lease liabilities	Note 11	100,748	98,665	2,083
Total current liabilities		909,078	886,292	22,786
TOTAL LIABILITIES		3,549,043	3,515,291	33,752

(*) Transactions with related parties have not been reported separately because not material both at single entity and at consolidated level. Please refer to note 18 for more details.

CONSOLIDATED INCOME STATEMENT (*)

(€ thousands)	First Half 2022			First Half 2021			Change	
	Recurring	Non-recurring	Total	Recurring	Non-recurring	Total		
Revenues from sales and services	Note 12	1,037,206	-	1,037,206	931,786	-	931,786	105,420
Operating costs	Note 13	(780,764)	(4,978)	(785,742)	(704,278)	(4,156)	(708,434)	(77,308)
Other income and costs		3,675	(51)	3,624	3,233	(136)	3,097	527
Gross operating profit (EBITDA)		260,117	(5,029)	255,088	230,741	(4,292)	226,449	28,639
Amortization, depreciation and impairment								
Amortization of intangible fixed assets	Note 4	(38,831)	-	(38,831)	(35,074)	-	(35,074)	(3,757)
Depreciation of tangible fixed assets	Note 5	(25,252)	-	(25,252)	(23,237)	-	(23,237)	(2,015)
Right-of-use depreciation	Note 6	(53,675)	-	(53,675)	(46,698)	-	(46,698)	(6,977)
Impairment losses and reversals of non-current assets		(163)	-	(163)	(1,840)	-	(1,840)	1,677
		(117,921)	-	(117,921)	(106,849)	-	(106,849)	(11,072)
Operating result		142,196	(5,029)	137,167	123,892	(4,292)	119,600	17,567
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		267	-	267	(568)	-	(568)	835
Other income and expenses, impairment and revaluations of financial assets		-	-	-	1,397	-	1,397	(1,397)
Interest income and expenses		(9,379)	-	(9,379)	(8,743)	-	(8,743)	(636)
Interest expenses on lease liabilities		(5,535)	-	(5,535)	(5,216)	-	(5,216)	(319)
Other financial income and expenses		(923)	-	(923)	(530)	-	(530)	(393)
Exchange gains and losses		(277)	-	(277)	(794)	-	(794)	517
Gain (loss) on assets accounted at fair value		(1,450)	-	(1,450)	112	-	112	(1,562)
		(17,297)	-	(17,297)	(14,342)	-	(14,342)	(2,955)
Profit (loss) before tax		124,899	(5,029)	119,870	109,550	(4,292)	105,258	14,612
Current and deferred income tax								
Current tax		(39,387)	1,411	(37,976)	(32,223)	1,109	(31,114)	(6,862)
Deferred tax		4,572	-	4,572	1,313	-	1,313	3,259
		(34,815)	1,411	(33,404)	(30,910)	1,109	(29,801)	(3,603)
Profit (loss) from continuing operations		90,084	(3,618)	86,466	78,640	(3,183)	75,457	11,009
Profit (loss) from discontinued operations		-	-	-	-	1,718	1,718	(1,718)
Net profit (loss)		90,084	(3,618)	86,466	78,640	(1,465)	77,175	9,291
Net profit (loss) attributable to Minority interests		183	-	183	31	-	31	152
Net profit (loss) attributable to the Group		89,901	(3,618)	86,283	78,609	(1,465)	77,144	9,139

(*) Transactions with related parties have not been reported separately because not material both at single entity and at consolidated level. Please refer to note 18 for more details.

Earnings per share (€ per share)	Note 17	First Half 2022	First Half 2021
Earnings per share			
- Basic		0.38474	0.34337
- Diluted		0.37992	0.33947

STATEMENT OF CONSOLIDATED COMPREHENSIVE INCOME

(€ thousands)	First Half 2022	First Half 2021
Net income (loss) for the period	86,466	77,175
Other comprehensive income (loss) that will not be reclassified subsequently to profit or loss:		
Remeasurement of defined benefit plans	7,742	2,327
Tax effect on items of other comprehensive income (expense) that will not be reclassified subsequently to profit or loss	(1,363)	(303)
Total other comprehensive income (loss) that will not be reclassified subsequently to profit or loss after the tax effect (A)	6,379	2,024
Other comprehensive income (loss) that will be reclassified subsequently to profit or loss		
Gains/(losses) on cash flow hedging instruments	14,441	2,625
Gains/(losses) from Foreign Currency Basis Spread on hedging instruments	742	(26)
Gains/(losses) on exchange differences from translation of financial statements of foreign entities	31,051	5,315
Tax effect on components of other comprehensive income that will be reclassified subsequently to profit or loss	(3,644)	(538)
Total other comprehensive income (loss) that will be reclassified subsequently to profit or loss after the tax effect (B)	42,590	7,376
Total other comprehensive income (loss) (A)+(B)	48,969	9,400
Comprehensive income (loss) for the period	135,435	86,575
Attributable to the Group	135,144	86,523
Attributable to Minority interests	291	52

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 2021 as reported	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 changes</i>						
Total comprehensive income (expense) for the period						
- <i>Hedge accounting</i>						
- <i>Actuarial gains (losses)</i>						
- <i>Deferred Tax recognized in net equity</i>						
- <i>Translation differences</i>						
- <i>Profit for the first half of 2021</i>						
Balance at 30 June 2021	4,528	202,712	934	3,636	(18,252)	34,531
(€ thousands)	Share capital	Share premium reserve	Legal reserve	Other reserves	Treasury shares reserve	Stock option and stock grant reserve
Balance at 1 January 2022	4,528	202,712	934	3,636	(28,841)	38,566
Allocation of profit (loss) for 2021						
Share capital increase						
Treasury shares					(42,872)	
Dividend distribution						
Notional cost of stock options and stock grants						8,667
Other changes					1,901	394
- <i>Stock Grant</i>					1,901	394
- <i>Inflation accounting</i>						
- <i>Other changes</i>						
Total comprehensive income (expense) for the period						
- <i>Hedge accounting</i>						
- <i>Actuarial gains (losses)</i>						
- <i>Deferred Tax recognized in net equity</i>						
- <i>Translation difference</i>						
- <i>Profit for the first half of 2022</i>						
Balance at 30 June 2022	4,528	202,712	934	3,636	(69,812)	47,627

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

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
(1,033)	(993)	(7,010)	594,266	(39,372)	157,785	925,178	2,103	927,281
			157,785		(157,785)	-		-
						-		-
						(42,872)		(42,872)
			(58,237)			(58,237)		(58,237)
						8,667		8,667
			6,102			8,397	(68)	8,329
			(1,006)			1,289		1,289
			7,256			7,256		7,256
			(148)			(148)	(68)	(216)
10,975	564	6,379		30,943	86,283	135,144	291	135,435
10,975	564					11,539		11,539
		6,379				6,379		6,379
						-		-
				30,943		30,943	108	31,051
					86,283	86,283	183	86,466
9,942	(429)	(631)	699,916	(8,429)	86,283	976,277	2,326	978,603

STATEMENT OF CONSOLIDATED CASH FLOWS

(€ thousands)	First Half 2022	First Half 2021
OPERATING ACTIVITIES		
Net profit (loss)	86,466	77,175
Amortization, depreciation and impairment:		
- intangible fixed assets	38,807	35,324
- tangible fixed assets	25,439	24,283
- right-of-use assets	53,675	47,254
Provisions, other non-monetary items and gain/losses from disposals	7,817	6,577
Group's share of the result of associated companies	(267)	(9)
Financial income and expenses	17,568	14,012
Current and deferred taxes	33,404	30,374
Cash flow from operating activities before change in working capital	262,909	234,990
Utilization of provisions	(6,036)	(4,801)
(Increase) decrease in inventories	(2,695)	(2,200)
Decrease (increase) in trade receivables	(5,501)	(2,879)
Increase (decrease) in trade payables	47,176	22,684
Changes in other receivables and other payables	(49,126)	(2,101)
Total change in assets and liabilities	(16,182)	10,703
Dividends received	340	-
Interest received (paid)	(16,709)	(16,043)
Taxes paid	(25,059)	(30,931)
Cash flow generated from (absorbed by) operating activities (A)	205,299	198,719
INVESTING ACTIVITIES:		
Purchase of intangible fixed assets	(20,973)	(19,143)
Purchase of tangible fixed assets	(29,197)	(19,510)
Consideration from sale of non-current assets	2,166	2,073
Cash flow generated from (absorbed by) operating investing activities (B)	(48,004)	(36,580)
Purchase of subsidiaries and business units net of cash and cash equivalents acquired or dismissed	(31,049)	(46,526)
Increase (decrease) in payables for business acquisitions	(9,210)	4,138
(Purchase) sale of other investments and securities	-	3,644
Cash flow generated from (absorbed by) acquisition activities (C)	(40,259)	(38,744)
Cash flow generated from (absorbed by) investing activities (B+C)	(88,263)	(75,324)
FINANCING ACTIVITIES:		
Increase (decrease) in financial payables	(72,362)	(56,903)
(Increase) decrease in financial receivables	(57)	(30,855)
Principal portion of lease payments	(52,216)	(45,856)
Other non-current assets and liabilities	198	154
Dividend distributed	(58,237)	(49,356)
Treasury shares purchase	(42,872)	(13,331)
Capital increases and minority shareholders' contributions and dividends paid to third parties by subsidiaries	(67)	(119)
Cash flow generated from (absorbed by) financing activities (D)	(225,613)	(196,266)
Net increase in cash and cash equivalents (A+B+C+D)	(108,577)	(72,871)

(€ thousands)	First Half 2022	First Half 2021
Cash and cash equivalents at beginning of period	268,546	545,027
Effect of exchange rate fluctuations on cash & cash equivalents	2,474	387
Flows of cash and cash equivalents	(108,577)	(72,871)
Cash and cash equivalents at end of period	162,443	472,543

Related-party transactions relate to lease 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 costs and loans. Such transactions are detailed in Note 18. The impact of related-party transactions is immaterial at Group level, so they are not specifically reported in the statement of consolidated cash flow.

SUPPLEMENTARY INFORMATION TO THE STATEMENT OF CONSOLIDATED CASH FLOWS

The fair values of the assets and liabilities acquired are summarized in the table below:

(€ thousands)	First Half 2022	First Half 2021
- Goodwill	24,915	31,503
- Customer lists	10,663	15,118
- Trademarks, licenses and non-competition agreements	80	1
- Other intangible fixed assets	181	301
- Tangible fixed assets	1,175	3,223
- Right-of-use assets	1,239	4,521
- Current assets	3,251	5,678
- Provisions for risks and charges	-	(1,041)
- Current liabilities	(4,101)	(8,390)
- Other non-current assets and liabilities	(4,271)	(7,195)
- Third parties equity	-	3,076
Total investments	33,132	46,795
Net financial debt acquired	310	1,930
Total business combinations	33,442	48,725
(Increase) decrease in payables through business acquisition	9,210	(4,138)
Purchase (sale) of other investments and securities	-	(3,644)
Cash flow absorbed by (generated from) acquisitions	42,652	40,943
(Cash and cash equivalents acquired)	(2,393)	(2,199)
Net cash flow absorbed by (generated from) acquisitions	40,259	38,744

NOTES

1. General Information

The Amplifon Group is 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% as at 30 June 2022), held 100% by Amplifin S.p.A. which is fully controlled by Susan Carol Holland.

The condensed interim consolidated financial statements at 30 June 2022 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 2022. 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 2022 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 2021.

The publication of the condensed interim consolidated financial statements of the Amplifon Group at 30 June 2022 was authorized by a resolution of the Board of Directors of 28 July 2022 which approved their publication.

Pursuant to the Consob Communication of 28 July 2006, it is specified that during the first six months of 2022 the Group did not carry out atypical and/or unusual transactions, as defined by the Communication itself.

2. Impacts of conflict in Ukraine and COVID-19 emergency on the Group's performance and financial position

The Group has no business activities in either Ukraine or Russia. The military conflict in Ukraine, therefore, currently has no impact on the Group's performance or business.

With regard to Covid-19 pandemic, in the first half of 2022 a positive performance was reported across all the Group's geographies despite a few local restrictive measures that were still in place which confirms the resiliency of the business.

The Group continued to benefit, albeit to a much smaller degree, from the subsidies and relief made available by the different governmental authorities and the concessions on leases, but also continued to incur a series of costs attributable directly to the crisis.

The impact on the income statement and cash flow in the reporting period broken down by type of benefit/expense is shown below.

(€ thousands)	Impact of Covid-19 in the first half of 2022	
	Profit & Loss	Cash Flow
CONTRIBUTIONS RECEIVED/COSTS INCURRED		
Subsidies received from the governmental authorities and other public entities	314	913
- For the cost of labor	272	42
- Other business assistance	42	242
- Tax credits, other exemptions and delays in tax payments and pension contributions	-	629
Lease concessions received from landlords	208	99
Costs tied directly to the crisis	(245)	(173)
- Costs of personal protective equipment	(208)	(136)
- Costs incurred to sanitize offices and stores	(30)	(30)
- Costs incurred for consultancies (virologists and other experts, smart working, social plans)	(6)	(6)
- Costs for advertising and communication targeting customers	(1)	(1)
Cost of labor for personnel of closed stores not covered by social plans	(13)	(13)

3. Acquisitions and goodwill

The Group's external growth continued in the first six months of 2022 with a series of acquisitions aimed at increasing coverage: more in detail, 43 points of sale were purchased in EMEA, 19 in Asia Pacific and 13 in Americas.

The total investment, including the indebtedness consolidated and the best estimate of the net change in the earn-out linked to sales and profitability targets payable over the next few years, amounted to €31,049 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 groups of Cash Generating Units.

(€ thousands)	Value at 12/31/2021	Business combinations	Disposals	Impairment	Other net changes	Net carrying value at 06/30/2022
EMEA	894,228	14,437	-	-	172	908,837
AMERICAS	166,693	5,355	-	-	15,851	187,899
APAC	620,549	5,123	-	-	21,135	646,807
Total	1,681,470	24,915	-	-	37,158	1,743,543

“Business combinations” refers to the temporary allocation to goodwill of the portion of the purchase price paid, including deferrals and contingent consideration (earn-outs), 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.

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

Identification of the Groups of Cash Generating Units

For the purposes of monitoring the recoverable value, 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 allocated to the groups of Cash Generating Units and the methods used to determine these groups are the same as those applied to the financial Statements as at 31 December 2021.

The groups of Cash Generating Units recognized are:

- EMEA which includes Italy, France, the Netherlands, Germany, Belgium, 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 and Managed Care) and the countries (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 2021 the management's evaluations were made 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 2021.

The Group tests for impairment of goodwill once a year and in the event of any impairment indicators.

The results recorded at 30 June were, overall, in line with the budget, but lower in EMEA and APAC (mainly in the latter part of the half). This decline was largely offset by the good performances recorded in the Americas and greater corporate efficiencies. The global market conditions also changed as a result of rising interest rates and inflation which led to downward revisions in the expectations for general economic growth.

With regard to the first point, the results for the first half were, however, higher than in the prior year across all geographies, including EMEA and APAC, with cash generation maintained at a very high level. More specifically, the Group's management believes that any deviations from the budget targets reported in EMEA and APAC will be recovered, at least partially, in the second part of the year. The budget for the year was also very challenging, particularly in the second quarter, and, at this point, has been confirmed for the full year. Moreover, when the impairment tests were carried out at 12/31/2021, it was clear that there was ample headroom to absorb any flows which might be under budget and was decidedly higher than any deviations recorded in the first half in the two regions mentioned above.

With regard to the second point, sensitivity analyses were carried out of the parameters used to determine the recoverable value of the groups of Cash Generating Units. More specifically, the impact on changes (increases) in interest rates and WACC were assessed. More in detail, the impact on the existing headroom of a change (increase) in interest rates and the WACC and the effect of a drop in the growth expected to be seen in the future ("G").

The following assumptions were subject to sensitivity analyses:

- deviations from business plan targets;
- change (increase) in interest rates and the WACC;
- change (decrease) in the perpetual growth rates.

The results obtained showed that there was still very ample headroom for all the groups of Cash Generating Units in the changed scenario and, therefore, no impairment indicators were found and new impairment tests were not conducted at 30 June 2022. For more information on the impairment tests conducted at 12/31/2021 refer to the 2021 Annual Report.

A summary of the book value and the fair value of assets and liabilities, deriving from the temporary allocation of the purchase price made as a result of business combinations and the purchase of minority interests in subsidiaries, is provided in the following table.

(€ thousands)	EMEA	Americas	APAC	Total
Cost of acquisitions of the period	20,887	5,370	6,874	33,131
Assets and liabilities acquired – Book value				
Current assets	580	278	-	858
Current liabilities	(1,973)	(440)	(39)	(2,452)
Net working capital	(1,393)	(162)	(39)	(1,594)
Other intangible, tangible and right-of-use assets	2,142	278	176	2,596
Provisions for risks and charges	-	-	-	-
Other non-current assets and liabilities	(1,117)	(92)	-	(1,209)
Non-current assets and liabilities	1,025	186	176	1,387
Net invested capital	(368)	24	137	(207)
Minority interests	-	-	-	-
Net financial position	2,083	-	-	2,083
NET EQUITY ACQUIRED - BOOK VALUE	1,715	24	137	1,876
DIFFERENCE TO BE ALLOCATED	19,172	5,346	6,737	31,255
ALLOCATIONS				
Trademarks and licenses	80	-	-	80
Non-competition agreements	-	-	-	-
Customer lists	7,983	688	1,992	10,663
Contract liabilities - Short and long-term	(2,570)	(697)	-	(3,267)
Deferred tax assets	2,012	64	-	2,076
Deferred tax liabilities	(2,770)	(64)	(378)	(3,212)
Total allocations	4,735	(9)	1,614	6,340
GOODWILL	14,437	5,355	5,123	24,915

4. Intangible fixed assets with finite useful life

The following table shows the changes in intangible assets.

(€ thousands)	Historical cost at 12/31/2021	Accumulated amortization and write- downs at 12/31/2021	Net book value at 12/31/2021	Historical cost at 06/30/2022	Accumulated amortization and write- downs at 06/30/2022	Net book value at 06/30/2022
Software	195,983	(117,195)	78,788	219,591	(134,299)	85,292
Licenses	22,508	(16,669)	5,839	22,591	(17,485)	5,106
Non-competition agreements	13,262	(3,860)	9,402	14,391	(5,881)	8,510
Customer lists	438,617	(224,188)	214,429	454,540	(243,084)	211,456
Trademarks and concessions	96,853	(36,485)	60,368	97,702	(40,735)	56,967
Other	24,816	(12,484)	12,332	26,209	(14,282)	11,927
Fixed assets in progress and advances	33,373	-	33,373	32,925	-	32,925
Total	825,412	(410,881)	414,531	867,949	(455,766)	412,183

(€ thousands)	Net book value at 12/31/2021	Investments	Disposals	Amortization	Business combinations	Impairment	Other net changes	Net book value at 06/30/2022
Software	78,788	6,001	2	(13,683)	3	-	14,181	85,292
Licenses	5,839	198	(6)	(1,108)	80	-	103	5,106
Non-competition agreements	9,402	434	-	(1,899)	-	-	573	8,510
Customer lists	214,429	-	-	(17,301)	10,663	-	3,665	211,456
Trademarks and concessions	60,368	-	-	(3,977)	-	-	576	56,967
Other	12,332	312	(69)	(863)	27	-	188	11,927
Fixed assets in progress and advances	33,373	14,028	(183)	-	152	25	(14,470)	32,925
Total	414,531	20,973	(256)	(38,831)	10,925	25	4,816	412,183

The investments in intangible fixed assets recorded in the reporting period (€20,973 thousand) is mainly attributable to the ongoing implementation and standardization of the Group cloud based ERP system for back office functions (HR, Procurement, Administration and Finance), as well as the development of front office systems.

The change in “business combinations” comprises:

- for €8,091 thousand, the temporary allocation of the price paid for acquisitions made in EMEA;
- for €1,992 thousand, the temporary allocation of the price paid for acquisitions made in APAC;
- for €842 thousand, the temporary allocation of the price paid for acquisitions made in Americas.

“Other net changes” is explained by foreign exchange differences recorded in the reporting period and the reclassification of work in progress completed in the period.

5. Tangible fixed assets

The following table shows the changes in tangible fixed assets.

(€ thousands)	Historical cost at 12/31/2021	Accumulated amortization and write- downs at 12/31/2021	Net book value at 12/31/2021	Historical cost at 06/30/2022	Accumulated amortization and write- downs at 06/30/2022	Net book value at 06/30/2022
Land	219	-	219	231	-	231
Buildings, constructions and leasehold improvements	290,394	(197,365)	93,029	301,799	(207,133)	94,664
Plant and machines	62,620	(47,363)	15,257	62,784	(47,838)	14,946
Industrial and commercial equipment	59,791	(45,961)	13,830	63,572	(49,294)	14,278
Motor vehicles	2,643	(2,140)	503	2,269	(1,931)	338
Computers and office machinery	72,845	(58,136)	14,709	78,857	(62,038)	16,819
Furniture and fittings	126,417	(90,869)	35,548	130,625	(95,210)	35,415
Other tangible fixed assets	3,205	(1,412)	1,793	2,991	(1,316)	1,675
Fixed assets in progress and advances	11,957	-	11,957	16,225	-	16,225
Total	630,091	(443,246)	186,845	659,353	(464,760)	194,591

(€ thousands)	Net book value at 12/31/2021	Investments	Disposals	Depreciation	Business combinations	Impairment	Other net changes	Net book value at 06/30/2022
Land	219	-	(14)	-	14	-	12	231
Buildings, constructions and leasehold improvements	93,029	8,396	(214)	(11,545)	557	(91)	4,532	94,665
Plant and machines	15,257	1,371	34	(2,172)	113	(72)	415	14,946
Industrial and commercial equipment	13,830	1,482	(82)	(2,051)	41	34	1,024	14,278
Motor vehicles	503	38	(168)	(65)	21	-	9	338
Computers and office machinery	14,709	2,979	(19)	(4,576)	166	(4)	3,564	16,819
Furniture and fittings	35,548	3,268	(17)	(4,693)	123	(55)	1,241	35,415
Other tangible fixed assets	1,793	26	(13)	(150)	-	-	19	1,675
Fixed assets in progress and advances	11,957	11,637	(155)	-	140	-	(7,354)	16,225
Total	186,845	29,197	(648)	(25,252)	1,175	(188)	3,462	194,591

The investments made in the reporting period refer primarily to network expansion with the opening of new stores and renewal of existing ones, as well as the purchase of hardware needed for the implementation of Group Information Technology projects.

The change in “business combinations” comprises:

- for €965 thousand, the temporary allocation of the price paid for acquisitions made in EMEA;
- for €176 thousand, the temporary allocation of the price paid for acquisitions made in APAC;

- for €34 thousand, the temporary allocation of the price paid for acquisitions made in Americas.

“Other net changes” is explained primarily by foreign exchange differences recorded in the reporting period and the reclassification 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 12/31/2021	Accumulated amortization and write-downs at 12/31/2021	Net book value at 12/31/2021	Historical cost at 06/30/2022	Accumulated amortization and write-downs at 06/30/2022	Net book value at 06/30/2022
Stores and offices	681,738	(253,738)	428,000	741,251	(292,680)	448,571
Motor vehicles	22,188	(13,230)	8,958	22,998	(14,076)	8,922
Electronic machinery	871	(452)	419	1,449	(500)	949
Totale	704,797	(267,420)	437,377	765,698	(307,256)	458,442

(€ thousands)	Net book value at 12/31/2021	Increase	Decrease	Depreciation	Business combinations	Impairment	Other net changes	Net book value at 06/30/2022
Stores and offices	428,000	71,735	(3,879)	(50,893)	1,239	-	2,369	448,571
Motor vehicles	8,958	2,406	93	(2,606)	-	-	71	8,922
Electronic machinery	419	349	357	(176)	-	-	-	949
Total	437,377	74,490	(3,429)	(53,675)	1,239	-	2,440	458,442

The increase in right of use assets acquired in the year is explained by the renewal of existing leases, network expansion, as well as a new lease for the offices of an Italian subsidiary.

The change in “Business combinations” comprises the allocation of the price paid for right of use assets acquired in EMEA for €1,147 thousand and in Americas for €92 thousand.

“Other changes” refers mainly to foreign exchange differences recorded in the reporting period.

7. Share capital

At 30 June 2022 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 2021.

During the reporting period 1,200,000 treasury shares were purchased as per the buyback program approved by the shareholders during the Annual General Meeting held on 22 April 2021.

A total of 69,133 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.

A total of 2,538,217 treasury shares, or 1.121% of the parent's share capital, were held at 30 June 2022.

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 12/31/2021	1,407,350	20.493	28,841
Purchases	1,200,000	35.726	42,872
Transfers due to exercise of performance stock grants	(69,133)	27.504	(1,901)
Held at 06/30/2022	2,538,217	27.504	69,812

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)	06/30/2022	12/31/2021	Change
Cash (A)	162,443	268,546	(106,103)
Cash equivalents (B)	-	-	-
Short term investments (C)	49,940	49,819	121
Total Cash, Cash Equivalents and Short-Term Investments (A+B+C) (D)	212,383	318,365	(105,982)
Current financial payables (including bonds, but excluding current portion of medium/long-term debt) (E)	136,811	147,031	(10,220)
- Bank borrowings	105,630	84,394	21,236
- Other bank borrowings and bank overdrafts	30,344	62,402	(32,058)
- Hedging derivatives	837	235	602
Current portion of medium/long-term financial debt (F)	121,560	117,404	4,156
- Financial accruals and deferred income	3,849	6,072	(2,223)
- Payables for business acquisitions	16,963	12,667	4,296
- Lease Liability – current portion	100,748	98,665	2,083
Current Financial Indebtedness (E+F) (G)	258,370	264,435	(6,065)
Current Financial Indebtedness (G-D) (H)	45,987	(53,930)	99,917
Non current financial payables (I)	889,458	941,676	(52,218)
- Bank borrowings – Non current portion	507,283	568,838	(61,555)
- Payables for business acquisitions – Non current portion	7,405	19,571	(12,166)
- Lease Liability – Non current portion	374,770	353,267	21,503
Bonds (J)	455,902	447,122	8,780
- Eurobond 2020-2027	350,000	350,000	-
- Private placement 2013-2025	105,902	97,122	8,780
Trade and other non current payables (K)	(20,531)	(11,750)	(8,781)
- Hedging derivatives – non current portion	(20,531)	(11,750)	(8,781)
Non Current Financial Indebtedness (I+J+K) (L)	1,324,828	1,377,048	(52,219)
Total Financial Indebtedness (H+L) (M)	1,370,816	1,323,118	47,698

Net of lease liabilities (€475,518 thousand at 30 June 2022) net financial debt amounted to €895,298 thousand at 30 June 2022, broken down as follows:

(€ thousands)	06/30/2022	12/31/2021	Change
Cash and Cash Equivalents	162,443	268,546	(106,103)
Short Term Investments	49,940	49,819	121
Cash, Cash Equivalents and Short Term Investments	212,383	318,365	(105,982)
Current Financial Indebtedness (excluding lease liabilities)	157,622	165,770	(8,148)
Current Financial Indebtedness (excluding lease liabilities)	(54,761)	(152,595)	97,834
Non current Financial Indebtedness (excluding lease liabilities)	950,058	1,023,780	(73,722)
Total Financial Indebtedness (excluding lease liabilities)	895,298	871,185	24,112

Long-term net financial debt, excluding lease liabilities, amounted to €950,058 thousand at 30 June 2022, €73,722 thousand lower than the €1,023,780 thousand recorded at 31 December 2021. The change is attributable mainly to the reclassification as short-term debt of the portions of bank debt maturing in the next 12 months and amounts owed for acquisitions.

The **short-term portion of the net financial position**, excluding lease liabilities, was €97,834 thousand lower, going from €152,595 thousand at 31 December 2021 to €54,761 thousand at 30 June 2022. This change is attributable mainly to the use of €58,237 in available liquidity to pay dividends to shareholders, the purchase of €42,872 thousand in treasury shares, as well as investments in fixed assets and acquisitions of €48,004 thousand and €31,049 thousand, respectively), net the operating cash flow generated of €107,593 thousand.

More in detail, the short-term portion of the net financial position includes the short-term portion of long-term bank loans (€105,630 thousand), other bank borrowings including hot money used for treasury activities (€20,000 thousand) and other credit lines (€6,848 thousand), interest payable on the private placement (€1,615 thousand) and on the Eurobond (€1,498 thousand), as well as on other bank financing, and lastly, the best estimate of the deferred payments for acquisitions (€16,963 thousand), net of the €212,383 thousand in liquidity. Liquidity includes €162,443 thousand in available cash and €49,940 thousand in other financial assets that are easily liquidated. These financial assets refer to quotas in low-risk money market funds managed by top-tier financial institutions.

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)	06/30/2022
<i>Private placement 2013-2025</i>	105,902
<i>Eurobond 2020-2027</i>	350,000
Other medium/long-term debt	507,283
Fees for Eurobond 2020-2027, fees for bank loans and private placement 2013-2025	(4,418)
Medium/long-term financial liabilities	958,767

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

(€ thousands)	06/30/2022
Bank overdraft and other short-term debt (including current portion of other long-term debt)	134,390
Other financial payables	3,849
Fees for Eurobond 2020-2027, fees for bank loans and private placement 2013-2025	(1,588)
Short-term financial liabilities	136,651

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)	06/30/2022	12/31/2021	Change
<i>Eurobond 2020-2027</i>	350,000	350,000	-
<i>Private placement 2013-2025</i>	105,902	97,122	8,780
Medium long-term bank loans	507,283	568,838	(61,555)
Fees for bank loans and private placement 2013-2025	(4,419)	(5,375)	956
Total medium/long-term financial liabilities	958,766	1,010,585	(51,819)
Passività finanziarie a breve termine	136,651	151,112	(14,461)
- of which current portion of short-term bank loans	105,630	84,394	21,236
- of which current portion of bank overdrafts and other short-term bank loans	27,118	61,901	(34,783)
- of which fees for bank loans and private placement 2013-2025	(1,588)	(1,644)	56
Total short-term financial liabilities	136,651	151,112	(14,461)
Total financial liabilities	1,095,417	1,161,697	(66,280)

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)	Nominal interest rate (*)	Euro interest rate after hedging
02/13/2020	Amplifon S.p.A.	02/13/2027	350,000	303,748	1.125%	N/A
Total in Euro			350,000	303,748		

(*) 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 (USD/000)	Outstanding debt (USD/000)	Fair Value (USD/000)	Nominal interest rate (*)	Euro interest rate after hedging
05/30/2013	Amplifon USA	07/31/2023	USD	8,000	8,000	8,244	4.46%	3.90%
07/31/2013	Amplifon USA	07/31/2023	USD	52,000	52,000	53,621	4.51%	3.90%-3.94%
07/31/2013	Amplifon USA	07/31/2025	USD	50,000	50,000	53,195	4.66%	4.00%-4.05%
Total				110,000	110,000	115,060		

(*) 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.

- *Bank loans*

These are the main bilateral and pooled loans which are detailed below:

Issue Date	Debtor	Type	Maturity	Nominal value (€/000)	Outstanding debt (€/000)	Fair Value (€/000)	Nominal interest rate (*)	Interest rate after hedging (**)	Euro interest rate after hedging (**)
04/30/2020	Amplifon S.p.A.	Amortizing	04/30/2023	30,000	15,051	15,120	0.544%		
04/07/2020	Amplifon S.p.A.	Bullet	03/22/2024	60,000	60,000	61,471	1.755%		
04/06/2020	Amplifon S.p.A.	Amortizing	04/06/2025	50,000	42,857	43,650	0.702%	42,857	1.012%
04/07/2020	Amplifon S.p.A.	Amortizing	04/07/2025	150,000	135,000	137,984	0.724%	100,000	1.17%
04/28/2020	Amplifon S.p.A.	Amortizing	04/28/2025	50,000	50,000	50,666	0.517%	50,000	1.530%
04/29/2020	Amplifon S.p.A.	Amortizing	04/29/2025	78,000	58,500	60,035	0.964%	54,600	1.540%
04/23/2020	Amplifon S.p.A.	Amortizing	06/30/2025	35,000	35,000	35,705	0.587%	35,000	0.990%
08/03/2020	Amplifon S.p.A.	Amortizing	06/30/2025	10,000	6,063	6,156	1.050%		
12/23/2021	Amplifon S.p.A.	Amortizing	12/23/2026	210,000	210,000	217,054	1.225%	210,000	1.163%
Total				673,000	612,471	627,841		492,457	

(*) The nominal interest rate comprises the benchmark rate (Euribor) 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.

Group's loans, bonds and revolving credit lines are subject to the following financial covenants:

- the net financial indebtedness, excluding lease liabilities, to net worth ratio must not exceed 1.65;
- the **Leverage Ratio**, calculated as the ratio of net financial debt, excluding lease liabilities, to EBITDA recorded in the last four quarters (determined excluding the fair value of the stock-based payments, based solely on recurring business, and restated if the Group's structure should change significantly), must not exceed 2.85;
- the **Interest Cover**, calculated as the ratio of EBITDA (restated like the EBITDA used to calculate the leverage ratio) recorded in the last four quarters and the net interest owed in the same four quarters, must not exceed 4.9.

Typically, in the event of relevant acquisitions, the first two 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 trigger events for these covenants and the “spikes” relative to significant acquisitions (i.e. increase in benchmark index for maximum 12 months and twice along the duration of the financial liability) are summarized below:

Primary Credit Facility Agreement	Leverage Ratio	Net Worth Ratio	Interest Cover (*)	Spike
- Private placement 2013-2025 of USD 110 million (of EUR 85.4 million, including the fair value of the derivatives which set the EUR/USD exchange rate at 1.2885)				≤ 3.26 (Leverage Ratio)
- Medium/long-term bilateral loans with top-tier banking institutions of EUR 266 million	≤ 2.85	≤ 1.65	-	≤ 2.20 (Net Worth Ratio)
- Irrevocable credit lines with top-tier banking institutions of EUR 125 million;				
- EUR 43 million bank loan expiring in 2025	≤ 2.85	-	> 4.90	-
- Revolving irrevocable credit line of EUR 15 million	≤ 2.85	-	> 4.90	≤ 3.26 (Leverage Ratio)
- Medium/long-term bilateral loans with top-tier banking institutions of EUR 94 million;				≤ 3.26 (Leverage Ratio)
- Irrevocable credit lines with top-tier banking institutions of EUR 115 million;	≤ 2.85	≤ 1.65	> 4.90	≤ 2.20 (Net Worth Ratio)

(*) This covenant is applicable to the private placement being a favorable condition granted to the lenders.

The EUR 210 million “sustainability-linked” line negotiated at year-end 2021 used to refinance the syndicated loan for the GAES acquisition is not subject to financial covenants. However, the financial covenants on the other credit facilities will also be extended to the lenders of the “sustainability-linked” facility as a result of a most favored clause.

The three financial covenants and the relative spikes, shown in the table above, are, therefore, applied to this credit line as long as they are also applied to the other facilities.

As at 30 June 2022 these ratios were as follows:

	Value as at 06/30/2022
Net financial indebtedness excluding lease liabilities/Group net equity	0.92
Net financial position excluding lease liabilities /EBITDA for the last 4 quarters	1.67
EBITDA for the last 4 quarters/Net financial expenses	23.09

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 06/30/2022
Group EBITDA first half 2022	255,088
EBITDA July-December 2021	239,912
Fair value of stock grant assignment	17,488
EBITDA normalized (from acquisitions and disposals)	7,013
Acquisitions and non-recurring costs	16,200
EBITDA for the covenant calculation	535,700

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. Provisions for risk and charges

Provisions for risks and charges amounted to €26,523 thousand (€32,361 thousand at 31 December 2021). The change is attributable largely to lower provisions for the agents' leaving indemnity and similar provisions caused mainly by an increase in the consumer price index.

The provisions for risks at 30 June 2022 are detailed in the following table:

(€ thousands)	06/30/2022	12/31/2021	Change
Product warranty provision	1,252	1,245	7
Provision on contract risks	4,091	4,835	(744)
Agents' leaving indemnities	15,990	20,099	(4,109)
Other reserves for risks and charges	3,035	2,900	135
Total Long-term provision for risk and charges	24,368	29,079	(4,711)
Product warranty provision	394	415	(21)
Other reserves for risks and charges	1,761	2,867	(1,106)
Total Short-term provision for risk and charges	2,155	3,282	(1,127)
Total provision for risk and charges	26,523	32,361	(5,838)

11. 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:

(€ thousands)	06/30/2022	12/31/2021	Change
Short-term lease liabilities	100,748	98,665	2,083
Long-term lease liabilities	374,770	353,267	21,503
Lease liabilities	475,518	451,932	23,586

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

(€ thousands)	First Half 2022
Interest paid on leased assets	(5,535)
Right-of-use depreciation	(53,675)
Costs relating to short-term and low-value leases	(6,048)

12. Revenues from sales and services

(€ thousands)	First Half 2022	First Half 2021	Change
Revenues from sales of products	907,390	812,114	95,276
Revenues from services	129,816	119,672	10,144
Revenues from sales and services	1,037,206	931,786	105,420
Goods and services provided at a point in time	907,390	812,114	95,276
Goods and services provided over time	129,816	119,672	10,144
Revenues from sales and services	1,037,206	931,786	105,420

Consolidated revenues from sales and services amounted to €1,037,206 thousand in the first six months of 2022, an increase of €105,420 thousand (+11.3%) compared to the same period of the prior year.

The increase over the six months of 2022 is attributable for €40,196 thousand to organic growth (+4.3%), acquisitions for €45,103 thousand (+4.8%) and exchange differences for €20,121 thousand (+2.2%).

The comparison period, as was the case in the consolidated financial statements at 31 December 2021, is shown net of the items relating to the discontinued business of Elite Hearing LLC (see note 15).

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

Operating costs amounted to €785,742 thousand in the first half of 2022 (€708,434 thousand in the first half of 2021), an increase of €77,308 thousand (+10.9%).

“Amortization, depreciation and impairment” amounted to €117,921 thousand at 30 June 2022, higher than the €106,849 thousand recorded in the first six months of 2021.

“Financial income, expenses and value adjustments to financial assets” came to €17,297 thousand in the first half of 2022 (€14,342 thousand in the first half of 2021).

Financial expenses were negatively impacted by inflation accounting on the Argentinian subsidiary. Furthermore, the comparison period benefitted from a gain following the disposal of the Irish subsidiary.

Current and deferred tax amounted to €33,404 thousand in the first quarter of 2022, €3,603 thousand higher than in the first six months of 2021 (€29,801 thousand). The tax rate was 27.9% in the reporting period versus 28.3% at 30 June 2021.

The comparison period, as was the case in the consolidated financial statements at 31 December 2021, is shown net of the items relating to the discontinued business of Elite Hearing LLC (see note 15).

14. Performance Stock Grant

On 3 May 2022, the Board of Directors, based on the recommendation of the Remuneration and Appointments Committee and pursuant to Art. 84 bis, paragraph 5 of CONSOB Regulation n. 11971/99, as amended, resolved to assign 438,750 rights per target as the first tranche of the stock grant cycle 2022-2024 at the end of the vesting period which was set at 3 years.

A fair value per unit of €36.75 was used for the stock grants assigned in the reporting period.

The following assumptions were used to determine the fair value:

Valuation model	Binomial (Cox-Ross-Rubinstein method)
Price at grant date	€36.75
Threshold	- €
Exercise price	0.00
Volatility (3 years)	34.95%
Risk free interest rate	1.265%
Vesting (in years)	3
Vesting date	3 months after the Board approves the draft Consolidated Financial Statements as at 12.31.24 (i.e., June 2025).
Expected dividend yield	0.6511%

A figurative cost of €721 thousand for this grant cycle was recognized in the income statement at 30 June 2022.

Sustainable Value Sharing Plan 2022-2027

The Board of Directors, based on the recommendation of the Remuneration and Appointments Committee and pursuant to Art. 84 bis, paragraph 5 of CONSOB Regulation n. 11971/99, as amended, resolved to assign a maximum of 48,000 rights under the Sustainable Value Sharing Plan 2022-2027, reserved for the Chief Executive Officer, as described in the Information Document approved during the Shareholders' Meeting held on 22 April 2022.

The Plan is an incentive tool which involves two separate phases, the second of which is dependent on the first ("Phase A" and "Phase B"). Phase A: beginning in 2022 the MBO Bonus payable to the beneficiary under the MBO Plan of the prior year (and, therefore, including 2021) will not be paid and the MBO bonus will be substituted with a certain number of rights (the "Co-Investment Rights") as a result of which the CEO will receive shares at the end of the Phase B vesting period indicated below or prior to this deadline if Phase B fails to vest.

Phase B: if, in a specific year, the Beneficiary receives the Co-Investment Rights as per the above, the Beneficiary will receive other share-based incentives, namely the matching rights that the Company may assign if certain performance targets connected to the Group's value creation and sustainable success, are achieved.

Under the Sustainable Value Sharing Plan 2022-2027 reserved for the CEO/GM, the conversion of the MBO bonus matured resulted in the assignment of 24,000 co-investment rights and 24,000 matched rights.

The following assumptions were used to determine the fair value:

	PHASE A	PHASE B
Valuation model	Binomial (Cox-Ross-Rubinstein method)	Binomial (Cox-Ross-Rubinstein method)
FV	€31.61	€21.55
KPI	-	ESG/TSR
Exercise price	0.00	
Volatility (3 years)	35.28%	35.28%
Risk free interest rate	1.292%	1.292%
Vesting (in years)	3	3
Vesting date	3 months after the Board approves the draft Consolidated Financial Statements as at 12.31.24	3 months after the Board approves the draft Consolidated Financial Statements as at 12.31.24 (i.e., June 2025).
Expected dividend yield	0.6511%	0.6511%

15. Discontinued operations

During the fourth quarter of 2021 the wind-down of the Elite Hearing LLC's business ("Elite") in the United States was completed and the Group exited the wholesale business as resolved by the Board of Directors on 29 July 2021.

The wind-down of the Elite business, which represented a separate major line of business, was treated as a discontinued operation in accordance with IFRS 5 as of the date operations were effectively discontinued.

In this financial report, therefore, Elite's income statement figures for the comparison period are recognized in the line "Profit (loss) from Discontinued Operations, net of tax" and through the line "Profit (Loss) from Continuing Operations" do not include the results of the discontinued business.

Highlights of the income statement of the discontinued business for first half of 2021 are provided below.

(€ thousands)	First Half 2021		
	Amplifon continuing operations	Discontinued operation (Elite)	Amplifon with discontinued operation
Revenues from sales and services	931,786	27,701	959,487
Operating costs	(708,434)	(25,735)	(734,169)
Other income and costs	3,097	(1)	3,096
EBITDA	226,449	1,965	228,414
Amortization, depreciation and impairment			
Amortization of intangible fixed assets	(35,074)	(8)	(35,082)
Depreciation of tangible fixed assets	(23,237)	(4)	(23,241)
Right-of-use depreciation	(46,698)	-	(46,698)
Impairment losses and reversals of non-current assets	(1,840)	-	(1,840)
	(106,849)	(12)	(106,861)
EBIT	119,599	1,954	121,553
Financial income, expenses and value adjustments to financial assets			
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	-	1,397
Interest income and expenses	(8,743)	-	(8,743)
Interest expenses on lease liabilities	(5,216)	-	(5,216)
Other financial income and expenses	(530)	333	(197)
Exchange gains and losses	(794)	5	(789)
Gain (loss) on assets measured at fair value	112	-	112
	(14,342)	337	(14,004)
Profit (loss) before tax	105,258	2,291	107,549
Current and deferred income tax			
Current tax	(31,114)	(573)	(31,687)
Deferred tax	1,313	-	1,313
	(29,801)	(573)	(30,374)
Total net profit (loss)	75,457	1,718	77,175
Net profit (loss) attributable to minority interests	31	-	31
Net profit (loss) attributable to the Group	75,426	1,718	77,144

16. Non-recurring significant events

The first six months of 2022 were impacted by the following non-recurring items:

(€ thousands)	First Half 2022	First Half 2021
Costs related to Bay Audio Pty. integration	(2,347)	-
Costs related to second phase of the GAES integration	(1,682)	(2,666)
Operating costs		
Charitable donation costs for Ukraine	(1,000)	-
Costs related to the project to redefine the corporate structure of Amplifon S.p.A.	-	(1,626)
Profit (loss) before tax	(5,029)	(4,292)
Impact of the above items on the tax burden for the period	1,411	1,109
Total net profit (loss) from operating activities	(3,618)	(3,183)
Net profit (loss) of discontinued activities	-	1,718
Total net profit (loss)	(3,618)	(1,465)

17. 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 2022	First Half 2021
Net profit (loss) attributable to ordinary shareholders (€ thousand)	86,283	77,144
Average number of shares outstanding in the period	224,260,359	224,666,794
Average earnings per share (€ per share)	0.38474	0.34337

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 2022	First Half 2021
Average number of shares outstanding in the period	224,260,359	224,666,794
Weighted average of potential and diluting ordinary shares	2,846,770	2,580,900
Weighted average of shares potentially subject to options in the period	227,107,129	227,247,694

The diluted earnings per share were determined as follows:

Diluted earnings per share	First Half 2022	First Half 2021
Net profit attributable to ordinary shareholders (€ thousand)	86,283	77,144
Average number of shares outstanding in the period	227,107,129	227,247,694
Average diluted earnings per share (€)	0.37992	0.33947

18. 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. (42.23% of share capital and 59.27% of voting rights), of which the 100% of share capital is owned by Amplifon 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)	06/30/2022				First Half 2022		
	Trade receivables	Trade payables	Other receivables	Other assets	Revenues for sales and services	Operating costs	Interest income and expense
Amplifon S.p.A.	369	-	875	-	-	(120)	8
Total – Parent	369	-	875	-	-	(120)	8
Comfoor BV (The Netherlands)	6	1,447	-	-	38	(757)	-
Comfoor GmbH (Germany)	-	2	-	-	-	-	-
Ruti Levinson Institute Ltd (Israel)	127	-	-	-	-	-	-
Afik - Test Diagnosis & Hearing Aids Ltd (Israel)	122	-	-	24	-	-	-
Total – Other related parties	255	1,449	-	24	38	(757)	-
Total related parties	624	1,449	875	24	38	(877)	8
Total as per financial statements	179,178	294,632	97,872	39,363	1,037,206	(785,743)	(9,378)
% of financial statements total	0.35%	0.49%	0.89%	0.06%	0.00%	0.11%	-0.09%

The trade and other receivables 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, a joint venture 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 €907 thousand, interest on leases for €160 thousand and lease liabilities of €14,475 thousand.

19. Contingent liabilities

Currently the Group is not exposed to any particular risks, uncertainties or legal disputes in excess of the provisions already made in the financial statements, shown in Note 10. The usual tax audits are currently underway and no findings of not have been reported so far and the Group is, at any rate, confident in the fairness and adequacy of its operations.

20. Financial risk management

As this condensed consolidated interim financial report does not include all the additional information that is mandatorily 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 2021 Annual Report.

Furthermore, the new global economic conditions have not resulted in specific changes being made to the financial risk management strategy: more than 90% of the liabilities stemming from financing agreements were already hedged with interest rate swaps before the second quarter of 2022; the main loan in currency (USD 130 million private placement) was also already hedged against currency risk using a cross currency swap.

21. Translation of foreign companies' financial statements

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

	30 June 2022		2021	30 June 2021	
	Average exchange rate	As at 30 June	As at 31 December	Average exchange rate	As at 30 June
Panamanian balboa	1.0934	1.0387	1.1326	1.2053	1.1884
Australian dollar	1.5204	1.5099	1.5615	1.5626	1.5853
Canadian dollar	1.39	1.3425	1.4393	1.5030	1.4722
New Zealand dollar	1.6491	1.6705	1.6579	1.6810	1.7026
Singapore dollar	1.4921	1.4483	1.5279	1.6059	1.5976
US dollar	1.0934	1.0387	1.1326	1.2053	1.1884
Hungarian forint	375.13	397.04	369.19	357.880	351.680
Swiss franc	1.0319	0.996	1.0331	1.0946	1.0980
Egyptian lira	18.876	19.533	17.801	18.911	19.121
New Israeli shekel	3.5765	3.6392	3.5159	3.9373	3.8763
Argentine peso	129.8984	129.8984	116.3622	113.6435	113.6435
Chilean peso	902.67	962.06	964.35	868.020	866.750
Colombian peso	4,282.19	4,279.07	4,598.68	4,370.330	4,474.180
Mexican peso	22.1653	20.9641	23.1438	24.3270	23.5784
Brazilian real	5.5565	5.4229	6.3101	6.4902	5.9050
Chinese renminbi	7.0823	6.9624	7.1947	7.7960	7.6742
Indian rupee	83.3179	82.113	84.2292	88.4126	88.3240
British pound	0.8424	0.8582	0.8403	0.8680	0.8581
Polish zloty	4.6354	4.6904	4.5969	4.5374	4.5201

(*) Argentina is a high inflationary country. As requested by IAS 29, profit and loss items have been converted at 06/30/2022 exchange rate.

Average Argentine peso exchange rate as at 30 June 2022 is 129.1020 (113.6435 as at 30 June 2021).

22. 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, 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 30th, 2022 (*)

(€ thousands)	EMEA	AMERICAS	APAC	ELIM.	CONSOLIDATED
ASSETS					
Non-current assets					
Goodwill	908,837	187,899	646,807	-	1,743,543
Intangible fixed assets with finite useful life	287,407	48,587	76,189	-	412,183
Tangible fixed assets	142,637	18,092	33,862	-	194,591
Right-of-use assets	371,544	30,289	56,609	-	458,442
Equity-accounted investments	2,057	-	-	-	2,057
Hedging instruments	31,708	-	-	-	31,708
Deferred tax assets	64,907	18,970	10,839	-	94,716
Deferred contract costs	9,285	1,091	83	-	10,459
Other assets	30,754	7,493	1,116	-	39,363
Total non-current assets					2,987,062
Current assets					
Inventories	51,327	5,648	10,296	-	67,271
Receivables	258,782	56,850	28,556	(67,136)	277,052
Deferred contract costs	4,474	694	81	-	5,249
Hedging Instruments	8	-	-	-	8
Other financial assets					49,958
Cash and cash equivalents					162,443
Total current assets					561,981
TOTAL ASSETS					3,549,043
LIABILITIES					
Net Equity					978,603
Non-current liabilities					
Medium/long-term financial liabilities					958,767
Lease liabilities	306,141	25,486	43,143	-	374,770
Provisions for risks and charges	18,298	4,546	1,524	-	24,368
Liabilities for employees' benefits	11,793	252	674	-	12,719
Hedging instruments	-	-	-	-	-
Deferred tax liabilities	65,646	32,796	19,460	-	117,902
Payables for business acquisitions	3,120	4,285	-	-	7,405
Contract liabilities	132,262	13,591	2,089	-	147,942
Other long-term liabilities	16,158	1,331	-	-	17,489
Total non-current liabilities					1,661,362
Current liabilities					
Trade payables	268,952	57,264	35,342	(66,927)	294,631
Payables for business acquisitions	6,645	10,318	-	-	16,963
Contract liabilities	94,419	12,955	7,337	-	114,711
Other payables and tax payables	181,511	36,472	21,030	(209)	238,804
Hedging instruments	876	-	-	-	876
Provisions for risks and charges	1,670	485	-	-	2,155
Liabilities for employees' benefits	846	109	2,584	-	3,539
Short-term financial liabilities					136,651
Lease liabilities	75,838	7,530	17,380	-	100,748
Total current liabilities					909,078
TOTAL LIABILITIES					3,549,043

(*) 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, 2021 (*)

(€ thousands)	EMEA	AMERICAS	APAC	ELIM.	CONSOLIDATED
ASSETS					
Non-current assets					
Goodwill	894,227	166,694	620,549	-	1,681,470
Intangible fixed assets with finite useful life	288,292	46,912	79,327	-	414,531
Tangible fixed assets	140,362	13,836	32,647	-	186,845
Right-of-use assets	360,625	23,100	53,652	-	437,377
Equity-accounted investments	2,133	-	-	-	2,133
Hedging instruments	10,983	-	-	-	10,983
Deferred tax assets	67,388	6,796	11,001	-	85,185
Deferred contract costs	8,434	924	94	-	9,452
Other assets	31,031	8,838	904	-	40,773
Total non-current assets					2,868,749
Current assets					
Inventories	49,896	5,557	7,117	-	62,570
Receivables	246,764	47,114	25,615	(59,258)	260,235
Deferred contract costs	4,591	529	67	-	5,187
Hedging instruments	168	-	-	-	168
Other financial assets					49,836
Cash and cash equivalents					268,546
Total current assets					646,542
TOTAL ASSETS					3,515,291
LIABILITIES					
Net Equity					
					927,281
Non-current liabilities					
Medium/long-term financial liabilities					1,010,585
Lease liabilities	295,011	19,056	39,200	-	353,267
Provisions for risks and charges	21,292	6,369	1,418	-	29,079
Liabilities for employees' benefits	19,623	375	764	-	20,762
Hedging instruments	2,531	-	-	-	2,531
Deferred tax liabilities	65,339	19,607	20,245	-	105,191
Payables for business acquisitions	7,193	12,378	-	-	19,571
Contract liabilities	131,010	11,688	1,716	-	144,414
Other long-term liabilities	15,620	698	-	-	16,318
Total non-current liabilities					1,701,718
Current liabilities					
Trade payables	210,435	42,938	26,098	(36,964)	242,507
Payables for business acquisitions	7,271	5,357	39	-	12,667
Contract liabilities	88,400	10,849	8,165	-	107,414
Other payables and tax payables	200,682	58,446	29,180	(22,296)	266,012
Hedging instruments	552	-	-	-	552
Provisions for risks and charges	2,804	478	-	-	3,282
Liabilities for employees' benefits	1,557	127	2,397	-	4,081
Short-term financial liabilities					151,112
Lease liabilities	74,504	6,440	17,721	-	98,665
Total current liabilities					886,292
TOTAL LIABILITIES					3,515,291

(*) 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 2022 (*)

(€ thousands)	EMEA	AMERICAS	APAC	CORPORATE	ELIM.	CONSOLIDATED
Revenues from sales and services	704,649	180,790	151,493	274	-	1,037,206
Operating costs	(499,672)	(131,683)	(114,165)	(40,222)	-	(785,742)
Other income and costs	3,195	(559)	193	795	-	3,624
Gross operating profit by segment (EBITDA)	208,172	48,548	37,521	(39,153)	-	255,088
Amortization, depreciation and impairment						
Intangible assets amortization	(18,162)	(4,897)	(7,998)	(7,774)	-	(38,831)
Tangible asset depreciation	(16,965)	(2,254)	(4,664)	(1,369)	-	(25,252)
Right-of-use depreciation	(37,548)	(3,716)	(11,280)	(1,131)	-	(53,675)
Impairment losses and reversals of non-current assets	(207)	62	(18)	-	-	(163)
	(72,882)	(10,805)	(23,960)	(10,274)	-	(117,921)
Operating result by segment	135,290	37,743	13,561	(49,427)	-	137,167
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	267	-	-	-	-	267
Other income and expenses, impairment and revaluations of financial assets						-
Interest income and expenses						(9,379)
Interest expenses on lease liabilities						(5,535)
Other financial income and expenses						(923)
Exchange gains and losses						(277)
Gain (loss) on assets accounted at fair value						(1,450)
						(17,297)
Net profit (loss) before tax						119,870
Current and deferred income tax						
Current income tax						(37,976)
Deferred tax						4,572
						(33,404)
Profit (loss) from continuing operations						86,466
Profit (loss) from discontinued operations						-
Net profit (loss)						86,466
Net profit (loss) attributable to Minority interests						183
Net profit (loss) attributable to the Group						86,283

(*) 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	144,592	113,240	-	-	931,786
Operating costs	(484,648)	(106,735)	(79,189)	(37,862)	-	(708,434)
Other income and costs	3,129	41	(385)	312	-	3,097
Gross operating profit by segment (EBITDA)	192,435	37,898	33,666	(37,550)	-	226,449
Amortization, depreciation and impairment						
Intangible assets amortization	(18,673)	(5,617)	(5,157)	(5,627)	-	(35,074)
Tangible asset depreciation	(17,248)	(1,487)	(3,429)	(1,073)	-	(23,237)
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)	(10,385)	(14,740)	(7,522)	-	(106,849)
Operating result by segment	118,233	27,513	18,926	(45,072)	-	119,600
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						(530)
Exchange gains and losses						(794)
Gain (loss) on assets accounted at fair value						112
						(14,342)
Net profit (loss) before tax						105,258
Current and deferred income tax						
Current income tax						(31,114)
Deferred tax						1,313
						(29,801)
Profit (loss) from continuing operations						75,457
Profit (loss) from discontinued operations						1,718
Net profit (loss)						77,175
Net profit (loss) attributable to Minority interests						31
Net profit (loss) attributable to the Group						77,144

(*) The figures of the operating segments are net of the intercompany eliminations.

23. Accounting policies

23.1 Presentation of the financial statements

The consolidated half year financial statements as at June 30, 2022 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.

23.2 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;
- discount rate of leases falling within the scope of IFRS 16 (incremental borrowing rate) determined based on the IRS (reference interbank rate used as an index for fixed-rate mortgage loans) in the individual countries in which Amplifon Group companies operate, for maturities commensurate with the duration of the specific rental contract, plus the Parent Company’s credit spread and any costs for additional guarantees. In the rare instances when the IRS rate is not available (Egypt, Ecuador, Mexico and Panama), the risk-free rate was determined based on government bonds with maturities similar to the duration of the specific rental contract.

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.

23.3 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 in the G.U.C.E.	Effective date	Effective date for Amplifon
Amendments of:				
<ul style="list-style-type: none"> • IFRS 3 <i>Business Combinations</i> • IAS 16 <i>Property, Plant and Equipment</i> • IAS 37 <i>Provisions, Contingent Liabilities and Contingent Assets</i> • <i>Annual Improvements 2018-2020</i> 	28 June '21	2 July '21	1 Jan '22	1 Jan '22
(all issued on 14 May 2020)				

- Amendments to IFRS 3 “Reference to the Conceptual Framework” in order to: (i) complete the update of the references to the Conceptual Framework for Financial Reporting in the accounting standard; (ii) provide clarification relative to the recognition, through the acquisition date, of provisions, potential liabilities, tax liabilities (i.e. levies) recognized as part of a business combination; (iii) state expressly that potential assets cannot be recognized in a business combination.
- Amendments to IAS 16 “Property, Plant and Equipment: Proceeds before Intended Use”, which indicate that proceeds from selling items produced by an asset before the asset is ready for the use it was intended are recognized in the income statement along with the relative production costs.
- Amendments to IAS 37 “Onerous Contracts - Cost of Fulfilling a Contract” which clarify how to assess whether or not a contract is onerous;
- “Annual Improvements to IFRS Standards 2018 – 2020” contain amendments to the accounting standards which are largely technical and relate to presentation.

The adoption of the standards and interpretations described above did not have a material impact on the measurement of the Group’s assets, liabilities, costs and revenues.

The IFRS Standards/ interpretations approved by the IASB and endorsed in Europe which take effect after 31 December 2022 are shown below:

Description	Endorsement date	Publication in the G.U.C.E.	Expected effective date	Effective date for Amplifon
Amendments to IAS 1: “Presentation of Financial Statements” and <i>IFRS Practice Statement 2: Disclosure of Accounting Policies</i> (issued on 12 February 2021)	2 March ‘22	3 March ‘22	1 Jan ‘23	1 Jan ‘23
IFRS 17 “ <i>Insurance Contracts</i> ” (issued on 18 Mayo 2017); including the amendments to IFRS 17 (issued on 25 June 2020)	19 Nov ‘21	23 Nov ‘21	1 Jan ‘23	1 Jan ‘23
Amendment to IAS 8 “Accounting policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates” (issued on 12 February 2021)	2 March ‘22	3 March 2022	1 Jan ‘23	1 Jan ‘23

Amendments to IAS 1 “*Presentation of Financial Statements*” and “*IFRS Practice Statement 2 Disclosure of Accounting Policies*” which strive to improve accounting policy disclosures, in order to provide investors and other primary users of the financial statements with more useful

information, as well as help companies clarify the distinction between changes in accounting policies and changes in accounting estimates.

IFRS 17 “Insurance Contracts” is a new standard which relates to the recognition and measurement, presentation and disclosure of insurance contracts which will substitute IFRS 4, issued in 2005. This standard is applicable to all types of insurance contracts, regardless of the issuer, as well as to a few guarantees and financial instruments with discretionary participation features.

Amendments to IAS 8 “Accounting policies, Changes in Accounting Estimates and Errors” which allow the entities to distinguish between accounting principle and accounting estimates through the introduction of the new definition “accounting estimates”.

The adoption of the above standards and interpretations is not expected to have a material impact on the measurement of the Group’s assets, liabilities, costs and revenues.

23.4 Future accounting standards and interpretations

IFRS standards/interpretations approved by IASB, but not 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 which, at 2 May 2022, have yet to be endorsed for adoption in Europe.

Description	Expected effective date
Amendments to IAS 1: “Presentation of Financial Statements – Classification of liabilities as current or non-current” and “Classification of Liabilities as Current or Non-current - Deferral of Effective Date” (issued on 23 January 2020 and 15 July 2020, respectively)	Periods beginning on or after 1 Jan ‘23
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
Amendments to IFRS 17 “Insurance contracts: Initial application of IFRS 17 and IFRS 9; comparative information” (issued on 9 December 2021)	Periods beginning on or after 1 Jan ‘23

IAS 1 amendments are related to the definitions of current and non-current assets, providing a more generalized approach to the classification of liabilities under the standard, based on the contractual agreements.

IAS 12 amendments clarify how companies account for deferred tax on transactions which can generate assets and liabilities of the same amount such as leases and decommissioning obligations.

Amendments to IFRS 17 “Insurance contracts: Initial application of IFRS 17 and IFRS 9; comparative information” add a new transition option to IFRS 17 (“classification overlay”) which is aimed at helping entities to avoid temporary accounting mismatches between financial assets and insurance contract liabilities, and therefore improve the usefulness of comparative information relative to financial assets to be provided which is more consistent with IFRS 9.

The adoption of the standards and interpretations approved and not endorsed above is not expected to have a material impact on the measurement of the Group’s assets, liabilities, costs and revenues.

24. Subsequent events

Subsequent to 30 June 2022 exercise of the performance stock grants continued, and the beneficiaries received a total of 9,450 treasury shares. At the date of this report the Company has a total of 2,528,767 treasury shares or 1.117% of its share capital.

The Group's external growth also continued in July 2022 with the acquisition of a total of 14 shops in France and United States.

Milan, July 28th, 2022

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 2022.

Parent company:

Company name	Head office	Currency	Share capital
Amplifon S.p.A.	Milano (Italia)	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 06/30/22
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 (in liquidazione)	Rome (Italy)	D	EUR	70,000	100.0%
Pilot Blankenfelde Medizinisch-Elektronische Geräte GmbH	Blankenfelde-Mahlow (Germany)	D	EUR	34,595	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%
Centre Audio Sas	Chartres (France)	I	EUR	7,500	100.0%
Audition 85 Sas	La Roche-sur-Yon (France)	I	EUR	1,000	100.0%
Cevennès Audition	Alès (France)	I	EUR	7,000	100.0%
Bougerolle Audition	Saint-Gervais-la-Forêt (France)	I	EUR	8,000	100.0%
A.B. Audition	Mer (France)	I	EUR	6,000	100.0%
Audition Frederic Rembaud	Périgueux (France)	I	EUR	40,000	100.0%
Amplifon Iberica SA	Barcelona (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%
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%
Hörberatung Loppacher AG	Rapperswil(Switzerland)	D	CHF	100,000	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%
Beter Horen BV	Doesburg (The Netherlands)	I	EUR	18,000	100.0%

Company name	Registered head office	Direct/Indirect ownership	Currency	Share Capital	% held as at 06/30/22
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 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 (Polonand)	D	PLN	3,346,400	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	2,500,125	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%
Ampifon 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	80,201,200	100.0%
2829663 Ontario Inc	Milton (Canada)	I	CAD	-	100.0%
Ossicle Fort McMurray Inc	Fort McMurray (Canada)	I	CAD	-	100.0%
Southern Alberta Hearing Aid Ltd	Lethbridge (Canada)	I	CAD	-	100.0%
Burnaby Hearing Center Inc	Burnaby (Canada)	I	CAD	-	100.0%
Raindrop Hearing Clinici Inc	Toronto (Canada)	I	CAD	-	100.0%
Terrace Hearing Clinic Ltd.	Terrace (Canada)	I	CAD	-	100.0%
The Hearing Clinic	Scarborough (Canada)	I	CAD	-	100.0%
GAES S.A.	Santiago de Chile (Chile)	I	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	21,900,000,000	100.0%
Soluciones Audiologicas de Colombia SAS (in liquidazione)	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 (Messico)	I	MXN	194,683,815	100.0%

Company name	Registered head office	Direct/Indirect ownership	Currency	Share Capital	% held as at 06/30/22
Compañía de Audiología y Servicios Medicos sa de cv	Aguascalientes (Messico)	I	MXN	43,306,212	66.4%
GAES Panama S.A.	Panama (Panama)	I	PAB	510,000	100.0%
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 liquidazione)	Brisbane (Australia)	I	AUD	-	100.0%
Otohub Australasia Pty Ltd	Brisbane (Australia)	D	AUD	10	100.0%
Bay Audio Pty Ltd	Sydney (Australia)	D	AUD	10,000	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%
Auckland 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%
Hangzhou Amplifon Hearing Aid Co. Ltd (**)	Hangzhou (China)	D	CNY	11,000,000	60.0%
Zhengzhou Yuanjin Hearing Technology Co.. Ltd. (**)	Zhengzhou (China)	I	CNY	-	60.0%
Wuhan Amplifon Hearing Aids Co. Ltd	Wuhan (China)	I	CNY	1,250,000	100.0%

(*) Medtechnica Orthophone 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%.

(**) Hangzhou Amplifon Hearing Aid Co., Ltd. and its subsidiary Zhengzhou Yuanjin Hearing Technology Co., Ltd. (together Soundbridge) are consolidated with full consolidation method with a total interest of 60%, due to 51% shares directly owned and a put-call option on a remaining 9% shares.

Companies valued using the equity method:

Company name	Registered head office	Direct/Indirect ownership	Currency	Share Capital	% held as at 06/30/2022
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 no. 58/98, certify:

- the adequacy, by reference to the characteristics of the business and
- the effective application of the administrative and accounting procedures for the preparation of the condensed interim consolidated financial statements during the period 1 January – 30 June 2022.

We also certify that the condensed interim consolidated financial statements at 30 June 2022:

- have been prepared in accordance with the international accounting standards recognized in the European Union under the EC regulation no. 1606/2002 of the European Parliament and of the Council of 19 July 2002;
- have been prepared in accordance with the European Commission regulation no. 2019/815 and following modifications;
- correspond to the underlying accounting entries and records;
- provides a true and fair view of the performance and financial position of the issuer and of all of the companies included in the consolidation area.

The report on operations includes a reliable operating and financial review of the Company and all of the companies included in the consolidation area as well as a description of the main risks and uncertainties to which they are exposed.

Milan, June 28th, 2022

CEO

Executive Responsible for Corporate Accounting Information

Enrico Vita

Gabriele Galli



KPMG S.p.A.
Revisione e organizzazione contabile
Via Vittor Pisani, 25
20124 MILANO MI
Telefono +39 02 6763.1
Email it-fmauditaly@kpmg.it
PEC kpmgspa@pec.kpmg.it

(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 2022, 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 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.

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 2022 have not been prepared, in all material



Amplifon Group

*Report on review of condensed interim consolidated financial statements
30 June 2022*

respects, in accordance with the International Financial Reporting Standard applicable to interim financial reporting (IAS 34), endorsed by the European Union.

Milan, 29 July 2022

KPMG S.p.A.

(signed on the original)

Claudio Mariani
Director of Audit