

Interim Financial Report as at 30 June 2023

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Disclaimer

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

PREFACE

This Interim Financial Report as at 30 June 2023 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 2022 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 2023

HIGHLIGHTS

In the first six months of 2023 Amplifon recorded a significant increase in revenues, with positive results across all geographies, as well as an improvement in profitability. This result was achieved thanks to above market organic growth driven by the effectiveness of the continuous investments made in the business and operating efficiency.

(€ thousands)	First Half 2023		First Half 2022	
	Recurring	Total	Recurring	Total
Economic figures:				
Revenues from sales and services	1,113,770	1,113,770	1,037,206	1,037,206
Gross operating profit (loss) (EBITDA)	276,041	264,758	260,117	255,088
Operating profit (loss) (EBIT)	147,500	136,217	142,196	137,167
Profit (loss) before tax	123,782	112,499	124,899	119,870
Group net profit (loss)	89,344	81,357	89,901	86,283

The first six months of the year closed with:

- turnover of €1,113,770 thousand, an increase of 7.4% compared to the same period of the prior year (+9.0% at constant exchange rates).
- a recurring gross operating margin (EBITDA) of €276,041 thousand, 6.1% higher than in the first six months of 2022, with an EBITDA margin of 24.8% (-0.3 p.p. against the comparison period).
- Group net profit of €89,344 thousand, a decrease of €557 thousand (-0.6%) compared to first six months of 2022 on a recurring basis, due to higher amortization and depreciation, as well as foreign exchange losses.

Net financial debt, without lease liabilities, amounts to €883,811 thousand compared to €829,993 thousand at year-end 2022. Free cash flow reached a positive €76,110 thousand (compared to €107,592 thousand in the first six months of the prior year) after absorbing higher capital expenditure of €61,907 thousand (€48,004 thousand in the comparison period). Cash-outs for acquisitions, which amounted to €59,125 thousand (€31,049 thousand in the first half of 2022), along with the payment of €65,361 thousand in dividends (€58,237 thousand in the comparison period), and costs related to payments of derivative instruments of €1,483 thousand and other changes in non-current assets of €615 thousand, bring cash flow for the reporting period to negative €50,474 thousand versus a negative €24,435 thousand in the first half of 2022.

MAIN ECONOMIC AND FINANCIAL FIGURES

(€ thousands)	First Half 2023				First Half 2022				Change % on recurring
	Recurring	Non-recurring	Total	% on recurring	Recurring	Non-recurring	Total	% on recurring	
Economic figures:									
Revenues from sales and services	1,113,770	-	1,113,770	100.0%	1,037,206	-	1,037,206	100.0%	7.4%
Gross operating profit (loss) (EBITDA)	276,041	(11,283)	264,758	24.8%	260,117	(5,029)	255,088	25.1%	6.1%
Operating profit (loss) before the depreciation and amortization of PPA related assets (EBITA)	172,015	(11,283)	160,732	15.4%	165,431	(5,029)	160,402	15.9%	4.0%
Operating profit (loss) (EBIT)	147,500	(11,283)	136,217	13.2%	142,196	(5,029)	137,167	13.7%	3.7%
Profit (loss) before tax	123,782	(11,283)	112,499	11.0%	124,899	(5,029)	119,870	12.0%	-0.9%
Group net profit (loss)	89,344	(7,987)	81,357	8.0%	89,901	(3,618)	86,283	8.7%	-0.6%

(€ thousands)	06/30/2023	12/31/2022	Change
Financial figures:			
Non-current assets	2,912,889	2,874,982	37,907
Net invested capital	2,407,460	2,338,949	68,511
Group net equity	1,040,630	1,038,509	2,121
Total net equity	1,041,591	1,040,350	1,241
Net financial indebtedness	883,811	829,993	53,818
Lease liabilities	482,058	468,606	13,453
Total lease liabilities and net financial indebtedness	1,365,869	1,298,599	67,270

(€ thousands)	First Half 2023	First Half 2022
Free cash flow	76,110	107,592
Cash flow generated from (absorbed by) business combinations	(59,125)	(31,049)
(Purchase) sale of other investments and securities	-	-
Cash flow provided by (used in) financing activities	(67,459)	(100,978)
Net cash flow from the period	(50,474)	(24,435)
Effect of exchange rate fluctuations on the net financial position	(3,344)	323
Net cash flow from the period with changes for exchange rate fluctuations and discontinued operations	(53,818)	(24,112)

- **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

	06/30/2023	12/31/2022	06/30/2022
Net financial indebtedness (€ thousands)	883,811	829,993	895,298
Lease liabilities (€ thousands)	482,058	468,606	475,517
Total lease liabilities & net financial indebtedness (€ thousands)	1,365,869	1,298,599	1,370,815
Net equity (€ thousands)	1,041,591	1,040,350	978,603
Group Net Equity (€ thousands)	1,040,630	1,038,509	976,277
Net financial indebtedness/Net Equity	0.85	0.80	0.91
Net financial indebtedness/Group Net Equity	0.85	0.80	0.92
Net financial indebtedness/EBITDA	1.57	1.52	1.67
EBITDA/Net financial expenses	25.13	22.26	23.09
Earnings per share (EPS) (€)	0.36275	0.79570	0.38474
Diluted EPS (€)	0.35979	0.78699	0.37992
EPS (€) adjusted for non-recurring transactions and amortization/depreciation related to purchase price allocations to tangible and intangible assets	0.48454	0.97738	0.47838
Group Net Equity per share (€)	4.615	4.625	4.361
Period-end price (€)	33.59	27.820	29.250
Highest price in period (€)	36.27	47.044	47.430
Lowest price in period (€)	25.02	23.250	25.260
Share price/net equity per share	7.279	6.016	6.707
Market capitalization (€ millions)	7,574.32	6,247.18	6,547.62
Number of shares outstanding	225,493,237	224,557,260	223,850,303

- **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).

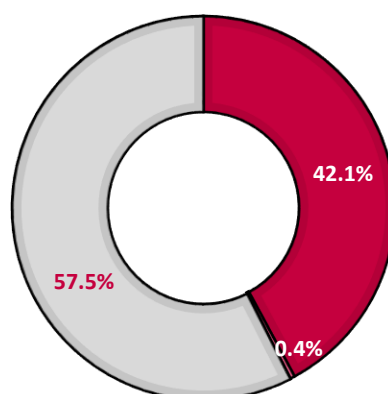
- **EBITDA/net financial expenses ratio** is the ratio of EBITDA for the last four quarters (determined with reference to recurring operations only, based on restated figures in case of significant changes to the structure of the Group) to net interest payable and receivable of the same last four quarters.
- **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 2023 are:

■ Ampliter S.r.l. ■ Treasury shares ■ Market



Shareholder	No. of ordinary shares (*)	% held	% of the total share capital in voting rights
Ampliter S.r.l.	95,344,369	42.12%	59.16%
Treasury shares	895,383	0.40%	0.28%
Market	130,148,868	57.48%	40.56%
Total	226,388,620	100.0%	100.0%

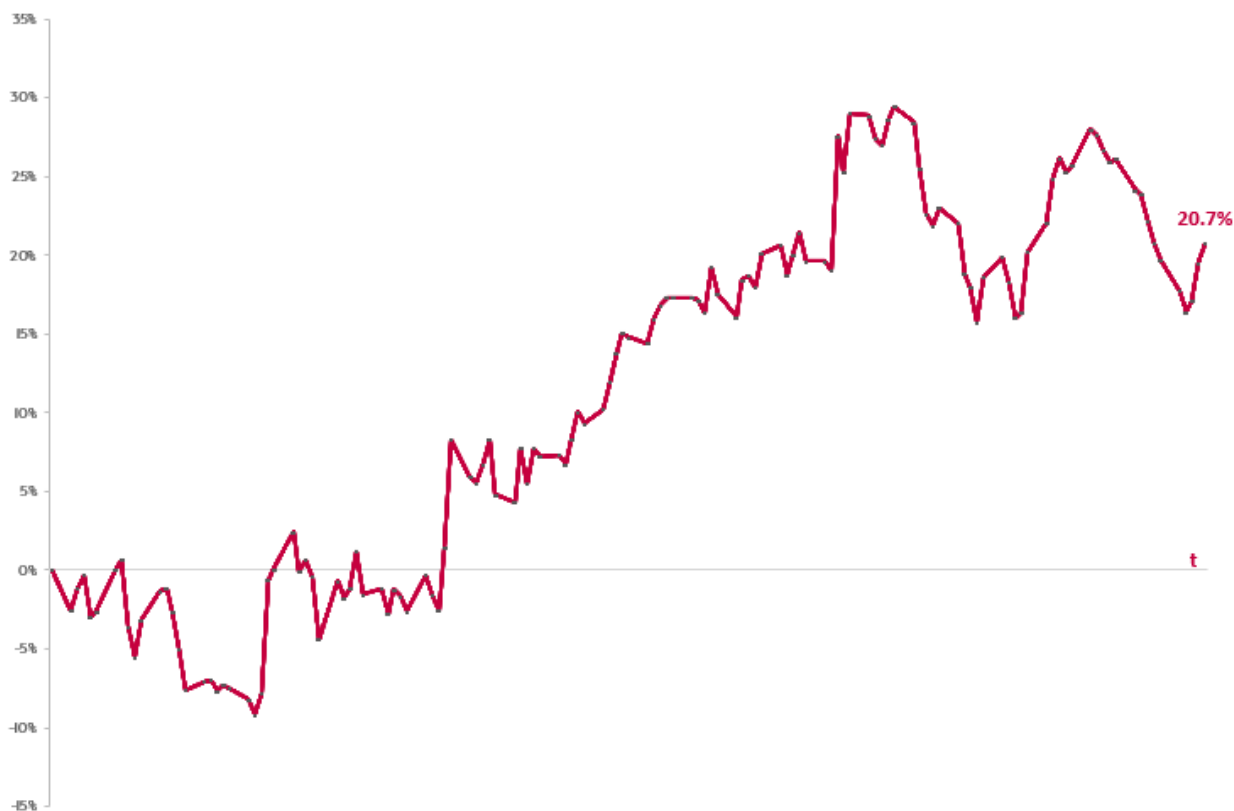
(*) Number of shares related to the share capital registered with the Company registrar on 30 June 2023.

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 Amplifon S.p.A.

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 2022, last day of trading in 2022, to 30 June 2023.

As at 30 June 2023 market capitalization was €7,574.3 million.



Dealings in Amplifon shares in the screen-based stock market Euronext during the period 30 December 2022 – 30 June 2023, showed:

- average daily value: €19,288,300.47;
- average daily volume: 624,249 shares;
- total volume traded of 81,776,649 shares, or 36.27% of the total number of shares comprising the share capital, net of treasury shares.

RECLASSIFIED CONSOLIDATED INCOME STATEMENT

(€ thousands)	First Half 2023				First Half 2022				
	Recurring	Non-recurring (*)	Total	% on recurring	Recurring	Non-recurring (*)	Total	% on recurring	Change % on recurring
Revenues from sales and services	1,113,770	-	1,113,770	100.0%	1,037,206	-	1,037,206	100.0%	7.4%
Operating costs	(841,738)	(11,283)	(853,021)	-75.6%	(780,764)	(4,978)	(785,742)	-75.3%	-7.8%
Other income and costs	4,009	-	4,009	0.4%	3,675	(51)	3,624	0.4%	9.1%
Gross operating profit (loss) (EBITDA)	276,041	(11,283)	264,758	24.8%	260,117	(5,029)	255,088	25.1%	6.1%
Depreciation, amortization and impairment losses on non-current assets	(45,351)	-	(45,351)	-4.1%	(41,011)	-	(41,011)	-4.0%	-10.6%
Right-of-use depreciation	(58,675)	-	(58,675)	-5.3%	(53,675)	-	(53,675)	-5.2%	-9.3%
Operating result before the amortization and impairment of PPA related assets (EBITA)	172,015	(11,283)	160,732	15.4%	165,431	(5,029)	160,402	15.9%	4.0%
PPA related depreciation, amortization and impairment	(24,515)	-	(24,515)	-2.2%	(23,235)	-	(23,235)	-2.2%	-5.5%
Operating profit (loss) (EBIT)	147,500	(11,283)	136,217	13.2%	142,196	(5,029)	137,167	13.7%	3.7%
Income, expenses, revaluation and adjustments of financial assets	207	-	207	0.0%	267	-	267	0.0%	-22.5%
Net financial expenses	(19,842)	-	(19,842)	-1.8%	(15,837)	-	(15,837)	-1.6%	-25.3%
Exchange differences, inflation accounting and Fair Value valuation	(4,083)	-	(4,083)	-0.4%	(1,727)	-	(1,727)	-0.1%	-136.4%
Profit (loss) before tax	123,782	(11,283)	112,499	11.0%	124,899	(5,029)	119,870	12.0%	-0.9%
Taxes	(34,472)	3,296	(31,176)	-3.1%	(34,815)	1,411	(33,404)	-3.3%	1.0%
Net profit (loss)	89,310	(7,987)	81,323	7.9%	90,084	(3,618)	86,466	8.7%	-0.9%
Profit (loss) of minority interests	(34)	-	(34)	0.0%	183	-	183	0.0%	-118.6%
Net profit (loss) attributable to the Group	89,344	(7,987)	81,357	8.0%	89,901	(3,618)	86,283	8.7%	-0.6%

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

(€ thousands)	Second Quarter 2023				Second Quarter 2022				
	Recurring	Non-recurring (*)	Total	% on recurring	Recurring	Non-recurring (*)	Total	% on recurring	Change % on recurring
Revenues from sales and services	573,517	-	573,517	100.0%	541,399	-	541,399	100.0%	6.0%
Operating costs	(421,668)	(3,391)	(425,059)	-73.5%	(396,247)	(1,982)	(398,229)	-73.2%	-6.4%
Other income and costs	658	-	658	0.1%	2,112	-	2,112	0.4%	-68.8%
Gross operating profit (loss) (EBITDA)	152,507	(3,391)	149,116	26.6%	147,264	(1,982)	145,282	27.2%	3.6%
Depreciation, amortization and impairment losses on non-current assets	(23,361)	-	(23,361)	-4.1%	(20,989)	-	(20,989)	-3.9%	-11.3%
Right-of-use depreciation	(30,538)	-	(30,538)	-5.3%	(27,558)	-	(27,558)	-5.1%	-10.8%
Operating result before the amortization and impairment of PPA related assets (EBITA)	98,608	(3,391)	95,217	17.2%	98,717	(1,982)	96,735	18.2%	-0.1%
PPA related depreciation, amortization and impairment	(12,566)	-	(12,566)	-2.2%	(11,725)	-	(11,725)	-2.1%	-7.2%
Operating profit (loss) (EBIT)	86,042	(3,391)	82,651	15.0%	86,992	(1,982)	85,010	16.1%	-1.1%
Income, expenses, revaluation and adjustments of financial assets	81	-	81	0.0%	218	-	218	0.0%	-62.8%
Net financial expenses (**)	(9,425)	-	(9,425)	-1.5%	(7,993)	-	(7,993)	-1.4%	-17.9%
Exchange differences, inflation accounting and Fair Value valuation (**)	(2,426)	-	(2,426)	-0.4%	(1,079)	-	(1,079)	-0.2%	-124.8%
Profit (loss) before tax	74,272	(3,391)	70,881	13.1%	78,138	(1,982)	76,156	14.5%	-4.9%
Taxes	(19,806)	989	(18,817)	-3.6%	(20,934)	558	(20,376)	-3.9%	5.4%
Net profit (loss)	54,466	(2,402)	52,064	9.5%	57,204	(1,424)	55,780	10.6%	-4.8%
Profit (loss) of minority interests	7	-	7	0.0%	109	-	109	0.0%	-93.6%
Net profit (loss) attributable to the Group	54,459	(2,402)	52,057	9.5%	57,095	(1,424)	55,671	10.6%	-4.6%

(*) 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, in particular:

- On 5 January 2023 the majority shareholder Ampliter S.r.l. (“Ampliter”) issued a plan which provides for the one-off assignment during mandate 2022-2024, free of charge, of up to a maximum of 500,000 of the Amplifon shares owned by Ampliter, to the CEO.
The shares will be transferred, free of charge, in five tranches, comprising a first tranche of 260,000 shares and subsequent ones of 60,000 shares each.
As a result of this assignment, which was made completely autonomously by Ampliter and does not envisage any cash-out by Amplifon, based on IFRS 2 “Share Based Payments” an estimated one-off notional cost of €13.7 million will be recognized in the income statement, of which €12.4 million in 2023 and €1.3 million in 2024.
The notional cost for the first half year of €10,394 thousand was recognized as a non-recurring expense at 30 June 2023.
- €889 thousand were incurred for the second phase of GAES integration.

(€ thousands)	First Half 2023	First Half 2022
Notional cost of the Amplifon shares assigned by the shareholder Ampliter to the CEO	(10,394)	-
Bay Audio acquisition and integration costs	-	(2,347)
GAES second phase integration costs	(889)	(1,682)
Donations	-	(1,000)
Impact of the non-recurring items on EBITDA	(11,283)	(5,029)
Impact of the non-recurring items on EBIT	(11,283)	(5,029)
Impact of the non-recurring items on profit before tax	(11,283)	(5,029)
Impact of the above items on the tax burden for the period	3,296	1,411
Impact of the non-recurring items on profit from continued operations	(7,987)	(3,618)

(€ thousands)	Q2 2023	Q2 2022
Notional cost of the Amplifon shares assigned by the shareholder Ampliter to the CEO	(3,099)	-
Bay Audio acquisition and integration costs	-	(1,347)
GAES second phase integration costs	(292)	(635)
Donations	-	-
Impact of the non-recurring items on EBITDA	(3,391)	(1,982)
Impact of the non-recurring items on EBIT	(3,391)	(1,982)
Impact of the non-recurring items on profit before tax	(3,391)	(1,982)
Impact of the above items on the tax burden for the period	989	558
Impact of the non-recurring items on profit from continued operations	(2,402)	(1,424)

RECLASSIFIED CONSOLIDATED INCOME STATEMENT

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)	06/30/2023	12/31/2022	Change
Goodwill	1,769,809	1,754,028	15,781
Customer lists, non-compete agreements, trademarks and location rights	257,743	266,125	(8,382)
Software, licenses, other int.ass, wip and advances	164,186	153,973	10,213
Property, plant, and equipment	198,498	193,415	5,083
Right of use assets	462,919	451,747	11,172
Fixed financial assets (1)	15,496	13,292	2,204
Other non-current financial assets (1)	44,238	42,402	1,836
Total fixed assets	2,912,889	2,874,982	37,907
Inventories	80,287	76,258	4,029
Trade receivables	197,246	192,066	5,180
Other receivables	96,366	77,891	18,475
Current assets (A)	373,899	346,215	27,684
Total assets	3,286,788	3,221,197	65,591
Trade payables	(310,504)	(325,583)	15,079
Other payables (2)	(366,258)	(360,461)	(5,797)
Provisions for risks (current portion)	(3,362)	(1,663)	(1,699)
Short term liabilities (B)	(680,124)	(687,707)	7,583
Net working capital (A) - (B)	(306,225)	(341,492)	35,267
Derivative instruments (3)	23,190	24,474	(1,284)
Deferred tax assets	86,749	81,780	4,969
Deferred tax liabilities	(105,011)	(106,683)	1,672
Provisions for risks (non-current portion)	(19,009)	(19,944)	935
Employee benefits (non-current portion)	(10,068)	(8,940)	(1,128)
Loan fees (4)	3,802	4,508	(706)
Other long-term payables	(178,857)	(169,736)	(9,121)
NET INVESTED CAPITAL	2,407,460	2,338,949	68,511
Shareholders' equity	1,040,630	1,038,509	2,121
Third parties' equity	961	1,841	(880)
Net equity	1,041,591	1,040,350	1,241
Long term net financial debt (4)	666,867	807,907	(141,040)
Short term net financial debt (4)	216,944	22,086	194,858
Total net financial debt	883,811	829,993	53,818
Lease liabilities	482,058	468,606	13,452
Total lease liabilities & net financial debt	1,365,869	1,298,599	67,270
NET EQUITY, LEASE LIABILITIES AND NET FINANCIAL DEBT	2,407,460	2,338,949	68,511

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

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

CONDENSED RECLASSIFIED CONSOLIDATED CASH FLOW STATEMENT

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

(€ thousands)	First Half 2023	First Half 2022
(EBIT)	136,217	137,167
Amortization, depreciation and write-downs	128,541	117,921
Provisions, other non-monetary items and gain/losses from disposals	21,028	7,817
Net financial expenses	(20,732)	(13,850)
Taxes paid	(31,660)	(25,060)
Changes in net working capital	(39,225)	(16,183)
Cash flow provided by (used in) operating activities before repayment of lease liabilities	194,169	207,812
Repayment of lease liabilities	(56,152)	(52,216)
Cash flow provided by (used in) operating activities (A)	138,017	155,596
Cash flow provided by (used in) operating investing activities (B)	(61,907)	(48,004)
Free Cash Flow (A) + (B)	76,110	107,592
Net cash flow provided by (used in) acquisitions (C)	(59,125)	(31,049)
(Purchase) sale of other investment and securities (D)	-	-
Cash flow provided by (used in) investing activities (B+C+D)	(121,032)	(79,053)
Cash flow provided by (used in) operating activities and investing activities	16,985	76,543
Dividends	(65,361)	(58,237)
Treasury shares	-	(42,872)
Capital increases, third parties' contributions and dividends paid by subsidiaries to third parties	-	(67)
Derivatives	(1,483)	-
Other changes in non-current assets	(615)	198
Net cash flow from the period	(50,474)	(24,435)
Net financial indebtedness at the beginning of the period	(829,993)	(871,186)
Effect of exchange rate fluctuations on net financial indebtedness	(3,344)	323
Changes in net indebtedness	(50,474)	(24,435)
Net financial indebtedness at the end of the period	(883,811)	(895,298)

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

(€ thousands)	First Half 2023	First Half 2022
Free cash flow	76,110	107,592
Free cash flow generated by non-recurring transactions (see page 45 for details)	(2,380)	(4,141)
Free cash flow generated by recurring transactions	78,490	111,733

INCOME STATEMENT REVIEW

Consolidated income statement by segment and geographic area

(€ thousands)	First Half 2023				
	EMEA	Americas	Asia Pacific	Corporate	Total
Revenues from sales and services	735,482	212,661	165,381	246	1,113,770
Operating costs	(521,746)	(156,350)	(122,773)	(52,152)	(853,021)
Other income and costs	2,753	793	14	449	4,009
Gross operating profit (loss) (EBITDA)	216,489	57,104	42,622	(51,457)	264,758
Depreciation, amortization and impairment of non-current assets	(20,283)	(6,061)	(7,200)	(11,807)	(45,351)
Right-of-use depreciation	(38,673)	(5,390)	(13,479)	(1,133)	(58,675)
Operating profit (loss) before the depreciation and amortization of PPA related assets (EBITA)	157,533	45,653	21,943	(64,397)	160,732
PPA related depreciation, amortization and impairment	(16,316)	(2,260)	(5,897)	(42)	(24,515)
Operating profit (loss) (EBIT)	141,217	43,393	16,046	(64,439)	136,217
Income, expenses, revaluation and adjustments of financial assets					207
Net financial expenses					(19,842)
Exchange differences, inflation accounting and Fair Value valuation					(4,083)
Profit (loss) before tax					112,499
Taxes					(31,176)
Net profit (loss)					81,323
Profit (loss) of minority interests					(34)
Net profit (loss) attributable to the Group					81,357

(€ thousands)	First Half 2023 – Only recurring operations				
	EMEA	Americas	Asia Pacific	Corporate	Total
Revenues from sales and services	735,482	212,661	165,381	246	1,113,770
Gross operating profit (loss) (EBITDA)	217,378	57,104	42,622	(41,063)	276,041
Operating profit (loss) before the depreciation and amortization of PPA related assets (EBITA)	158,422	45,653	21,942	(54,002)	172,015
Operating profit (loss) (EBIT)	142,106	43,393	16,046	(54,045)	147,500
Profit (loss) before tax					123,782
Net profit (loss)					89,310
Net profit (loss) attributable to the Group					89,344

(€ 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)
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	39,376	22,004	(48,386)	165,431
Operating profit (loss) (EBIT)	136,972	37,743	15,908	(48,427)	142,196
Profit (loss) before tax					124,899
Net profit (loss)					90,084
Net profit (loss) attributable to the Group					89,901

(€ thousands)	Second Quarter 2023				
	EMEA	Americas	Asia Pacific	Corporate	Total
Revenues from sales and services	375,775	111,797	85,786	159	573,517
Operating costs	(260,580)	(77,996)	(64,822)	(21,661)	(425,059)
Other income and costs	1,870	(1,527)	(83)	398	658
Gross operating profit (loss) (EBITDA)	117,065	32,274	20,881	(21,104)	149,116
Depreciation, amortization and impairment of non-current assets	(10,269)	(2,906)	(3,764)	(6,422)	(23,361)
Right-of-use depreciation	(19,741)	(2,719)	(7,512)	(566)	(30,538)
Operating profit (loss) before the depreciation and amortization of PPA related assets (EBITA)	87,055	26,649	9,605	(28,092)	95,217
PPA related depreciation, amortization and impairment	(8,245)	(1,383)	(2,917)	(21)	(12,566)
Operating profit (loss) (EBIT)	78,810	25,266	6,688	(28,113)	82,651
Income, expenses, revaluation and adjustments of financial assets					81
Net financial expenses					(9,425)
Exchange differences, inflation accounting and Fair Value valuation					(2,426)
Profit (loss) before tax					70,881
Tax					(18,817)
Net profit (loss)					52,064
Profit (loss) of minority interests					7
Net profit (loss) attributable to the Group					52,057

(€ thousands)	Second Quarter 2023 – Only recurring operations				
	EMEA	Americas	Asia Pacific	Corporate	Total
Revenues from sales and services	375,774	111,798	85,786	159	573,517
Gross operating profit (loss) (EBITDA)	117,357	32,274	20,881	(18,005)	152,507
Operating profit (loss) before the depreciation and amortization of PPA related assets (EBITA)	87,346	26,649	9,605	(24,992)	98,608
Operating profit (loss) (EBIT)	79,101	25,266	6,689	(25,014)	86,042
Profit (loss) before tax					74,272
Net profit (loss)					54,466
Net profit (loss) attributable to the Group					54,459

Second Quarter 2022					
(€ thousands)	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)
Net profit (loss)					55,780
Profit (loss) of minority interests					109
Net profit (loss) attributable to the Group					55,671

Second Quarter 2022 – Only recurring operations					
(€ thousands)	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
Net profit (loss)					57,204
Net profit (loss) attributable to the Group					57,095

Revenues from sales and services

(€ thousands)	First Half 2023	First Half 2022	Change	Change %
Revenues from sales and services	1,113,770	1,037,206	76,564	7.4%

(€ thousands)	Second Quarter 2023	Second Quarter 2022	Change	Change %
Revenues from sales and services	573,517	541,399	32,118	6.0%

Consolidated revenues from sales and services amounted to €1,113,770 thousand in the first six months of 2023, an increase of €76,564 thousand (+7.4%) compared to the same period of the prior year.

The increase against the first half of 2022 is explained for €72,410 thousand (+7.0%) by organic growth and for €20,950 thousand (+2.0%) by acquisitions. The foreign exchange effect was negative for €16,796 thousand (-1.6%).

The performance was positive across all geographic areas: a solid performance was recorded in EMEA in a softer than expected market demand and with one working day less than in the comparison period; AMERICAS was once again the area posting the highest organic growth; APAC reported excellent revenue growth thanks to the outstanding organic performance reported across all markets of the region.

In the second quarter alone consolidated revenues from sales and services amounted to €573,517 thousand, an increase of €32,118 thousand (+6.0%) compared to the second quarter of 2022 explained, for €35,474 thousand (+6.6%), by positive organic growth and, for €11,695 thousand (+2.2%) by acquisitions while the foreign exchange effect was negative for €15,051 thousand (-2.8%).

The breakdown of revenues from sales and services by geographic area is shown below.

(€ thousands)	H1 2023	% for geographic area	H1 2022	% for geographic area	Change	Change %	Exchange diff.	Change % in local currency
EMEA	735,482	66.0%	704,649	67.9%	30,833	4.4%	(1,031)	4.5%
Americas	212,661	19.1%	180,790	17.4%	31,871	17.6%	(7,177)	21.6%
Asia Pacific	165,381	14.9%	151,493	14.7%	13,888	9.2%	(8,588)	14.9%
Corporate	246	0.0%	274	0.0%	(28)	-10.2%	-	-10.2%
Total	1,113,770	100.0%	1,037,206	100.0%	76,564	7.4%	(16,796)	9.0%

Europe, Middle East, Africa

Period (€ thousand)	2023	2022	Variazione	Variazione %
I quarter	359,707	340,171	19,536	5.7%
II quarter	375,775	364,478	11,297	3.1%
I Half Year	735,482	704,649	30,833	4.4%

Consolidated revenues from sales and services amounted to €735,482 thousand in the first six months of 2023, an increase of €30,833 thousand (+4.4%) compared to the same period of the prior year, of which €24,773 thousand (+3.5%) is attributable to organic growth. Acquisitions contributed €7,091 thousand (+1.0%), while the foreign exchange effect was negative for €1,031 thousand (-0.1%).

Even though there was one less working day than in the same period of 2022 and market demand was weaker than expected (attributable mainly to a delay in the new orders made by existing clients), organic growth still outpaced the reference market, benefitting also from the positive development of the pricing actions.

In the second quarter alone, consolidated revenues from sales and services amounted to €375,775 thousand, an increase of €11,297 thousand (+3.1%) against the comparison period. This increase is attributable to organic growth for €7,677 thousand (+2.2%) and to acquisitions for €3,813 thousand (+1.0%). The foreign exchange effect was slightly negative at -€193 thousand (-0.1%).

Americas

Period (€ thousand)	2023	2022	Change	Change %
I quarter	100,864	84,021	16,843	20.0%
II quarter	111,797	96,769	15,028	15.5%
I Half Year	212,661	180,790	31,871	17.6%

Consolidated revenues from sales and services amounted to €212,661 thousand in the first six months of 2023, an increase of €31,871 thousand (+17.6%) compared to the first half of 2022. This excellent result is explained for €26,956 thousand (+14.9%) by organic growth fueled primarily by the outstanding performance of Miracle-Ear and Amplifon Hearing Health Care. Acquisitions contributed €12,092 thousand (+6.7%), while the foreign exchange effect was negative for €7,177 thousand (-4.0%).

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

In the second quarter alone, consolidated revenues from sales and services amounted to €111,797 thousand, an increase of €15,028 thousand (+15.5%) against the comparison period attributable to positive organic growth for €16,039 thousand (+16.6%), acquisitions for €6,709 thousand (+6.9%), while the foreign exchange effect was negative for €7,720 thousand (-8.0%).

Asia Pacific

Period (€ thousand)	2023	2022	Change	Change %
I quarter	79,595	71,462	8,133	11.4%
II quarter	85,786	80,031	5,755	7.2%
I Half Year	165,381	151,493	13,888	9.2%

Consolidated revenues from sales and services amounted to €165,381 thousand in the first six months of 2023, an increase of €13,888 thousand (+9.2%) compared to the first half of 2022 explained primarily by organic growth, for €20,709 thousand (+13.7%), and acquisitions for €1,767 thousand (+1.2%), while the foreign exchange effect was negative for €8,588 thousand (-5.7%).

In the second quarter alone consolidated revenues from sales and services amounted to € 85,786 thousand, an increase of €5,755 thousand (+7.2%) explained primarily by positive organic growth for €11,720 thousand (+14.6%) and acquisitions for €1,173 thousand (+1.5%) while the foreign exchange effect was negative for €7,138 thousand (-8.9%).

Gross operating profit (EBITDA)

(€ thousand)	First Half 2023			First Half 2022		
	Recurring	Non-recurring	Total	Recurring	Non-recurring	Total
Gross operating profit (loss) (EBITDA)	276,041	(11,283)	264,758	260,117	(5,029)	255,088

(€ thousand)	Second Quarter 2023			Second Quarter 2022		
	Recurring	Non-recurring	Total	Recurring	Non-recurring	Total
Gross operating profit (loss) (EBITDA)	152,507	(3,391)	149,116	147,264	(1,982)	145,282

Gross operating profit (EBITDA) amounted to €264,758 thousand in the first six months of 2023, an increase of €9,670 thousand (+3.8%) with respect to the comparison period. The EBITDA margin came to 23.8%, 0.8 p.p. lower than in the comparison period.

The result for the reporting period reflects non-recurring expenses of €11,283 thousand explained:

- for €10,394 thousand, by the notional cost of the free, one-off assignment made by the shareholder Ampliter of 500,000 of its Amplifon shares to the Chief Executive Officer Enrico Vita, recognized in the reporting period in accordance with IFRS 2 “Share Based Payments”. For more information refer to section 14 of this report;
- for €889 thousand, by the second phase of the GAES integration.

In the first six months of 2022 non-recurring expenses of €5,029 thousand were also incurred. Net of these items, EBITDA would have been €15,924 thousand (+6.1%) higher than in the first six months of 2022 with a decrease in the EBITDA margin of -0.3 p.p.

In the second quarter alone, the gross operating profit (EBITDA) amounted to €149,116 thousand, an increase of €3,834 thousand (+2.6%) with respect to the comparison period. The EBITDA margin came to 26.0%, 0.8 p.p. lower than in the comparison period.

The result for the quarter reflects non-recurring expenses of €3,391 thousand explained:

- for €3,099 thousand, by the notional cost of the free, one-off assignment made by the shareholder Ampliter of 500,000 of its Amplifon shares to the Chief Executive Officer Enrico Vita, recognized in the reporting period in accordance with IFRS 2 “Share Based Payments”. For more information refer to section 14 of this report;
- for €292 thousand, by the second phase of the GAES integration.

In the second quarter of 2022 non-recurring expenses of €1,982 thousand were also incurred.

Net of these items, EBITDA would have been €5,243 thousand (+3.6%) higher than in the second quarter of 2022 with a decrease in the EBITDA margin of -0.6 p.p.

The breakdown of EBITDA by geographic region is shown below.

(€ thousands)	H1 2023	EBITDA Margin	H1 2022	EBITDA Margin	Change	Change %
EMEA	216,489	29.4%	208,172	29.5%	8,317	4.0%
Americas	57,104	26.9%	48,548	26.9%	8,556	17.6%
Asia Pacific	42,622	25.8%	37,521	24.8%	5,101	13.6%
Corporate (*)	(51,457)	-4.6%	(39,153)	-3.8%	(12,304)	-31.4%
Total	264,758	23.8%	255,088	24.6%	9,670	3.8%

(€ thousands)	Q2 2023	EBITDA Margin	Q2 2022	EBITDA Margin	Change	Change %
EMEA	117,065	31.2%	115,763	31.8%	1,302	1.1%
Americas	32,274	28.9%	27,878	28.8%	4,396	15.8%
Asia Pacific	20,881	24.3%	19,190	24.0%	1,691	8.8%
Corporate (*)	(21,104)	-3.7%	(17,549)	-3.2%	(3,555)	-20.3%
Total	149,116	26.0%	145,282	26.8%	3,834	2.6%

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

The breakdown of recurring EBITDA by geographic region is shown below.

(€ thousands)	H1 2023	EBITDA Margin	H1 2022	EBITDA Margin	Change	Change %
EMEA	217,378	29.6%	209,854	29.8%	7,524	3.6%
Americas	57,104	26.9%	48,548	26.9%	8,556	17.6%
Asia Pacific	42,622	25.8%	39,868	26.3%	2,754	6.9%
Corporate (*)	(41,063)	-3.7%	(38,153)	-3.7%	(2,910)	-7.6%
Total	276,041	24.8%	260,117	25.1%	15,924	6.1%

(€ thousands)	Q2 2023	EBITDA Margin	Q2 2022	EBITDA Margin	Change	Change %
EMEA	117,357	31.2%	116,398	31.9%	959	0.8%
Americas	32,274	28.9%	27,878	28.8%	4,396	15.8%
Asia Pacific	20,881	24.3%	20,537	25.7%	344	1.7%
Corporate (*)	(18,005)	-3.1%	(17,549)	-3.2%	(456)	-2.6%
Total	152,507	26.6%	147,264	27.2%	5,243	3.6%

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

Europe, Middle-East, Africa

Gross operating profit (EBITDA) amounted to €216,489 thousand in the first six months of 2023, an increase of €8,317 thousand (+4.0%) with respect to the comparison period. The EBITDA margin came to 29.4%, 0.1 p.p. lower than in the first half of 2022.

The result for the reporting period reflects non-recurring expenses of €889 thousand attributable to the second phase of the GAES integration.

In the first six months of 2022 non-recurring expenses of €1,682 thousand were also incurred. Net of these items, EBITDA would have been €7,524 thousand (+3.6%) higher than in the first six months of 2022 with the EBITDA margin down -0.2 p.p.

In the second quarter alone gross operating profit (EBITDA) amounted to €117,065 thousand, an increase of €1,302 thousand (+1.1%) with respect to the comparison period. The EBITDA margin was -0.6 p.p. lower than in the comparison period, coming in at 31.2%.

The result for the reporting period reflects non-recurring expenses of €229 thousand attributable to the second phase of the GAES integration.

In the second quarter of 2022 non-recurring expenses of €635 thousand were also incurred. Net of this item, recurring EBITDA would have been €959 thousand (+0.8%) higher than in the second quarter of 2022 with the EBITDA margin down -0.7 p.p.

Americas

Gross operating profit (EBITDA) amounted to €57,104 thousand in the first six months of 2023, an increase of €8,556 thousand (+17.6%) with respect to the comparison period. The EBITDA margin came to 26.9%, in line with the prior half.

In the second quarter alone, the gross operating profit (EBITDA) amounted to €32,274 thousand, an increase of €4,396 thousand (+15.8%) with respect to the comparison period.

The EBITDA margin came to 28.9%, an increase of +0.1 p.p. against the comparison period.

Asia Pacific

Gross operating profit (EBITDA) amounted to €42,622 thousand in the first six months of 2023, an increase of €5,101 thousand (+13.6%) with respect to the comparison period. The EBITDA margin came to 25.8%, 1.0 p.p. higher than in the first half of 2022.

In the first six months of 2022 non-recurring expenses of €2,347 thousand were incurred.

Net of these items, EBITDA would have been €2,754 thousand higher (+6.9%) with the EBITDA margin down -0.5 p.p.

In the second quarter alone gross operating profit (EBITDA) amounted to €20,881 thousand, an increase of €1,691 thousand (+8.8%) with respect to the comparison period.

The EBITDA margin was +0.3 p.p. higher than in the comparison period, coming in at 24.3%.

In the second quarter of 2022 non-recurring expenses of €1,347 thousand were incurred. Net of these items, EBITDA would have been €344 thousand higher (+1.7%) with the EBITDA margin down -1.4 p.p.

Corporate

In the first six months of 2023 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 €51,457 thousand (4.6% of the revenues generated by the Group's sales and services), an increase of €12,304 thousand (+31.4%) with respect to the same period of the prior year. The EBITDA margin came to 4.6% (0.8 p.p. higher than in the first six months of 2022).

The result for the reporting period reflects the non-recurring expenses of €10,394 thousand stemming from the notional cost of the free, one-off assignment made by the shareholder Ampliter of 500,000 of its Amplifon shares to the Chief Executive Officer Enrico Vita recognized in the first quarter in accordance with IFRS 2 "Share Based Payments". For more information refer to section 14 of this report.

In the first six months of 2022 non-recurring expenses of €1,000 thousand were also recognized. Net of these items, costs would have been €2,910 thousand (7.6%) higher than in the first six months of 2022, with the EBITDA margin unchanged.

In the second quarter of 2023 the cost of centralized corporate functions was €21,104 thousand (3.7% of the revenues generated by the Group's sales and services), €3,555 thousand (+20.3%) higher than in the second quarter of 2022.

The result for the second quarter reflects the non-recurring expenses of €3,099 thousand stemming from the notional cost of the free, one-off assignment made by the shareholder Ampliter of 500,000 of its Amplifon shares to the Chief Executive Officer Enrico Vita recognized in the first quarter in accordance with IFRS 2 "Share Based Payments". For more information refer to section 14 of this report.

Net of these items, costs would have been €456 thousand (+2.6%) higher than in the second quarter of 2022 and the margin would have been 0.1 p.p. lower.

Operating Profit (EBIT)

(€ thousand)	First Half 2023			First Half 2022		
	Recurring	Non-recurring	Total	Recurring	Non-recurring	Total
Operating profit (loss) (EBIT)	147,500	(11,283)	136,217	142,196	(5,029)	137,167

(€ thousand)	Second Quarter 2023			Second Quarter 2022		
	Recurring	Non-recurring	Total	Recurring	Non-recurring	Total
Operating profit (loss) (EBIT)	86,042	(3,391)	82,651	86,992	(1,982)	85,010

Operating profit (EBIT) amounted to €136,217 thousand in the first six months of 2023, a decrease of €950 thousand (-0.7%) with respect to the comparison period.

The EBIT margin came to 12.2%, a decrease of 1.0 p.p. against the comparison period.

The reporting period was impacted for €11,283 thousand by the same non-recurring expenses described in the section on EBITDA. The first six months of 2022 were also impacted by non-recurring expenses of €5,029 thousand. Net of these items, EBIT would have been €5,304 thousand higher (+3.7%) than in the first six months of 2022, with the EBIT margin down -0.5 p.p.

With respect to the gross operating profit (EBITDA), EBIT was also impacted by an increase in depreciation and amortization of €10,620 thousand 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 €82,651 thousand, a decrease of €2,359 thousand (-2.8%) against the comparison period. The EBIT margin was 1.3 p.p. lower than in the second quarter of 2022, coming in at 14.4%.

With respect to the gross operating profit (EBITDA), EBIT was also impacted by an increase in amortization and depreciation of €6,193 thousand.

The second quarter was impacted for €3,391 thousand by the same non-recurring expenses described in the section on EBITDA. The second quarter of 2022 was also impacted by non-recurring expenses, described in the section on EBITDA. Net of these items, recurring EBIT would have been €950 thousand (-1.1%) lower than in the second quarter of 2022 with the margin down -1.1 p.p.

The breakdown of EBIT by geographic area is shown below.

(€ thousand)	H1 2023	EBIT Margin	H1 2022	EBIT Margin	Change	Change %
EMEA	141,217	19.2%	135,290	19.2%	5,927	4.4%
Americas	43,393	20.4%	37,743	20.9%	5,650	15.0%
Asia Pacific	16,046	9.7%	13,561	9.0%	2,485	18.3%
Corporate (*)	(64,439)	-5.8%	(49,427)	-4.8%	(15,012)	-30.4%
Total	136,217	12.2%	137,167	13.2%	(950)	-0.7%

(€ thousand)	Q2 2023	EBIT Margin	Q2 2022	EBIT Margin	Change	Change %
EMEA	78,810	21.0%	78,975	21.7%	(165)	-0.2%
Americas	25,266	22.6%	22,160	22.9%	3,106	14.0%
Asia Pacific	6,688	7.8%	6,714	8.4%	(26)	-0.4%
Corporate (*)	(28,113)	-4.9%	(22,839)	-4.2%	(5,274)	-23.1%
Total	82,651	14.4%	85,010	15.7%	(2,359)	-2.8%

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

The breakdown of EBIT by geographic area with reference to recurring operations is shown below.

(€ thousand)	H1 2023	EBIT Margin	H1 2022	EBIT Margin	Change	Change %
EMEA	142,106	19.3%	136,972	19.4%	5,134	3.7%
Americas	43,393	20.4%	37,743	20.9%	5,650	15.0%
Asia Pacific	16,046	9.7%	15,908	10.5%	138	0.9%
Corporate (*)	(54,045)	-4.9%	(48,427)	-4.7%	(5,618)	-11.6%
Total	147,500	13.2%	142,196	13.7%	5,304	3.7%

(€ thousand)	Q2 2023	EBIT Margin	Q2 2022	EBIT Margin	Change	Change %
EMEA	79,101	21.1%	79,610	21.8%	(509)	-0.6%
Americas	25,266	22.6%	22,160	22.9%	3,106	14.0%
Asia Pacific	6,689	7.8%	8,061	10.1%	(1,372)	-17.0%
Corporate (*)	(25,014)	-4.4%	(22,839)	-4.2%	(2,175)	-9.5%
Total	86,042	15.0%	86,992	16.1%	(950)	-1.1%

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

Europe, Middle East, Africa

Operating profit (EBIT) amounted to €141,217 thousand in the first six months of 2023, an increase of €5,927 thousand (+4.4%) with respect to the comparison period. The EBIT margin came to 19.2%, in line with the prior half.

The result was impacted for €889 thousand by the same non-recurring expenses described in the section on EBITDA. The first six months of 2022 were also affected by non-recurring expenses of €1,682 thousand.

Net of these items, EBIT would have been €5,134 thousand higher (+3.7%) than in the first six months of 2022, with the EBIT margin down -0.1 p.p.

In the second quarter alone operating profit (EBIT) amounted to €78,810 thousand, a decrease of €165 thousand (-0.2%) against the comparison period with the EBIT margin down -0.7 p.p. against the comparison period at 21.0%.

The result for the quarter was impacted for €292 thousand by the same non-recurring expenses described in the section on EBITDA. The second quarter of 2022 was also affected by non-recurring expenses of €635 thousand.

Net of these items, EBIT would have been €509 thousand lower (-0.6%) than in the first quarter of 2022, with the EBIT margin down -0.7 p.p.

Americas

Operating profit (EBIT) amounted to €43,393 thousand in the first six months of 2023, an increase of €5,650 thousand (+15.0%) with respect to the comparison period. The EBIT margin came to 20.4%, 0.5 p.p. lower than in the first half of 2022.

In the second quarter alone operating profit (EBIT) amounted to €25,266 thousand, an increase of €3,106 thousand (+14.0%) with respect to the comparison period. The EBIT margin was 0.3 p.p. lower, coming in at 22.6%.

Asia Pacific

Operating profit (EBIT) amounted to €16,046 thousand in the first six months of 2023, an increase of €2,485 thousand (+18.3%) with respect to the comparison period. The EBIT margin came to 9.7%, 0.7 p.p. higher than in the first half of 2022.

In the first six months of 2022 non-recurring expenses of €2,347 thousand were incurred. Net of this item, EBIT would have been €138 thousand higher (+0.9%) with the EBIT margin down -0.8 p.p.

In the second quarter alone operating profit (EBIT) amounted to €6,688 thousand, a decrease of €26 thousand (-0.4%) with respect to the comparison period. The EBIT margin came to 7.8%, 0.6 p.p. lower than in the second quarter of 2022.

In the second quarter of 2022 non-recurring expenses of €1,347 thousand were also incurred.

Net of this item, EBIT would have been €1,372 thousand lower (-17.0%) with the EBIT margin down -2.3 p.p.

Corporate

The net Corporate costs at the EBIT level amounted to €64,439 thousand in the first six months of 2023 (-5.8% of the revenues generated by the Group's sales and services), an increase of €15,012 thousand compared to the first half of 2022.

The result was impacted for €10,394 thousand by the non-recurring expenses described in the section on EBITDA. The first half of 2022 was also impacted by non-recurring expenses which amounted to €1,000 thousand.

Net of these items, the costs would have been €5,618 thousand (+11.6%) higher with the margin higher by 0.2 p.p.

In the second quarter alone the net Corporate costs at the EBIT level amounted to €28,113 thousand (-4.9% of the revenues generated by the Group's sales and services), an increase of €5,274 thousand (+23.1%) compared to the second quarter of 2022.

The second quarter of 2023 was impacted for €3,099 thousand by the same non-recurring expenses described in the section on EBITDA.

Net of this item, the costs would have been €2,175 thousand (+9.5%) with the margin higher by +0.2 p.p.

Profit before taxes

(€ thousand)	First Half 2023			First Half 2022		
	Recurring	Non-recurring	Total	Recurring	Non-recurring	Total
Profit before taxes	123,782	(11,283)	112,499	124,899	(5,029)	119,870

(€ thousand)	Second Quarter 2023			Second Quarter 2022		
	Recurring	Non-recurring	Total	Recurring	Non-recurring	Total
Profit before taxes	74,272	(3,391)	70,881	78,138	(1,982)	76,156

Profit before tax amounted to €112,499 thousand in the first six months of 2023, a decrease of €7,371 thousand (-6.1%) against the comparison period, with a gross profit margin of 10.1% (-1.5 p.p. with respect to the comparison period).

The result for the first half of 2023 was impacted for €11,283 thousand by the same non-recurring expenses described in the section on EBITDA. In the first half of 2022 non-recurring expenses of €5,029 thousand were also incurred.

On a recurring basis, there would have been a decrease of €1,117 thousand (-0.9%) against the first six months of 2022, with the profit margin down -0.9 p.p.

This result reflects an increase in net financial expenses of €6,403 thousand due mainly to higher financial management costs attributable to: exchange differences tied to currency volatility mainly in countries in North and South America, the increased negative impact of inflation accounting on the Argentinian subsidiary, higher interest rates applied to store leases following the application of IFRS 16, and higher interest rates on utilization of short-term credit lines (most of the medium/long-term debt is fixed rate).

In the second quarter alone profit before tax amounted to €70,881 thousand, a decrease of €5,275 thousand (-6.9%) with respect to the comparison period, with a gross profit margin of, 12.4% (-1.7 p.p. against the comparison period).

The higher financial management costs attributable to the factors described above amounted to €2,916 thousand.

The result recorded in the second quarter of 2023 was impacted for €3,391 thousand by the same non-recurring expenses described in the section on EBITDA. The second quarter of 2022 was also impacted by non-recurring expenses of €1,982 thousand. Net of these items, profit before tax would have been €3,866 thousand (-4.9%) lower than in the second quarter of 2022. The gross profit margin would have been 1.4 p.p. lower, coming in at 13.0%.

Group net profit

(€ thousand)	First Half 2023			First Half 2022		
	Recurring	Non-recurring	Recurring	Non-recurring	Recurring	Non-recurring
Group net profit	89,344	(7,987)	81,357	89,901	(3,618)	86,283

(€ thousand)	Second Quarter 2023			Second Quarter 2022		
	Recurring	Non-recurring	Recurring	Non-recurring	Recurring	Non-recurring
Group net profit	54,459	(2,402)	52,057	57,095	(1,424)	55,671

The Group's net profit came to €81,357 thousand in the first six months of 2023, a decrease of €4,926 thousand (-5.7%) against the comparison period, with a profit margin of 7.3% (-1.0 p.p. against the comparison period).

The result for the reporting period was impacted for €7,987 thousand by the same non-recurring expenses described in the section on EBITDA, net of the tax effect. In the first six months of 2022 non-recurring expenses amounted to €3,618 thousand.

On a recurring basis, there would have been a decrease of €557 thousand (-0.6%) with respect to the first six months of 2022, with the profit margin down -0.6 p.p.

The tax rate was 27.7% in the reporting period compared to 27.9% in the first half of 2022.

In the second quarter alone the Group's net profit came to €52,057 thousand (9.1% of revenues from sales and services), a decrease of €3,614 thousand (-6.5%) against the comparison period with the profit margin down -1.2 p.p. Net of the non-recurring expenses, the Group's net profit would have been €2,636 thousand (-4.6%) lower, with the profit margin down -1.1 p.p.

BALANCE SHEET REVIEW

Consolidated balance sheet by geographical area (*)

(€ thousands)	06/30/2023				
	EMEA	Americas	Asia Pacific	Eliminations	Total
Goodwill	940,984	230,883	597,942	-	1,769,809
Non-competition agreements, trademarks, customer lists and lease rights	180,894	22,305	54,544	-	257,743
Software, licenses, other intangible fixed assets with finite useful life, fixed assets in progress and advances	122,974	32,941	8,271	-	164,186
Property, plant, and equipment	141,532	23,303	33,663	-	198,498
Right-of-use assets	368,114	41,480	53,325	-	462,919
Financial fixed assets	3,940	11,362	194	-	15,496
Other non-current financial assets	40,091	2,506	1,641	-	44,238
Non-current assets	1,798,529	364,780	749,580	-	2,912,889
Inventories	63,911	7,513	8,863	-	80,287
Trade receivables	214,040	39,482	18,955	(75,231)	197,246
Other receivables	73,865	15,067	7,629	(195)	96,366
Current assets (A)	351,816	62,062	35,447	(75,426)	373,899
Operating assets	2,150,345	426,842	785,027	(75,426)	3,286,788
Trade payables	(267,236)	(64,814)	(53,685)	75,231	(310,504)
Other payables	(292,837)	(40,005)	(33,611)	195	(366,258)
Provisions for risks and charges (current portion)	(2,636)	(726)	-	-	(3,362)
Current liabilities (B)	(562,709)	(105,545)	(87,296)	75,426	(680,124)
Net working capital (A) - (B)	(210,893)	(43,483)	(51,849)	-	(306,225)
Derivative instruments	23,190	-	-	-	23,190
Deferred tax assets	64,664	10,242	11,843	-	86,749
Deferred tax liabilities	(62,425)	(25,865)	(16,721)	-	(105,011)
Provisions for risks and charges (non-current portion)	(16,805)	(715)	(1,489)	-	(19,009)
Liabilities for employees' benefits (non-current portion)	(9,201)	(213)	(654)	-	(10,068)
Loan fees	3,802	-	-	-	3,802
Other non-current liabilities	(161,651)	(14,901)	(2,305)	-	(178,857)
NET INVESTED CAPITAL	1,429,210	289,845	688,405	-	2,407,460
Group net equity					1,040,630
Minority interests					961
Total net equity					1,041,591
Net medium and long-term financial indebtedness					666,867
Net short-term financial indebtedness					216,944
Total net financial indebtedness					883,811
Lease liabilities	380,727	44,540	56,792	-	482,059
Total lease liabilities & net financial indebtedness					1,365,869
NET EQUITY, LEASE LIABILITIES AND NET FINANCIAL INDEBTEDNESS					2,407,460

(*) 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)	12/31/2022				
	EMEA	Americas	Asia Pacific	Eliminations	Total
Goodwill	921,163	213,816	619,049	-	1,754,028
Non-competition agreements, trademarks, customer lists and lease rights	185,759	22,022	58,344	-	266,125
Software, licenses, other intangible fixed assets with finite useful life, fixed assets in progress and advances	112,883	31,881	9,209	-	153,973
Property, plant, and equipment	136,721	21,006	35,688	-	193,415
Right-of-use assets	366,243	34,242	51,262	-	451,747
Financial fixed assets	3,706	9,378	208	-	13,292
Other non-current financial assets	38,589	2,322	1,491	-	42,402
Non-current assets	1,765,064	334,667	775,251	-	2,874,982
Inventories	60,417	5,781	10,060	-	76,258
Trade receivables	211,132	46,331	28,617	(94,014)	192,066
Other receivables	64,120	8,520	5,450	(199)	77,891
Current assets (A)	335,669	60,632	44,127	(94,213)	346,215
Operating assets	2,100,733	395,299	819,378	(94,213)	3,221,197
Trade payables	(310,412)	(68,611)	(40,574)	94,014	(325,583)
Other payables	(284,580)	(35,345)	(40,735)	199	(360,461)
Provisions for risks and charges (current portion)	(975)	(688)	-	-	(1,663)
Current liabilities (B)	(595,967)	(104,644)	(81,309)	94,213	(687,707)
Net working capital (A) - (B)	(260,298)	(44,012)	(37,182)	-	(341,492)
Derivative instruments	24,474	-	-	-	24,474
Deferred tax assets	60,867	10,206	10,707	-	81,780
Deferred tax liabilities	(61,419)	(26,053)	(19,211)	-	(106,683)
Provisions for risks and charges (non-current portion)	(17,712)	(787)	(1,445)	-	(19,944)
Liabilities for employees' benefits (non-current portion)	(8,024)	(202)	(714)	-	(8,940)
Loan fees	4,508	-	-	-	4,508
Other non-current liabilities	(151,723)	(15,718)	(2,295)	-	(169,736)
NET INVESTED CAPITAL	1,355,737	258,101	725,111	-	2,338,949
Group net equity					1,038,509
Minority interests					1,841
Total net equity					1,040,350
Net medium and long-term financial indebtedness					807,907
Net short-term financial indebtedness					22,086
Total net financial indebtedness					829,993
Lease liabilities	377,981	36,822	53,803	-	468,606
Total lease liabilities & net financial indebtedness					1,298,599
NET EQUITY, LEASE LIABILITIES AND NET FINANCIAL INDEBTEDNESS					2,338,949

Non-current assets

Non-current assets amounted to €2,912,889 thousand at 30 June 2023, an increase of €37,907 thousand respect to the €2,874,982 thousand recorded at 31 December 2022.

The changes in the period are explained (i) for €63,274 thousand by capital expenditure; (ii) for €70,678 thousand by the recognition of right-of-use assets acquired in the period; (iii) for €65,927 thousand by acquisitions made in the reporting period; (iv) for €128,699 thousand by depreciation, amortization and impairment which includes the amortization of the above right-of-use assets; (v) for €33,273 thousand by other net decreases relating primarily to negative foreign exchange differences.

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

(€ thousands)	06/30/2023	12/31/2022	Change	
EMEA	Goodwill	940,984	921,163	19,821
	Non-competition agreements, trademarks, customer lists and lease rights	180,894	185,759	(4,865)
	Software, licenses, other intangible fixed assets with finite useful life, fixed assets in progress and advances	122,974	112,883	10,091
	Tangible assets	141,532	136,721	4,811
	Right-of-use assets	368,114	366,243	1,871
	Financial fixed assets	3,940	3,706	234
	Other non-current financial assets	40,091	38,589	1,502
	Non-current assets	1,798,529	1,765,064	33,465
Americas	Goodwill	230,883	213,816	17,067
	Non-competition agreements, trademarks, customer lists and lease rights	22,305	22,022	283
	Software, licenses, other intangible fixed assets with finite useful life, fixed assets in progress and advances	32,941	31,881	1,060
	Tangible assets	23,303	21,006	2,297
	Right-of-use assets	41,480	34,242	7,238
	Financial fixed assets	11,362	9,378	1,984
	Other non-current financial assets	2,506	2,322	184
	Non-current assets	364,780	334,667	30,113
Asia Pacific	Goodwill	597,942	619,049	(21,107)
	Non-competition agreements, trademarks, customer lists and lease rights	54,544	58,344	(3,800)
	Software, licenses, other intangible fixed assets with finite useful life, fixed assets in progress and advances	8,271	9,209	(938)
	Tangible assets	33,663	35,688	(2,025)
	Right-of-use assets	53,325	51,262	2,063
	Financial fixed assets	194	208	(14)
	Other non-current financial assets	1,641	1,491	150
	Non-current assets	749,580	775,251	(25,671)
Total	2,912,889	2,874,982	37,907	

Europe, Middle East, Africa

Non-current assets amounted to €1,798,529 thousand at 30 June 2023, an increase of €33,465 thousand with respect to the €1,765,064 thousand recorded at 31 December 2022.

This increase is explained:

- for €40,352 thousand, by right-of-use assets acquired in the year as a result of the renewal of existing leases and network expansion;
- for €32,048 thousand, by acquisitions made in the reporting period;
- for €21,459 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 to implement Group Information Technology projects detailed below;
- for €26,750 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 new front office solutions for the hyper-personalization of customer experiences;
- for €88,412 thousand, by amortization and depreciation, including amortization of the right-of-use assets referred to above;
- for €1,268 thousand, by other increases.

Americas

Non-current assets amounted to €364,780 thousand at 30 June 2023, an increase of €30,113 thousand against the €334,667 thousand recorded at 31 December 2022.

This increase is explained:

- for €21,094 thousand, by acquisitions made in the reporting period;
- for €12,266 thousand, by right-of-use assets acquired during the year as a result of the renewal of existing leases and network expansion;
- for €4,695 thousand, by investments in property, plant and equipment, relating to the opening of new stores, and the renewal of existing ones;
- for €5,194 thousand, by investments in intangible assets relating mainly to the development of front office IT systems, primarily at US subsidiaries;
- for €13,711 thousand, by amortization and depreciation, including the amortization of the right-of-use assets referred to above;
- for €9,353 thousand, by other decreases stemming primarily from foreign exchange losses;
- for €9,928 thousand by other increases, explained primarily by inflation accounting and revaluations of the Argentinian subsidiary.

Asia Pacific

Non-current assets amounted to €749,580 thousand at 30 June 2023, a decrease of €25,671 thousand against the €775,251 thousand recorded at 31 December 2022.

This decrease is explained:

- for €18,060 thousand, by right-of-use assets acquired during the year as a result of the renewal of existing leases and network expansion;
- for €12,785 thousand, by acquisitions made in the reporting period;
- for €4,404 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 €772 thousand, by investments in intangible assets relating primarily to the development of IT systems;
- for €26,576 thousand, by amortization and depreciation, including the amortization of the right-of-use assets referred to above;
- for €35,116 thousand, by other decreases relating to foreign exchange differences which mainly affected goodwill.

Net invested capital

Net invested capital amounted to €2,407,460 thousand at 30 June 2023, an increase of €68,511 thousand against the €2,338,949 thousand recorded at 31 December 2022.

This increase is attributable mainly to the change in non-current assets described above, as well as an increase in working capital.

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

(€ thousands)	06/30/2023	12/31/2022	Change
EMEA	1,429,210	1,355,737	73,473
Americas	289,845	258,101	31,744
Asia Pacific	688,405	725,111	(36,706)
Total	2,407,460	2,338,949	68,511

Europe, Middle East, Africa

Net invested capital came to €1,429,210 thousand at 30 June 2023, an increase of €73,473 thousand against the €1,355,737 thousand recorded at 31 December 2022.

This increase is attributable mainly to the change in non-current assets described above, as well as an increase in working capital.

Factoring without recourse in the period involved trade receivables with a face value of €55,859 thousand (€33,612 thousand in the same period of the prior year) and VAT credits with a face value of €13,605 thousand.

Americas

Net invested capital came to €289,845 thousand at 30 June 2023, an increase of €31,744 thousand against the €258,101 thousand recorded at 31 December 2022.

This increase is attributable mainly to the change in non-current assets.

Factoring without recourse in the reporting period involved trade receivables with a face value of €160 thousand (€866 thousand in the same period of the prior year).

Asia Pacific

Net invested capital came to €688,405 thousand at 30 June 2023, a decrease of €36,706 thousand against the €725,111 thousand recorded at 31 December 2022.

The change is attributable mainly to the decline in non-current assets, along with the decrease in working capital.

Factoring without recourse in the period involved trade receivables with a face value of €3,736 thousand.

Net financial indebtedness

(€ thousands)	06/30/2023	12/31/2022	Change
Net medium and long-term financial indebtedness	666,867	807,907	(141,040)
Net short-term financial indebtedness	432,438	251,708	180,730
Cash and cash equivalents	(215,494)	(229,622)	14,128
Net financial indebtedness (A)	883,811	829,993	53,818
Lease liabilities – current portion	105,849	99,716	6,133
Lease liabilities – non-current portion	376,209	368,890	7,319
Lease liabilities (B)	482,058	468,606	13,452
Total lease liabilities & net financial indebtedness (A+B) (C)	1,365,869	1,298,599	67,270
Group net equity (D)	1,040,630	1,038,509	2,121
Minority interests	961	1,841	(880)
Net Equity (E)	1,041,591	1,040,350	1,241
Financial indebtedness/Group net equity (A/D)	0.85	0.80	
Financial indebtedness/Net equity (A/E)	0.85	0.80	
Financial indebtedness/EBITDA (*)	1.57	1.52	

(*) 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 €883,811 thousand at 30 June 2023, an increase of €53,818 thousand compared to 31 December 2022.

In the first half of 2023 free cash flow was positive for €76,110 thousand (compared to €107,592 thousand in the first six months of the prior year) due to higher capital expenditure which totaled €61,907 thousand (vs. €48,004 thousand in the comparison period).

Net cash-outs for acquisitions, which amounted to €59,125 thousand (€31,049 thousand in the first half of 2022), along with the payment of €65,361 thousand in dividends (€58,237 thousand in the comparison period), and costs related to payments of derivative instruments of €1,483 thousand and other changes in non-current assets of €615 thousand, bring cash flow for the reporting period to negative €50,474 thousand versus a negative €24,435 thousand in the first half of 2022.

At the end of January 2023, the entire Private Placement 2013-2025 was repaid in advance (€85,371 thousand at the hedging rate). This was the Group's most expensive source of financing. The subsequent elimination of the relative financial covenants allowed the Group to further increase its financial flexibility, as well as reduce the total cost of funding.

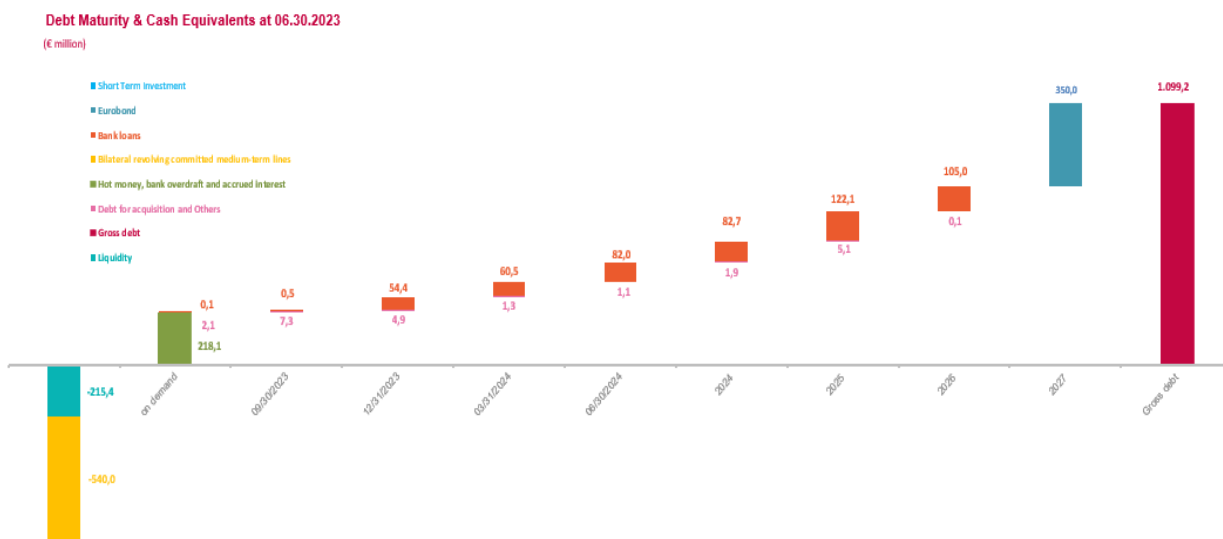
At the end of May 2023, a new €300 million sustainability-linked revolving line of credit was obtained from a pool of banks. This new facility, with a 3-year term and an extension option for 2 additional years at the Company's discretion, provides Amplifon with greater financial flexibility, further strengthening its solid liquidity position, diversifying the sources of funding and extending the average debt maturity.

At 30 June 2023, the Group had cash and cash equivalents, as well as other liquid investments, of €215,494 thousand compared to financial indebtedness of €1,099 million, net of lease liabilities.

Long-term debt amounts to €666,867 thousand, €7,069 thousand of which refers to the long-term portion of deferred payments for acquisitions. The decrease in the period of €141,040 thousand is attributable mainly to the reclassification of portions of bank debt from long- to short-term debt (expiring in the next 12 months).

The short-term debt was €180,730 thousand higher, coming in at €432,438 thousand. The short-term portion refers primarily to the short-term portion of long-term bank debt (€197,493 thousand), the hot money accounts used to support treasury activities and other short-term credit lines (€215,937 thousand), the interest payable on the Eurobond (€1,478 thousand) and on other bank loans (€804 thousand) and, lastly, the best estimate of the deferred payments for acquisitions (€15,817 thousand).

The chart below shows the debt maturities compared to the €215 million in available cash and cash equivalents and the unutilized portions of irrevocable credit lines which amount to €540 million, as well as the €71 million in other unutilized 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 €11,842 thousand at 30 June 2023, €9,450 thousand at 30 June 2022.

Interest payable on leases recognized in accordance with IFRS 16 amounted to €6,990 thousand versus €5,535 thousand at 30 June 2022.

Interest receivable on bank deposits are €914 thousand at 30 June 2023 versus €71 thousand at 30 June 2022.

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.

(€ thousands)	First six months 2023	First six months 2022
OPERATING ACTIVITIES:		
Net profit (loss) attributable to the Group	81,357	86,283
Minority interests	(34)	183
Amortization, depreciation and impairment:		
- <i>Intangible fixed assets with finite useful life</i>	43,294	38,807
- <i>Tangible fixed assets</i>	26,572	25,439
- <i>Right-of-use assets</i>	58,675	53,675
Total amortization, depreciation and impairment	128,541	117,921
Provisions, other non-monetary items and gain/losses from disposals	21,028	7,817
Group's share of the result of associated companies	(206)	(267)
Financial income and charges	23,925	17,568
Current and deferred income taxes	31,176	33,404
Change in assets and liabilities:		
- <i>Utilization of provisions</i>	(6,429)	(6,037)
- <i>(Increase) decrease in inventories</i>	(2,620)	(2,695)
- <i>Decrease (increase) in trade receivables</i>	(6,043)	(5,501)
- <i>Increase (decrease) in trade payables</i>	(9,912)	47,176
- <i>Changes in other receivables and other payables</i>	(14,221)	(49,126)
Total change in assets and liabilities	(39,225)	(16,183)
Dividends received	-	340
Net interest charges	(20,732)	(14,194)
Taxes paid	(31,660)	(25,060)
Cash flow provided by (used in) operating activities before repayment of lease liabilities	194,169	207,812
Repayment of lease liabilities	(56,152)	(52,216)
Cash flow generated from (absorbed) by operating activities	138,017	155,596
INVESTING ACTIVITIES:		
Purchase of intangible fixed assets	(32,716)	(20,973)
Purchase of tangible fixed assets	(30,559)	(29,197)
Consideration from sale of tangible fixed assets and businesses	1,368	2,166
Cash flow generated from (absorbed) by investing activities	(61,907)	(48,004)
Cash flow generated from operating and investing activities (Free cash flow)	76,110	107,592
Business combinations (*)	(59,125)	(31,049)
(Purchase) sale of other investments and securities	-	-
Net cash flow generated from acquisitions	(59,125)	(31,049)
Cash flow generated from (absorbed) by investing activities and acquisitions	(121,032)	(79,053)

(€ thousands)	First six months 2023	First six months 2022
FINANCING ACTIVITIES:		
Derivatives	(1,483)	-
Other non-current assets	(615)	198
Treasury shares	-	(42,872)
Dividends	(65,361)	(58,237)
Capital increases, third parties' contributions and dividends paid by subsidiaries to third parties	-	(67)
Cash flow generated from (absorbed) by financing activities	(67,459)	(100,978)
Changes in net financial indebtedness net of lease liabilities	(50,474)	(24,435)
Net financial indebtedness at the beginning of the period	(829,993)	(871,186)
Effect of exchange rate fluctuations on net financial indebtedness	(3,344)	323
Changes in net indebtedness	(50,474)	(24,435)
Net financial indebtedness at the end of the period net of lease liabilities	(883,811)	(895,298)

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

The change in net financial indebtedness of €53,818 thousand is attributable to:

- (i) Investing activities:
 - capital expenditure on property, plant and equipment and intangible assets of € 63,275 thousand relating primarily to the ongoing implementation and standardization of the Group cloud based ERP system, new Front-Office solution and network expansions;
 - acquisitions amounting to €59,125 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 €1,368 thousand.
- (ii) Operating activities:
 - interest payable on financial indebtedness, on *leases* due to IFRS16 accounting standards application and other net financial expenses for €20,732 thousand;
 - payment of taxes amounting to €31,660 thousand;
 - payment of principle on lease obligations of €56,152 thousand;
 - cash flow generated by current operations of €246,561 thousand.
- (iii) Financing activities:
 - dividends distribution for €65,361 thousand;
 - hedging instruments payment Euro €1,483 thousand;
 - negative changes in other non-current assets for €615 thousand.
- (iv) Net debt was also impacted by exchange losses of €3,344 thousand.

Non-recurring transactions had a negative impact on cash flow of €2,380 thousand, of which €1,600 thousand for costs related to GAES integration and €780 thousand to the integration of Bay Audio.

ACQUISITION OF COMPANIES AND BUSINESSES

During the first semester of 2023, the Group continued with external growth operations and acquired 140 points of sale for a total investment of €59,125 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 semester of 2023:

- 54 points of sale were acquired in China;
- 27 points of sale were acquired in Canada;
- 22 points of sale were acquired in Germany;
- 19 points of sale were acquired in France;
- 6 points of sale were acquired in the United States;
- 6 points of sale were acquired in Poland;
- 3 points of sale were acquired in Spain;
- 2 points of sale were acquired in Mexico;
- 1 point of sale was acquired in Italy.

OUTLOOK

In the second quarter of 2023, the hearing care market demand was softer than expected, primarily due to lower level of returning customers in EMEA. However, notwithstanding the market scenario and the uncertainties related to the macroeconomic environment, the Group continued along its strong growth path in the first half of the year.

Looking into the second half of 2023, Amplifon expects:

- to continue to grow faster than the reference market;
- easing organic growth and profitability comparative figures, particularly in the fourth quarter;
- a positive start to the third quarter with revenues showing strong growth in July.

In light of the above, the Group remains positive on its previously issued FY2023 outlook, based on the assumptions outlined at that time, including:

- global market demand back to growth in FY2023 (in the region of 2-3% in volume), though below historic levels;
- the estimated exchange rates for the year (foreign exchange rates for FY2023: EUR/USD at 1.07; EUR /AUD at 1.57; EUR /ARS at 227; EUR/EGP at 32).

In the medium-term the Group remains extremely positive on its prospects for sustainable growth in sales and profitability, thanks to the secular fundamentals of the hearing care market and its even stronger competitive positioning.

Milan, July 27th 2023

CEO

Enrico Vita

**CONDENSED INTERIM CONSOLIDATED FINANCIAL
STATEMENTS AS AT 30 JUNE 2023**

CONSOLIDATED STATEMENT OF FINANCIAL POSITION^(*)

(€ thousands)		06/30/2023	12/31/2022	Change
ASSETS				
Non-current assets				
Goodwill	Note 3	1,769,809	1,754,028	15,781
Intangible fixed assets with finite useful life	Note 4	421,929	420,098	1,831
Property, plant, and equipment	Note 5	198,498	193,415	5,083
Right-of-use assets	Note 6	462,919	451,747	11,172
Equity-accounted investments		2,293	2,093	200
Hedging instruments		24,130	25,850	(1,720)
Deferred tax assets		86,749	81,780	4,969
Contract costs		11,900	11,131	769
Other assets		45,542	42,470	3,072
Total non-current assets		3,023,769	2,982,612	41,157
Current assets				
Inventories		80,287	76,258	4,029
Trade receivables		197,246	192,067	5,179
Contract costs		5,204	5,262	(58)
Other receivables		91,144	72,610	18,534
Hedging instruments		253	17,016	(16,763)
Other financial assets		50,531	49,986	545
Cash and cash equivalents	Note 8	164,981	179,654	(14,673)
Total current assets		589,646	592,853	(3,207)
Total assets		3,613,415	3,575,465	37,950

(€ thousands)		06/30/2023	12/31/2022	Change
LIABILITIES				
Net Equity				
Share capital	Note 7	4,528	4,528	-
Share premium reserve		202,712	202,712	-
Treasury shares		(24,395)	(49,895)	25,500
Other reserves		(33,451)	11,230	(44,681)
Retained earnings		809,879	691,409	118,470
Profit (loss) for the period		81,357	178,525	(97,168)
Group net equity		1,040,630	1,038,509	2,121
Minority interests		961	1,841	(880)
Total net equity		1,041,591	1,040,350	1,241
Non-current liabilities				
Medium/long-term financial liabilities	Note 9	657,114	798,940	(141,826)
Lease liabilities	Note 11	376,209	368,890	7,319
Provisions for risks and charges	Note 10	19,009	19,944	(935)
Liabilities for employees' benefits		10,068	8,940	1,128
Hedging instruments		940	-	940
Deferred tax liabilities		105,011	106,683	(1,672)
Payables for business acquisitions		7,069	5,705	1,364
Contract liabilities		157,931	153,613	4,318
Other long-term liabilities		20,927	16,123	4,804
Total non-current liabilities		1,354,278	1,478,838	(124,560)
Current liabilities				
Trade payables		310,504	325,583	(15,079)
Payables for business acquisitions		15,817	24,601	(8,784)
Contract liabilities		113,413	114,857	(1,444)
Tax liabilities		88,331	74,785	13,546
Other payables		161,233	167,796	(6,563)
Hedging instruments		267	-	267
Provisions for risks and charges	Note 10	3,362	1,663	1,699
Liabilities for employees' benefits		3,690	3,616	74
Short-term financial liabilities	Note 9	415,080	243,661	171,419
Lease liabilities	Note 11	105,849	99,716	6,133
Total current liabilities		1,217,546	1,056,277	161,269
TOTAL LIABILITIES		3,613,415	3,575,465	37,950

(*) Transactions with related parties have not been reported separately because not material both at single entity and at consolidated level. Please refer to note 17 for more details.

CONSOLIDATED INCOME STATEMENT^(*)

(€ thousands)	First Half 2023			First Half 2022			Change
	Recurring	Non-recurring	Total	Recurring	Non-recurring	Total	
Revenues from sales and services	1,113,770	-	1,113,770	1,037,206	-	1,037,206	76,564
Operating costs	(841,738)	(11,283)	(853,021)	(780,764)	(4,978)	(785,742)	(67,279)
Other income and costs	4,009	-	4,009	3,675	(51)	3,624	385
Gross operating profit (EBITDA)	276,041	(11,283)	264,758	260,117	(5,029)	255,088	9,670
Amortization, depreciation and impairment							
Amortization of intangible fixed assets with finite useful life	(43,268)	-	(43,268)	(38,831)	-	(38,831)	(4,437)
Depreciation of property, plant, and equipment	(26,426)	-	(26,426)	(25,252)	-	(25,252)	(1,174)
Right-of-use depreciation	(58,675)	-	(58,675)	(53,675)	-	(53,675)	(5,000)
Impairment losses and reversals of non-current assets	(172)	-	(172)	(163)	-	(163)	(9)
	(128,541)	-	(128,541)	(117,921)	-	(117,921)	(10,620)
Operating result	147,500	(11,283)	136,217	142,196	(5,029)	137,167	(950)
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	207	-	207	267	-	267	(60)
Interest income and expenses	(10,927)	-	(10,927)	(9,379)	-	(9,379)	(1,548)
Interest expenses on lease liabilities	(6,990)	-	(6,990)	(5,535)	-	(5,535)	(1,455)
Other financial income and expenses	(1,925)	-	(1,925)	(923)	-	(923)	(1,002)
Exchange gains and losses, and inflation accounting	(4,609)	-	(4,609)	(277)	-	(277)	(4,332)
Gain (loss) on assets accounted at fair value	526	-	526	(1,450)	-	(1,450)	1,976
	(23,718)	-	(23,718)	(17,297)	-	(17,297)	(6,421)
Profit (loss) before tax	123,782	(11,283)	112,499	124,899	(5,029)	119,870	(7,371)
Current and deferred income tax							
Current tax	(41,266)	3,296	(37,970)	(39,387)	1,411	(37,976)	6
Deferred tax	6,794	-	6,794	4,572	-	4,572	2,222
	(34,472)	3,296	(31,176)	(34,815)	1,411	(33,404)	2,228
Net profit (loss)	89,310	(7,987)	81,323	90,084	(3,618)	86,466	(5,143)
Net profit (loss) attributable to Minority interests	(34)	-	(34)	183	-	183	(217)
Net profit (loss) attributable to the Group	89,344	(7,987)	81,357	89,901	(3,618)	86,283	(4,926)

(*) Transactions with related parties have not been reported separately because not material both at single entity and at consolidated level. Please refer to note 17 for more details.

Earnings per share (€ per share)	Note 16	First Half 2023	First Half 2022
Earnings per share			
- Basic		0.36275	0.38474
- Diluted		0.35979	0.37992

STATEMENT OF CONSOLIDATED COMPREHENSIVE INCOME

(€ thousands)	First Half 2023	First Half 2022
Net income (loss) for the period	81,323	86,466
Other comprehensive income (loss) that will not be reclassified subsequently to profit or loss:		
Remeasurement of defined benefit plans	(1,006)	7,742
Tax effect on components of other comprehensive income that will not be reclassified subsequently to profit or loss	221	(1,363)
Total other comprehensive income (loss) that will not be reclassified subsequently to profit or loss after the tax effect (A)	(785)	6,379
Other comprehensive income (loss) that will be reclassified subsequently to profit or loss:		
Gains/(losses) on cash flow hedging instruments	(2,934)	14,441
Gains/(losses) from Foreign Currency Basis Spread on hedging instruments	516	742
Gains/(losses) on exchange differences from translation of financial statements of foreign entities	(42,038)	31,051
Tax effect on components of other comprehensive income that will be reclassified subsequently to profit or loss	580	(3,644)
Total other comprehensive income (loss) that will be reclassified subsequently to profit or loss after the tax effect (B)	(43,876)	42,590
Total other comprehensive income (loss) (A)+(B)	(44,661)	48,969
Comprehensive income (loss) for the period	36,662	135,435
Attributable to the Group	37,063	135,144
Attributable to Minority interests	(401)	291

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 01/01/2022	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 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 (loss) for the period						
- <i>Hedge accounting</i>						
- <i>Actuarial gains (losses)</i>						
- <i>Translation differences</i>						
- Profit for the first half of 2022						
Balance at June 2022	4,528	202,712	934	3,636	(69,812)	47,627

(€ thousands)	Share capital	Share premium reserve	Legal reserve	Other reserves	Treasury shares reserve	Stock option and stock grant reserve
Balance at 01/01/2023	4,528	202,712	934	3,636	(49,895)	35,182
Allocation of profit (loss) for 2022						
Share capital increase						
Treasury shares						
Dividend distribution						
Notional cost of stock grants						18,502
Other changes					25,500	(18,889)
- <i>Stock Grant</i>					25,500	(18,889)
- <i>Inflation accounting</i>						
- <i>Other changes</i>						
Total comprehensive income (loss) for the period						
- <i>Hedge accounting</i>						
- <i>Actuarial gains (losses)</i>						
- <i>Translation differences</i>						
- Profit for the first half of 2023						
Balance at June 2023	4,528	202,712	934	3,636	(24,395)	34,795

Cash flow hedge reserve	Foreign Curr. Basis Spread Reserve	Actuarial gains and losses	Retained earnings	Translation differences	Profit (loss) 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

Cash flow hedge reserve	Foreign Curr. Basis Spread Reserve	Actuarial gains and losses	Retained earnings	Translation differences	Profit (loss) for the period	Total Shareholders' equity	Minority interests	Total net equity
19,913	(392)	2,782	691,409	(50,825)	178,525	1,038,509	1,841	1,040,350
			178,525		(178,525)	-		-
						-		-
			(65,361)			(65,361)		(65,361)
						18,502		18,502
			5,306			11,917	(479)	11,438
			(3,984)			2,627		2,627
			10,255			10,255		10,255
			(965)			(965)	(479)	(1,444)
(2,230)	392	(785)		(41,671)	81,357	37,063	(401)	36,662
(2,230)	392					(1,838)		(1,838)
		(785)				(785)		(785)
				(41,671)		(41,671)	(367)	(42,038)
					81,357	81,357	(34)	81,323
17,683	-	1,997	809,879	(92,496)	81,357	1,040,630	961	1,041,591

STATEMENT OF CONSOLIDATED CASH FLOWS

(€ thousands)	First Half 2023	First Half 2022
OPERATING ACTIVITIES		
Net profit (loss)	81,323	86,466
Amortization, depreciation and impairment:		
- <i>intangible fixed assets with finite useful life</i>	43,294	38,807
- <i>property, plant, and equipment</i>	26,572	25,439
- <i>right-of-use assets</i>	58,675	53,675
Provisions, other non-monetary items and gain/losses from disposals	21,027	7,817
Group's share of the result of associated companies	(206)	(267)
Financial income and expenses	23,925	17,568
Current and deferred taxes	31,176	33,404
Cash flow from operating activities before change in working capital	285,786	262,909
Utilization of provisions	(6,429)	(6,036)
(Increase) decrease in inventories	(2,620)	(2,695)
Decrease (increase) in trade receivables	(6,043)	(5,501)
Increase (decrease) in trade payables	(9,912)	47,176
Changes in other receivables and other payables	(14,221)	(49,126)
Total change in assets and liabilities	(39,225)	(16,182)
Dividends received	-	340
Interest received (paid)	(25,299)	(16,709)
Taxes paid	(31,660)	(25,059)
Cash flow generated from (absorbed by) operating activities (A)	189,602	205,299
INVESTING ACTIVITIES:		
Purchase of intangible fixed assets with finite useful life	(32,716)	(20,973)
Purchase of tangible fixed assets	(30,559)	(29,197)
Consideration from sale of non-current assets	1,368	2,166
Cash flow generated from (absorbed by) operating investing activities (B)	(61,907)	(48,004)
Purchase of subsidiaries and business units net of cash and cash equivalents acquired or dismissed	(59,125)	(31,049)
Increase (decrease) in payables for business acquisitions	(7,142)	(9,210)
(Purchase) sale of other investments and securities	-	-
Cash flow generated from (absorbed by) acquisition activities (C)	(66,267)	(40,259)
Cash flow generated from (absorbed by) investing activities (B+C)	(128,174)	(88,263)
FINANCING ACTIVITIES:		
Increase (decrease) in financial payables	49,638	(72,362)
(Increase) decrease in financial receivables	(552)	(57)
Principal portion of lease payments	(56,152)	(52,216)
Derivatives	(1,483)	-
Other non-current assets	(615)	198
Dividend distributed	(65,361)	(58,237)
Treasury shares purchase	-	(42,872)
Capital increases and minority shareholders' contributions and dividends paid to third parties by subsidiaries	-	(67)
Cash flow generated from (absorbed by) financing activities (D)	(74,525)	(225,613)
Net increase in cash and cash equivalents (A+B+C+D)	(13,097)	(108,577)

(€ thousands)	First Half 2023	First Half 2022
Cash and cash equivalents at beginning of period	179,654	268,546
Effect of exchange rate fluctuations on cash & cash equivalents	(1,576)	2,474
Flows of cash and cash equivalents	(13,097)	(108,577)
Cash and cash equivalents at end of period	164,981	162,443

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 operations are detailed in Note 17.

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 2023	First Half 2022
- Goodwill	44,278	24,915
- Customer lists	17,517	10,663
- Trademarks and non-competition agreements	-	80
- Other intangible fixed assets with finite useful life	403	181
- Property, plant, and equipment	2,595	1,175
- Right-of-use assets	1,056	1,239
- Current assets	5,051	3,251
- Provision for risk and charges	3	-
- Current liabilities	(6,119)	(4,101)
- Other non-current assets and liabilities	(5,033)	(4,271)
- Third parties equity	1,614	-
Total investments	61,365	33,132
Net financial debt acquired	957	310
Total business combinations	62,322	33,442
(Increase) decrease in payables through business acquisition	7,142	9,210
Purchase (sale) of other investments and securities	-	-
Cash flow absorbed by (generated from) acquisitions	69,464	42,652
(Cash and cash equivalents acquired)	(3,197)	(2,393)
Net cash flow absorbed by (generated from) acquisitions	66,267	40,259

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. (42.12% as at 30 June 2023), held for a 100% by Amplifin S.p.A., which is 99.4% owned by Susan Carol Holland and the remaining 0.6% in treasury shares.

The condensed interim consolidated financial report as at 30 June 2023 was prepared in accordance with International Accounting Standards, as well as 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 2023. The International Accounting Standards endorsed after that date and before the preparation of this report were adopted in the preparation of the condensed interim consolidated financial report only if early adoption is allowed by the Endorsing Regulation and the standard itself and if the Group had elected to do so.

The condensed interim consolidated financial statements at 30 June 2023 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 2022.

The publication of the condensed interim consolidated financial statements of the Amplifon Group at 30 June 2023 was authorized by a resolution of the Board of Directors of 27 July 2023 which approved their publication.

According to the Consob Communication of 28 July 2006, it is specified that during the first half of 2023 the Group did not carry out atypical and/or unusual transactions, as defined by the Communication itself.

2. Impact of the conflict in Ukraine, COVID-19 emergency, and climate change on the Group's performance and financial position

The Group has no business activities, direct or indirect, in either Ukraine, Russia or Belarus and limited activities in surrounding countries. The military conflict in Ukraine has not yet had any direct impact on the Group's performance or business. That said, in 2022 the Russian-Ukrainian conflict caused a strong increase in inflation worldwide causing the central banks to tighten monetary policies and raise interest rates which stabilized somewhat in the first half of 2023 but, however, continue to be very high. The economic recovery that characterized the first post-pandemic phase slowed rapidly and the short/medium-term prospects remain uncertain and hard to assess with the possibility that an economic recession may materialize or persist. While the hearing aid market has always proven to be resilient even in times of economic crisis, as hearing solutions and services are non-discretionary products which benefit people's physical, emotional and relational health significantly, and customers are assisted by public and private insurances, as well as consumer loans, the current inflationary environment and uncertainty about the future costs of basic necessities could cause a few potential customers to postpone the purchase of a hearing aid temporarily, particularly if needed in the medium-term. Although the Group monitors the changing macroeconomic environment and the relative impact on the business constantly, it cannot be excluded that the situation described above could cause the demand for the Group's services and products to slow even though, as mentioned before, Amplifon operates in a market segment which in the past, albeit in situations that are not directly comparable, has proven to be less sensitive than others to changes in the general economic cycle.

With respect to the Covid-19 health crisis, the rollout of vaccination campaigns allowed for a gradual return to normalcy in a majority of the countries in which the Group operates already in the latter part of 2022. In the first half of the 2023 the Group was not impacted by the health crisis, as shown by the excellent financial-economic results achieved by the Group.

As for climate change, the Group's business model is based on providing retail hearing solutions. The goals, therefore, connected to transitioning to alternative sources of energy and the actions needed to address climate change are pursued thanks to the steps taken by the Group to improve the energy efficiency of its business activities, as well as report on the greenhouse gas emissions generated along the value chain. Moreover, the Group's activities and business model do not entail significant exposure to the environmental risks connected specifically to climate change.

3. Acquisitions and goodwill

The Group continued its own balancing strategy between internal and external growth during the first half of 2023 acquiring 140 points of sale. In detail, there were 54 points of sale purchased in Asia Pacific, 51 in EMEA, and 35 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 €59,125 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)	Net carry at 12/31/2022	Business combinations completed in the reporting period	Disposals	Impairment	Other net changes	Net carry at 06/30/2023
EMEA	921,163	19,666	-	-	155	940,984
AMERICAS	213,816	17,782	-	-	(715)	230,883
APAC	619,049	6,830	-	-	(27,937)	597,942
Total	1,754,028	44,278	-	-	(28,497)	1,769,809

“Business combinations completed in the reporting period” 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 impairment testing the total goodwill stemming from the cost incurred for a business combination was allocated to groups of Cash Generating Units; these groups of Cash Generating Units were identified by region and benefit from synergies, as well as shared policies, and are autonomous in the management and use of resources.

The assets 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 2022.

The groups of Cash Generating Units recognized are:

- EMEA that includes Italy, France, the Netherlands, Germany, Belgium, Switzerland, Spain, Portugal, the UK, Hungary, Poland, Israel, and Egypt;
- AMERICA which includes the individual businesses through which it operates in the US market (Franchising, Retail, and Managed Care) and the countries Canada, Argentina, Chile, Mexico, Panama, Ecuador, and Colombia;
- ASIA PACIFIC that 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 2022 the management's valuations were made taking into consideration the value in use. No loss in value was identified as a result of the impairment tests conducted at 31 December 2022.

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

In the first half of 2023 overall, the Group recorded growth against both the first half of the prior year and the budget. There were, however, slight decreases in EMEA and APAC. The EBITDA Margin (24.8%) does, however, show an excellent level of profitability.

The Equity risk premium was, furthermore, down a percentage point (source of the figures Damodaran) and even if short-term interest rates were higher, the long-term risk-free interest rate applied was slightly lower than the rate used for the impairment tests at 31 December 2022. The WACC discount rate at 30 June was, therefore, lower than the rate used at 31 December 2022 for all the Groups of Cash Generating Units, indicating there is significant headroom for any future increases of between 2% and 16%.

The future growth rates remeasured at 30 June 2023 show a slight increase with respect to the rate used for the purposes of the impairment tests at 31 December 2022, which indicates significant headroom for any decreases in the rate of between -2% and -27%.

Based on the above:

- Results show growth with respect to 2022 and largely in line with the budget. The small decreases in EBITDA in EMEA and APAC will be amply absorbed by the headroom existing at 31 December 2022 and management also expects a recovery, at least partial, in the second half of the year;
- The discount rate (WACC) redetermined and lower at 30 June 2023 will also help to offset the impact of any slight decreases in cash flow;
- The growth rates redetermined at 30 June 2023 are slightly higher than the ones used at 31 December 2022 tests which will also help to absorb any slight decreases in cash flow.

No indicators of impairment, therefore, emerged and no specific impairment tests were made. For the purposes of measuring the recoverable value of goodwill reference should be made to the impairment tests reported on in the Annual Report 2022.

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	27,973	20,726	12,666	61,365
Assets and liabilities acquired – Book value				
Current assets	728	1,126	-	1,854
Current liabilities	(1,582)	(1,492)	(119)	(3,193)
Net working capital	(854)	(366)	(119)	(1,339)
Other intangible, tangible and right-of-use assets	2,258	576	1,219	4,053
Provision for risk and charges	3	-	-	3
Other non-current assets and liabilities	(853)	35	-	(818)
Non-current assets and liabilities	1,408	611	1,219	3,238
Net invested capital	554	245	1,100	1,899
Third Parties Equity	-	1,614	-	1,614
Net financial position	2,300	(60)	-	2,240
NET EQUITY ACQUIRED - BOOK VALUE	2,854	1,799	1,100	5,753
DIFFERENCE TO BE ALLOCATED	25,119	18,927	11,566	55,612
ALLOCATIONS				
Customer lists	10,073	2,708	4,736	17,517
Contract liabilities - Short and long-term	(3,169)	(1,563)	-	(4,732)
Deferred tax assets	252	-	-	252
Deferred tax liabilities	(1,703)	-	-	(1,703)
Total allocations	5,453	1,145	4,736	11,334
GOODWILL	19,666	17,782	6,830	44,278

4. Intangible fixed assets with finite useful life

The following table shows the changes in intangible assets.

(€ thousands)	Historical cost at 12/31/2022	Accumulated amortization and write-downs at 12/31/2022	Net book value at 12/31/2022	Historical cost at 06/30/2023	Accumulated amortization and write-downs at 06/30/2023	Net book value at 06/30/2023
Software	235,964	(143,068)	92,896	245,843	(153,810)	92,033
Licenses	23,024	(18,450)	4,574	27,004	(17,169)	9,835
Non-competition agreements	14,328	(7,749)	6,579	15,382	(9,671)	5,711
Customer lists	464,959	(258,275)	206,684	461,103	(257,406)	203,697
Trademarks and concessions	96,559	(44,113)	52,446	94,535	(46,607)	47,928
Other	22,665	(11,292)	11,373	17,321	(7,407)	9,914
Fixed assets in progress and advances	45,546	-	45,546	52,811	-	52,811
Total	903,045	(482,947)	420,098	913,999	(492,070)	421,929

(€ thousands)	Net book value at 12/31/2022	Investments	Disposals	Amortization	Business combinations	Impairment	Other net changes	Net book value at 06/30/2023
Software	92,896	8,860	(11)	(16,074)	2	-	6,360	92,033
Licenses	4,574	6,278	(574)	(2,235)	-	-	1,792	9,835
Non-competition agreements	6,579	804	-	(2,049)	-	-	377	5,711
Customer lists	206,684	19	228	(18,539)	17,517	-	(2,212)	203,697
Trademarks and concessions	52,446	-	-	(3,869)	4	(11)	(642)	47,928
Other	11,373	307	(242)	(502)	-	(15)	(1,007)	9,914
Fixed assets in progress and advances	45,546	16,448	(174)	-	397	-	(9,406)	52,811
Total	420,098	32,716	(773)	(43,268)	17,920	(26)	(4,738)	421,929

The investments in intangible fixed assets with finite useful life recorded in the reporting period (€32,716 thousand) are attributable to the ongoing implementation and standardization of the Group cloud-based ERP system for back-office functions (HR, Procurement, Administration and Finance), the new front office solutions and the AI technologies used to provide customers with a highly personalized experience.

The change in “Business combinations” comprises:

- For €10,079 thousand, the temporary allocation of the price paid for acquisitions made in EMEA;
- For €3,105 thousand, the temporary allocation of the price paid for acquisitions made in Americas;
- For €4,736 thousand, the temporary allocation of the price paid for acquisitions made in APAC.

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

5. Property, plant, and equipment

The following table shows the changes in property, plant, and equipment.

(€ thousands)	Historical cost at 12/31/2022	Accumulated amortization and write-downs at 12/31/2022	Net book value at 12/31/2022	Historical cost at 06/30/2023	Accumulated amortization and write-downs at 06/30/2023	Net book value at 06/30/2023
Land	154	-	154	156	-	156
Buildings, constructions and leasehold improvements	298,991	(199,083)	99,908	309,792	(208,918)	100,874
Plant and machines	52,414	(42,077)	10,337	53,742	(43,664)	10,078
Industrial and commercial equipment	76,808	(58,052)	18,756	79,975	(61,022)	18,953
Motor vehicles	1,047	(776)	271	1,141	(812)	329
Computers and office machinery	80,108	(62,712)	17,396	81,263	(64,734)	16,529
Furniture and fittings	124,155	(91,452)	32,703	127,359	(94,608)	32,751
Other tangible fixed assets	5,673	(3,031)	2,642	6,991	(4,392)	2,599
Fixed assets in progress and advances	11,248	-	11,248	16,229	-	16,229
Total	650,598	(457,183)	193,415	676,648	(478,150)	198,498

(€ thousands)	Net book value at 12/31/2022	Investments	Disposals	Amortization	Business combinations	Impairment	Other net changes	Net book value at 06/30/2023
Land	154	-	-	-	-	-	2	156
Buildings, constructions and leasehold improvements	99,908	11,498	(267)	(12,558)	79	(59)	2,273	100,874
Plant and machines	10,337	1,011	-	(1,590)	337	(72)	55	10,078
Industrial and commercial equipment	18,756	3,062	(75)	(3,268)	83	(5)	400	18,953
Motor vehicles	271	99	(18)	(49)	21	-	5	329
Computers and office machinery	17,396	1,809	84	(3,983)	946	-	277	16,529
Furniture and fittings	32,703	3,894	80	(4,649)	308	(13)	428	32,751
Other tangible fixed assets	2,642	103	-	(329)	1	-	182	2,599
Fixed assets in progress and advances	11,248	9,082	(38)	-	820	3	(4,886)	16,229
Total	193,415	30,558	(234)	(26,426)	2,595	(146)	(1,264)	198,498

The investments made in the reporting period (€30,558 thousand) refer primarily to the network expansion with the opening of new stores and renewal of existing ones, as well as to the purchase of hardware needed for the implementation of Group Information Technology projects.

The change in "business combinations" comprises:

- for €1,347 thousand, the temporary allocation of the price paid for acquisitions made in EMEA;
- for €148 thousand, the temporary allocation of the price paid for acquisitions made in Americas;
- for €1,100 thousand, the temporary allocation of the price paid for acquisitions made in APAC.

“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 12/31/2022	Accumulated amortization and write-downs at 12/31/2022	Net book value at 12/31/2022	Historical cost at 06/30/2023	Accumulated amortization and write-downs at 06/30/2023	Net book value at 06/30/2023
Stores and offices	777,889	(336,445)	441,444	817,289	(366,748)	450,541
Motor vehicles	24,819	(15,365)	9,454	26,873	(16,312)	10,561
Electronic machinery	1,657	(808)	849	2,920	(1,103)	1,817
Total	804,365	(352,618)	451,747	847,082	(384,163)	462,919

(€ thousands)	Net book value at 12/31/2022	Increase	Decrease	Depreciation	Business combinations	Impairment	Other net changes	Net book value at 06/30/2023
Stores and offices	441,444	64,492	(4,019)	(55,400)	1,056	-	2,968	450,541
Motor vehicles	9,454	3,494	210	(2,847)	-	-	250	10,561
Electronic machinery	849	1,434	-	(428)	-	-	(38)	1,817
Total	451,747	69,420	(3,809)	(58,675)	1,056	-	3,180	462,919

The increase in right of use assets acquired in the period (€69,420 thousand) is explained by the renewal of existing leases and the network expansion.

The change in “business combinations” comprises:

- for €906 thousand, the temporary allocation of the price paid for acquisitions made in EMEA;
- for €31 thousand, the temporary allocation of the price paid for acquisitions made in Americas;
- for €119 thousand, the temporary allocation of the price paid for acquisitions made in APAC.

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

7. Share capital

On 30 June 2023 the share capital comprised 226,388,620 ordinary shares with a par value of €0.02 fully paid in and subscribed, unchanged concerning 31 December 2022.

A total of 935,977 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 895,383 treasury shares, or 0.396% of the parent's share capital, were held at 30 June 2023.

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 12/31/2022	1,831,360	27.245	49,895
Transfers due to exercise of performance stock grants	(935,977)	27.245	(25,500)
Held at 06/30/2023	895,383	27.245	24,395

8. Net financial position

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

(€ thousands)	06/30/2023	12/31/2022	Change
Cash (A)	164,981	179,654	(14,673)
Cash equivalents (B)	-	-	-
Short term investments (C)	50,513	49,968	545
Total Cash, Cash Equivalents and Short-Term Investments (A+B+C) (D)	215,494	229,622	(14,128)
Current financial payables (including bonds, but excluding current portion of medium/long-term debt) (E)	414,425	221,095	193,330
- Bank borrowings	197,493	116,659	80,834
- Private Placement 2013-2025	-	103,131	(103,131)
- Other financial payables and bank overdrafts	216,918	19,697	197,221
- Hedging derivatives	14	(18,392)	18,406
Current portion of medium/long-term financial debt (F)	123,863	130,329	(6,466)
- Financial accruals and deferred income	2,197	6,012	(3,815)
- Payables for business acquisitions	15,817	24,601	(8,784)
- Lease Liability – current portion	105,849	99,716	6,133
Current Financial Indebtedness (E+F) (G)	538,287	351,424	186,863
Net Current Financial Indebtedness (G-D) (H)	322,793	121,802	200,991
Non current financial payables (I)	693,076	826,797	(133,721)
- Bank borrowings – Non current portion	309,798	452,202	(142,404)
- Payables for business acquisitions – Non current portion	7,069	5,705	1,364
- Lease Liability – Non current portion	376,209	368,890	7,319
Bonds (J)	350,000	350,000	-
- Eurobond 2020-2027	350,000	350,000	-
Trade and other non current payables (K)	-	-	-
- Hedging derivatives – non current portion	-	-	-
Non Current Financial Indebtedness (I+J+K) (L)	1,043,076	1,176,797	(133,721)
Total Financial Indebtedness (H+L) (M)	1,365,869	1,298,599	67,270

Excluding lease liabilities (€482,058 thousand at 30 June 2023), net financial debt amounted to €883,811 thousand at 30 June 2023, broken down as follows:

(€ thousands)	06/30/2023	12/31/2022	Change
Cash and Cash Equivalents	164,981	179,654	(14,673)
Short Term Investments	50,513	49,968	545
Cash, Cash Equivalents and Short Term Investments	215,494	229,622	(14,128)
Current Financial Indebtedness (excluding lease liabilities)	432,438	251,708	180,730
Net Current Financial Indebtedness (excluding lease liabilities)	216,944	22,086	194,858
Non current Financial Indebtedness (excluding lease liabilities)	666,867	807,907	(141,040)
Total Financial Indebtedness (excluding lease liabilities)	883,811	829,993	53,818

At the end of January 2023, the entire Private Placement 2013-2025 was repaid in advance (€85,371 thousand at the hedging rate). This was the Group's most expensive source of financing. The subsequent elimination of the relative financial covenants allowed the Group to further increase its financial flexibility, as well as reduce the total cost of funding.

At the end of May 2023, a new €300 million sustainability-linked revolving line of credit was obtained from a pool of banks. This new facility, with a 3-year term and an extension option for 2 additional years at the Company's discretion, provides Amplifon with greater financial flexibility, further strengthening its solid liquidity position, diversifying the sources of funding and extending the average debt maturity.

Long-term net financial debt, excluding lease liabilities, amounted to €666,867 thousand at 30 June 2023 which is €141,040 thousand lower than the €807,907 thousand recorded at 31 December 2022. The change is attributable mainly to the reclassification as short-term debt of the portions of long-term debt maturing in the next 12 months.

The **short-term portion of the net financial debt**, excluding lease liabilities, increased by €194,858 thousand, going from €22,086 thousand at 31 December 2022 to €216,944 thousand at 30 June 2023. The short-term portion of long-term debt and the other short-term components of financial debt exceed available liquidity, other cash equivalents and other short-term liquid assets. The company, however, has unutilized, irrevocable lines of credit of €540 million which, in addition to the €71 million in available uncommitted credit lines and the cash generation expected for the remainder of 2023, ensure enough liquidity to satisfy current obligations and support business needs.

More specifically, the short-term portion of the net financial position includes the short-term portion of long-term bank loans (€197,493 thousand), other bank debt of €215,937 thousand including hot money and utilization of short-term credit lines, interest payable on the Eurobond (€1,478 thousand), as well as on other bank borrowings (€804 thousand), and lastly, the best estimate of the deferred payments for acquisitions (€15,817 thousand), net of the €215,494 thousand in liquidity. Liquidity includes €164,981 thousand in available cash and €50,513

thousand in other financial assets that are easily liquidated. These financial assets refer to investments made in money market funds managed by top-tier financial institutions.

Bank loans, and the Eurobond 2020-2027 are included in the statement of financial position as follows:

a. under the item “medium/long-term financial liabilities”.

(€ thousands)	Balance at 06/30/2023
Eurobond 2020-2027	350,000
Other medium/long-term debt	309,798
Fees on Eurobond 2020-2027 and bank loans	(2,684)
Medium/long-term financial liabilities	657,114

b. under the item “financial payables (current)”.

(€ thousands)	Balance at 06/30/2023
Bank overdraft and other short-term debt (including current portion of other long-term debt)	414,002
Other financial payables	2,196
Fees on bank loans	(1,118)
Short-term financial liabilities	415,080

All the other items in the net financial position table can be easily referred to in the financial consolidated statements.

9. Financial liabilities

The financial liabilities breakdown is as follows:

(€ thousands)	Balance at 06/30/2023	Balance at 12/31/2022	Change
Eurobond 2020-2027	350,000	350,000	-
Other medium long-term bank loans	309,798	452,202	(142,404)
Fees on Eurobond 2020-2027, bank loans, and private placement 2013-2025	(2,684)	(3,262)	578
Total medium/long-term financial liabilities	657,114	798,940	(141,826)
Short term debt	415,080	243,661	171,419
- of which current portion of short-term bank loans	197,493	116,659	80,834
- of which current portion of private placement 2013-2025	-	103,131	(103,131)
- of which debts for account overdrafts and other short-term liabilities	215,529	18,212	197,317
- of which fees for bank loans and private placement 2013-2025	(1,118)	(1,245)	127
Total short-term financial liabilities	415,080	243,661	171,419
Total financial liabilities	1,072,194	1,042,601	29,593

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	313,278	1.125%	N/A
Total in Euro			350,000	313,278		

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

- *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 (*)	Hedged nominal amount (**)	Interest rate after hedging (**)
04/07/2020	Amplifon S.p.A.	Bullet	03/22/2024	60,000	60,000	62,356	5.380%		
04/06/2020	Amplifon S.p.A.	Amortizing	04/06/2025	50,000	28,571	28,747	4.302%	28,571	0.880%
04/07/2020	Amplifon S.p.A.	Amortizing	04/07/2025	150,000	105,000	110,361	4.406%	70,000	2.17%
04/28/2020	Amplifon S.p.A.	Amortizing	04/28/2025	50,000	50,000	50,999	4.698%		
04/29/2020	Amplifon S.p.A.	Amortizing	04/29/2025	78,000	39,000	41,365	4.865%	27,300	2.450%
04/23/2020	Amplifon S.p.A.	Amortizing	06/30/2025	35,000	27,125	28,888	3.826%	31,500	0.785%
08/03/2020	Amplifon S.p.A.	Amortizing	06/30/2025	10,000	4,063	4,107	4.065%		
12/23/2021	Amplifon S.p.A.	Amortizing	12/23/2026	210,000	193,200	214,056	4.730%	193,200	1.163%
Total				643,000	506,959	540,879		350,571	

(*) 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 Group net equity (**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
- Medium/long-term bilateral loans with top-tier banking institutions of €219 million.	≤ 2.85	≤ 1.65	-	≤ 3.26 (<i>Leverage Ratio</i>)
- Irrevocable credit lines with top-tier banking institutions of €125 million.				≤ 2.20 (<i>Net Worth Ratio</i>)
- €29 million bank loan expiring in 2025	≤ 2.85	-	> 4.90	≤ 3.26 (<i>Leverage Ratio</i>)
- Revolving irrevocable credit line of €15 million				
-Medium/long-term bilateral loans with top-tier banking institutions of €66 million;	≤ 2.85	≤ 1.65	> 4.90	≤ 3.26 (<i>Leverage Ratio</i>)
-Irrevocable lines of credit with premier banks amounted to €115 million (of which €100 million is explained by the sustainability-linked facility).				≤ 2.20 (<i>Net Worth Ratio</i>)

The loan negotiated at the end of 2021, which replaced the €210 million syndicated loan used for the GAES acquisition, and the new €300 million revolving facility negotiated at the end of May 2023 (both of which are sustainability-linked) are not subject to 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 these credit lines to the extent that they are also applied to the other facilities.

As at 30 June 2023 these ratios were as follows:

	Value as at 06/30/2023
Net financial indebtedness excluding lease liabilities/Group net equity (<i>Net Worth Ratio</i>)	0.85
Net financial position excluding lease liabilities/EBITDA for the last four quarters (<i>Leverage Ratio</i>)	1.57
EBITDA for the last 4 quarters/Net financial expenses (<i>Interest Cover</i>)	25.13

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

(€ thousands)	Value as at 06/30/2023
Group EBITDA first half 2023	264,758
EBITDA July-December 2022	263,621
Fair value of stock grant assignment	23,958
EBITDA normalized (from acquisitions and disposals)	8,819
Acquisitions and non-recurring costs	3,352
EBITDA for the covenant calculation	564,508

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. Provision for risk and charges

Provisions for risks and charges amounted to €22,371 thousand, largely in line with the €21,607 thousand recorded at 31 December 2022.

The provisions for risks at 30 June 2023 are detailed below:

(€ thousands)	06/30/2023	12/31/2022	Change
Product warranty provision	1,141	1,261	(120)
Provision on contract risks	3,571	4,515	(944)
Agents' leaving indemnities	12,034	11,735	299
Other reserves for risks and charges	2,263	2,433	(170)
Total Long-term provision for risk and charges	19,009	19,944	(935)
Product warranty provision	224	323	(99)
Other reserves for risks and charges	3,138	1,340	1,798
Total Short-term provision for risk and charges	3,362	1,663	1,699
Total provision for risk and charges	22,371	21,607	764

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 finance lease liabilities are shown in the statement of financial position as follows:

(€ thousands)	06/30/2023	12/31/2022	Change
Short term lease liabilities	105,849	99,716	6,133
Long term lease liabilities	376,209	368,890	7,319
Total lease liabilities	482,058	468,606	13,452

The impact of the lease liabilities recognized in the reporting period on the income statement is shown below:

(€ thousands)	First Half 2023
Interest charges on leased assets	(6,990)
Right-of-use depreciation	(58,675)
Costs for short-term leases and leases for low value assets	(7,145)

12. Revenues from sales and services

(€ thousands)	First Half 2023	First Half 2022	Change
Revenues from sale of products	965,404	907,390	58,014
Revenues from services	148,366	129,816	18,550
Total revenues from sales and services	1,113,770	1,037,206	76,564
Goods and services provided at a point in time	965,404	907,390	58,014
Goods and services provided over time	148,366	129,816	18,550
Total revenues from sales and services	1,113,770	1,037,206	76,564

Consolidated revenues from sales and services amounted to €1,113,770 thousand in the first six months of 2023, an increase of €76,564 thousand (+7.4%) compared to the same period of the prior year.

The increase compared to the first half of 2022 is attributable for €72,410 thousand to organic growth (+7.0%), acquisitions for €20,950 thousand (+2.0%) and negative exchange differences for €16,796 thousand (-1.6%).

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

Operating costs amounted to €853,021 thousand in the first half of 2023 (€785,742 thousand in the first half of 2022), an increase of €67,279 thousand (+8.6%).

“Amortization, depreciation and impairment” amounted to €128,541 thousand at 30 June 2023 higher than the €117,921 thousand recorded in the first months of 2022.

“Financial income, expenses and value adjustments to financial assets” came to €23,718 thousand in the first half of 2023 (€17,297 thousand in the first six months of 2022).

The change in the reporting period of €6,421 thousand is explained by an increase in financial management costs attributable to: exchange differences tied to currency volatility mainly in countries in North and South America, the more adverse impact of inflation accounting on the Argentinian subsidiary, higher interest rates applied to store leases following the application of IFRS 16, and higher interest rates on utilization of short-term credit lines (most of the medium/long-term debt is fixed rate).

Current and deferred tax amounted to €31,176 thousand in the first half of 2023, €2,228 thousand lower than in the first six months of 2022 (€33,404 thousand).

The tax rate was 27.7% in the reporting period versus 27.9% at 30 June 2022.

14. Performance Stock Grant

On May 2, 2023, the Board of Directors of Amplifon S.p.A., following the recommendation of the Remuneration and Nomination Committee, pursuant to Article 84 bis, paragraph 5 of Consob Regulation no. 11971/99 and subsequent amendments, resolved to allocate 517,500 target rights at the end of a 3-year vesting period as the first tranche of the Stock Grant Cycle 2023-2025.

The fair value per unit of these granted stock grants during the reported period is €32.52.

The assumptions used in determining the fair value are as follows:

Valuation Model	Binomial Tree (Cox-Ross-Rubinstein method)
Price at grant date	€33.32
Threshold	- €
Exercise price	0.00
Volatility (3 years)	34.13%
Risk-free interest rate	3.189%
Maturity (in years)	3
Maturity date	3 months after the approval date by the Board of Directors of the Consolidated Financial Statements as at December 31, 2025 (i.e., June 2026).
Expected Dividend Yield	0.79%

The figurative cost of this grant cycle recorded in the income statement as of June 30, 2023 amounts to €753 thousand.

Sustainable value sharing plan 2022-2027

The Board of Directors of Amplifon S.p.A., following the recommendation of the Remuneration and Nomination Committee, pursuant to Article 84 bis, paragraph 5 of Consob Regulation no. 11971/99, has resolved to allocate a maximum of 122,620 rights under the Sustainable Value Sharing Plan 2022-2027, reserved for the CEO and Key Executives of the Group (Beneficiaries), as described in the Information Document approved by the Shareholders' Meeting on April 21, 2023.

The scheme is a composite incentive tool that operates through two distinct phases, of which the second phase is contingent and dependent on the progress of the first phase (referred to as "Phase A" and "Phase B," respectively). Phase A: Starting from the 2023 fiscal year, the Target MBO achieved and hypothetically due to the Beneficiaries under the applicable MBO Plan for the previous fiscal year (including the one related to 2022) will not be paid out. Instead, the Beneficiaries will receive a certain number of rights (the "Co-invested Rights") that will entitle them to receive shares at the end of the vesting period of Phase B described below, or earlier if Phase B does not vest.

Phase B: If, in a given fiscal year, the Beneficiaries receive Co-invested Rights under the mechanism described above, they will participate in an additional and separate incentive tool based on financial instruments, wherein the Company allocates additional rights to them, equal

in number to the Co-invested Rights. These rights (the "Matched Rights") will entitle the Beneficiaries to receive shares provided that certain performance targets linked to value generation and sustainable success of the Group are met by the end of the vesting period.

Regarding the Sustainable Value Sharing Plan 2022-2027 reserved for the CEO and Key Executives of the Group, the conversion of the accrued MBO led to the allocation of 61,310 Co-invested Rights and 61,310 Matched Rights.

The assumptions used in determining the fair value are as follows:

	PHASE A	PHASE B
Valuation model	Binomial Tree (Cox-Ross-Rubinstein method)	Binomial Tree (Cox-Ross-Rubinstein method)
FV	€32.10	€26.03
KPI	-	ESG/TSR
Exercise price	0.00	
Volatility (3 years)	33.84%	33.84%
Risk-free interest rate	3.438%	3.438%
Maturity (in years)	3	3
Maturity date	3 months after the approval date by the Board of Directors of the Consolidated Financial Statements as at December 31, 2025.	3 months after the approval date by the Board of Directors of the Consolidated Financial Statements as at December 31, 2025.
Expected dividend yield	0.79%	0.79%

On January 5, 2023, the controlling shareholder Ampliter S.r.l. ("Ampliter") established a plan that provides a one-time grant of 500,000 Amplifon shares owned by Ampliter to the CEO, Mr. Enrico Vita, during the term of office from 2022 to 2024. The shares are transferred free of charge in five tranches, with the first tranche consisting of 260,000 shares vesting on April 21, and the subsequent tranches of 60,000 shares each, with a final vesting date set for November 30, 2024.

This allocation, independently determined by Ampliter, although not involving any monetary outlay by Amplifon, requires the recognition of a one-time figurative cost in the income statement, in accordance with the IFRS 2 "Share Based Payments" accounting principle. The total figurative cost amounts to €13.7 million, of which €12.4 million will be recognized in the 2023 fiscal year and €1.3 million in the 2024 fiscal year.

The fair value per unit of these instruments, as per IFRS 13, is determined as the mark-to-market value (Level 1) of the rights at the date of allocation, which is EUR 27.43.

The figurative cost for the first half of the year, recorded as a non-recurring expense as of June 30, 2023, amounts to €10,394 thousand.

15. Non-recurring significant events

The first six months of 2023 were impacted by the following non-recurring items:

(€ thousands)		First Half 2023	First Half 2022
	Notional cost of the Amplifon shares assigned by the shareholder Ampliter to the CEO	(10,394)	-
Operating costs	Costs related to Bay Audio integration	-	(2,347)
	Costs related to second phase of the GAES integration	(889)	(1,682)
	Costs related to the charitable donation to the UNHCR for the Ukraine emergency.	-	(1,000)
	EBITDA	(11,283)	(5,029)
Profit (loss) before tax		(11,283)	(5,029)
Impact of the above items on the tax burden for the period		3,296	1,411
Total net profit (loss)		(7,987)	(3,618)

16. 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 2023	First Half 2022
Net profit (loss) attributable to ordinary shareholders (€ thousand)	81,357	86,283
Average number of shares outstanding in the period	224,276,860	224,260,359
Average number per share (€ per share)	0.36275	0.38474

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 2023	First Half 2022
Average number of shares outstanding in the period	224,276,860	224,260,359
Weighted average of potential and diluting ordinary shares	1,848,314	2,846,770
Weighted average of shares potentially subject to options in the period	226,125,174	227,107,129

The diluted earnings per share were determined as follows:

Diluted earnings per share	First Half 2023	First Half 2022
Net profit attributable to ordinary shareholders (€ thousand)	81,357	86,283
Average number of shares outstanding in the period	226,125,174	227,107,129
Average diluted earnings per share (€)	0.35979	0.37992

17. 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. (42.12% of share capital and 59.16% of voting rights), held for a 100.0% by Amplifon S.p.A., which is 99.4% owned by Susan Carol Holland and the remaining 0.6% in treasury shares.

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:

(€ thousand)	06/30/2023			First Half 2023		Interest income and expense
	Trade receivables	Trade payables	Other receivables	Revenues for sales and services	Operating (costs)/revenues	
Amplifon S.p.A.	10	-	540	-	(60)	3
Total – Parent company	10	-	540	-	(60)	3
Comfoor BV (The Netherlands)	20	2,340	-	58	(537)	-
Ruti Levinson Institute Ltd (Israel)	58	-	-	-	-	-
Afik - Test Diagnosis & Hearing Aids Ltd (Israel)	122	-	-	-	-	-
Total – Other related parties	200	2,340	-	58	(537)	-
Total related parties	210	2,340	540	58	(597)	3
Total as per financial statements	197,246	310,504	91,144	1,113,770	(853,021)	(10,927)
% of financial statements total	0.11%	0.75%	0.59%	0.01%	0.07%	-0.03%

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) who 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.

The lease for the Milan headquarters (leased to Amplifon by the parent company Amplifin) is recognized under right-of-use depreciation for €908 thousand, interest on leases for €203 thousand, lease liabilities of €12,790 thousand, and right-of-use asset of €11,791 thousand.

The assignment of Amplifon shares by Ampliter S.r.l. to the CEO Enrico Vita described in note 14, is a transaction between related parties and not a transaction with related parties.

18. 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 note have been reported so far and the Group is, at any rate, confident in the adequacy of the measures implemented.

19. 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 2022 Annual Report.

20. Translation of foreign companies' financial statements

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

	30 June 2023		2022	30 June 2022	
	Average exchange rate	As at 30 June	As at 31 December	Average exchange rate	As at 30 June
Panamanian balboa	1.0807	1.0866	1.0660	1.0934	1.0387
Australian dollar	1.5989	1.6398	1.5693	1.5204	1.5099
Canadian dollar	1.4565	1.4415	1.4440	1.39	1.3425
New Zealand dollar	1.7318	1.7858	1.6798	1.6491	1.6705
Singapore dollar	1.4440	1.4732	1.4300	1.4921	1.4483
US dollar	1.0807	1.0866	1.0666	1.0934	1.0387
Hungarian florin	380.85	371.93	400.87	375.13	397.04
Swiss franc	0.9856	0.9788	0.9847	1.0319	0.996
Egyptian lira	32.8841	33.5743	26.3990	18.876	19.533
New Israeli shekel	3.8828	4.0486	3.7554	3.5765	3.6392
Argentine peso (*)	278.5022	278.5022	188.5033	129.8984	129.8984
Chilean peso	871.11	872.59	913.82	902.67	962.06
Colombian peso	4960.43	4546.24	5172.47	4282.19	4279.07
Mexican peso	19.6457	18.5614	20.8560	22.1653	20.9641
Brazilian real	5.4827	5.2788	5.6386	5.5565	5.4229
Chinese renminbi	7.4894	7.8983	7.3582	7.0823	6.9624
Indian rupee	88.8443	89.2065	88.1710	83.3179	82.113
British pound	0.8764	0.8583	0.8869	0.8424	0.8582
Polish zloty	4.6244	4.4388	4.6808	4.6354	4.6904

(*) Argentina is a highly inflationary country. As requested by IAS 29, profit and loss items have been converted at the closing exchange rate.

The average Argentine peso exchange rate as at 30 June 2023 is 229.1778 and as at 30 June 2022 is 122.5091.

21. 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 the 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, 2023 (*)

(€ thousands)	EMEA	AMERICAS	APAC	ELIM.	CONSOLIDATED
ASSETS					
<u>Non-current assets</u>					
Goodwill	940,984	230,883	597,942	-	1,769,809
Intangible fixed assets with finite useful life	303,868	55,246	62,815	-	421,929
Property, plant, and equipment	141,532	23,303	33,663	-	198,498
Right-of-use assets	368,114	41,480	53,325	-	462,919
Equity-accounted investments	2,293	-	-	-	2,293
Hedging instruments	24,130	-	-	-	24,130
Deferred tax assets	64,664	10,242	11,843	-	86,749
Deferred contract costs	10,583	1,259	58	-	11,900
Other assets	31,155	12,610	1,777	-	45,542
Total non-current assets					3,023,769
<u>Current assets</u>					
Inventories	63,911	7,513	8,863	-	80,287
Receivables	283,625	53,718	26,473	(75,426)	288,390
Deferred contract costs	4,262	831	111	-	5,204
Hedging instruments	253	-	-	-	253
Other financial assets					50,531
Cash and cash equivalents					164,981
Total current assets					589,646
TOTAL ASSETS					3,613,415
LIABILITIES					
<u>Net Equity</u>					1,041,591
<u>Non-current liabilities</u>					
Medium/long-term financial liabilities					657,114
Lease liabilities	302,734	34,828	38,647	-	376,209
Provisions for risks and charges	16,805	715	1,489	-	19,009
Liabilities for employees' benefits	9,201	213	654	-	10,068
Hedging instruments	940	-	-	-	940
Deferred tax liabilities	62,425	25,865	16,721	-	105,011
Payables for business acquisitions	5,430	1,639	-	-	7,069
Contract liabilities	141,326	14,300	2,305	-	157,931
Other long-term liabilities	20,326	601	-	-	20,927
Total non-current liabilities					1,354,278
<u>Current liabilities</u>					
Trade payables	267,236	64,814	53,685	(75,231)	310,504
Payables for business acquisitions	8,204	7,360	253	-	15,817
Contract liabilities	92,415	13,391	7,607	-	113,413
Other payables and tax payables	199,953	26,267	23,539	(195)	249,564
Hedging instruments	267	-	-	-	267
Provisions for risks and charges	2,636	726	-	-	3,362
Liabilities for employees' benefits	877	347	2,466	-	3,690
Short-term financial liabilities					415,080
Lease liabilities	77,992	9,712	18,145	-	105,849
Total current liabilities					1,217,546
TOTAL LIABILITIES					3,613,415

(*) The items in the statement of financial position are analyzed by the CEO and Top Management by geographic area without being separated from the Corporate functions which are included in EMEA.

Statement of Financial Position as at December 31st, 2022 ^(*)

(€ thousands)	EMEA	AMERICAS	APAC	ELIM.	CONSOLIDATED
ASSETS					
Non-current assets					
Goodwill	921,163	213,816	619,049	-	1,754,028
Intangible fixed assets with finite useful life	298,642	53,903	67,553	-	420,098
Property, plant, and equipment	136,721	21,006	35,688	-	193,415
Right-of-use assets	366,243	34,242	51,262	-	451,747
Equity-accounted investments	2,093	-	-	-	2,093
Hedging instruments	25,850	-	-	-	25,850
Deferred tax assets	60,867	10,206	10,707	-	81,780
Deferred contract costs	9,841	1,206	84	-	11,131
Other assets	30,361	10,494	1,615	-	42,470
Total non-current assets					2,982,612
Current assets					
Inventories	60,417	5,781	10,060	-	76,258
Receivables	270,798	54,107	33,985	(94,213)	264,677
Deferred contract costs	4,437	744	81	-	5,262
Hedging instruments	17,016	-	-	-	17,016
Other financial assets					49,986
Cash and cash equivalents					179,654
Total current assets					592,853
TOTAL ASSETS					3,575,465
LIABILITIES					
Net Equity					
					1,040,350
Non-current liabilities					
Medium/long-term financial liabilities					798,940
Lease liabilities	304,182	28,995	35,713	-	368,890
Provisions for risks and charges	17,712	787	1,445	-	19,944
Liabilities for employees' benefits	8,023	203	714	-	8,940
Hedging instruments	-	-	-	-	-
Deferred tax liabilities	61,419	26,053	19,211	-	106,683
Payables for business acquisitions	3,209	2,496	-	-	5,705
Contract liabilities	136,574	14,744	2,295	-	153,613
Other long-term liabilities	15,149	974	-	-	16,123
Total non-current liabilities					1,478,838
Current liabilities					
Trade payables	310,412	68,611	40,574	(94,014)	325,583
Payables for business acquisitions	7,585	17,016	-	-	24,601
Contract liabilities	91,613	15,034	8,210	-	114,857
Other payables and tax payables	192,769	19,919	30,092	(199)	242,581
Hedging instruments	-	-	-	-	-
Provisions for risks and charges	975	688	-	-	1,663
Liabilities for employees' benefits	789	393	2,434	-	3,616
Short-term financial liabilities					243,661
Lease liabilities	73,798	7,827	18,090	-	99,716
Total current liabilities					1,056,277
TOTAL LIABILITIES					3,575,465

(*) The items in the statement of financial position are analyzed by the CEO and Top Management by geographic area without being separated from the Corporate functions which are included in EMEA.

Income Statement – First Half 2023 (*)

(€ thousands)	EMEA	AMERICAS	ASIA PACIFIC	CORPORATE	ELIM.	CONSOLIDATED
Revenues from sales and services	735,482	212,661	165,381	246	-	1,113,770
Operating costs	(521,746)	(156,350)	(122,773)	(52,152)	-	(853,021)
Other income and costs	2,753	793	14	449	-	4,009
Gross operating profit by segment (EBITDA)	216,489	57,104	42,622	(51,457)	-	264,758
Amortization, depreciation and impairment						
Intangible assets amortization	(20,260)	(5,113)	(7,415)	(10,480)	-	(43,268)
Property, plant, and equipment depreciation	(16,178)	(3,203)	(5,676)	(1,369)	-	(26,426)
Right-of-use depreciation	(38,673)	(5,390)	(13,479)	(1,133)	-	(58,675)
Impairment losses and reversals of non-current assets	(161)	(5)	(6)	-	-	(172)
	(75,272)	(13,711)	(26,576)	(12,982)	-	(128,541)
Operating result by segment	141,217	43,393	16,046	(64,439)	-	136,217
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	207	-	-	-	-	207
Interest income and expenses						(10,927)
Interest expenses on lease liabilities						(6,990)
Other financial income and expenses						(1,925)
Exchange gains and losses, and inflation accounting						(4,609)
Gain (loss) on assets accounted at fair value						526
						(23,718)
Net profit (loss) before tax						112,499
Current and deferred income tax						
Current income tax						(37,970)
Deferred tax						6,794
						(31,176)
Net profit (loss)						81,323
Net profit (loss) attributable to Minority interests						(34)
Net profit (loss) attributable to the Group						81,357

(*) 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)
Property, plant, and equipment 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
Interest income and expenses						(9,379)
Interest expenses on lease liabilities						(5,535)
Other financial income and expenses						(923)
Exchange gains and losses, and inflation accounting						(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)
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.

22. Accounting policies

22.1 Presentation of financial statements

The Interim Financial Report as at 30 June 2023 was 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 provide a more accurate representation of the Group's primarily commercial and distribution activities;
- comprehensive income statement: in addition to the net result for the year, it includes the impact of differences in exchange rates, the cash flow hedge reserve, the foreign currency basis spread reserve for derivatives, as well as 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.

22.2 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 input or output needed 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, tangible fixed assets and right of use 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;
- 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 and taking into account any and all lease clauses;
- 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 agreement, 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 agreement.

Estimates are periodically reviewed, and any changes made, following the change of the circumstances based on which the estimates were made 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. This calls for an estimate of the value in use of the cash generating units to which the goodwill refers based on an estimate of future cash flows and the after-tax discount rate which reflects market conditions at the valuation date.

22.3 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
Amendment to IAS 1 “Presentation of Financial Statements” e IFRS Practice Statement 2: Disclosure of Accounting Policies (issued on 12 February 2021)	2 Mar '22	3 Mar '22	1 Jan '23	1 Jan '23
IFRS 17 “Insurance Contracts” (issued on 18 May 2017); including amendments to IFRS 17 (issued on 25 June 2020)	19 Nov '21	23 Nov '21	1 Jan '23	1 Jan '23
Amendment to IFRS 17 “Insurance contracts” and IFRS 9 (issued on 9 December 2021)	8 Sep '22	9 Set '22	1 Jan '23	1 Jan '23
Amendment to IAS 12 “Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction” (issued on 7 May 2021)	11 Aug '22	12 Aug '22	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 Mar '22	3 Mar '22	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 12 “Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction” calls for exceptions to the “initial recognition exemption” provided in IAS 12.25 (b) and IAS 12.24. The provision impacts the calculation of the tax liability recorded upon “initial recognition”.

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 a new definition of “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.

22.4 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 17 July 2023, had yet to be endorsed for adoption in Europe.

Description	Expected effective date
Amendments to IAS 12 “Income taxes: International Tax Reform – Pillar Two Model Rules” (issued on 23 May 2023)	Periods beginning on or after 1 Jan ‘23
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” and “Non-current Liabilities with Covenants” (Issued on 23 January 2020, 15 July 2020 and 31 October 2022, respectively)	Periods beginning on or after 1 Jan ‘24
Amendments to IFRS 16 “Leases: Lease Liability in a Sale and Leaseback” (issued on September 22 2022)	Periods beginning on or after 1 Jan ‘24
Amendments to IAS 7 “Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures: Supplier Finance Arrangements” (issued on 25 May 2023)	Periods beginning on or after 1 Jan ‘24

The IAS 12 amendments provide temporary mandatory relief from deferred tax accounting for minimum top-up tax. While these amendments took effect immediately, they have yet to be endorsed by the European Union. The Group is carrying out the necessary analyses.

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

IFRS 16 amendments are related to the definitions of liabilities derived from leasebacks and the accounting treatment of any gains or losses stemming from these transactions.

IAS 7 amendments refer to the disclosure of information deemed relevant for the purposes of Supplier Finance Arrangements.

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

23. Subsequent events

After the close of the first half, on July 18th, Amplifon announced a €300 million loan agreement with the European Investment Bank (EIB) to further accelerate its innovation and digitalization process. This loan, part of the €350 million financing approved by the EIB, may be disbursed in several tranches over the next 24 months, to be repaid up to 9 years from the date of each disbursement, and has more favorable conditions than those currently available on the market.

Milan, July 27th, 2023

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 2023.

Parent company:

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

Subsidiaries consolidated using the line-by-line method:

Company name	Head office	Direct/Indirect ownership	Currency	Share Capital	% held as at 06/30/2023
Amplifon Italia S.p.A	Milano (Italy)	D	EUR	100,000	100.0%
Amplifon Rete	Milano (Italy)	I	EUR	19,250	2.6%
Audibel S.r.l (in liquidazione)	Roma (Italy)	D	EUR	70,000	100.0%
Pilot Blankenfelde Medizinisch-Elektronische Gerate 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%
Audition Frederic Rembaud	Périgueux (France)	I	EUR	40,000	100.0%
Audition 50	Granville (France)	I	EUR	40,000	100.0%
Audition Marquilly	Lavelanet (France)	I	EUR	15,000	100.0%
Surdit� Toulorge	Cherbourg (France)	I	EUR	3,920	100.0%
NewEar	Guidel (France)	I	EUR	502,830	100.0%
Ghama	Guidel (France)	I	EUR	5,000	100.0%
Adagio	Guidel (France)	I	EUR	14,000	100.0%
Audition Guidel	Guidel (France)	I	EUR	1,500	100.0%
Octave Audition	Moret Loing et Orvanne (France)	I	EUR	10,000	100.0%
Argenteuil Acoustique M�dicale	Argenteuil (France)	I	EUR	13,000	100.0%
SAS Galy	Fronton (France)	I	EUR	5,000	100.0%
Labo Audio	Libourne (France)	I	EUR	50,000	100.0%
N.C. Audition	Saint-Genis-Laval (France)	I	EUR	1,000	100.0%
Toumelin	Pornichet (France)	I	EUR	7,500	100.0%
Pornic Audition	Pornic (France)	I	EUR	118,000	100.0%
Audio Montfermeil	Montfermeil (France)	I	EUR	1,000	100.0%
LCA Rodez	Rodez (France)	I	EUR	5,000	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%

Company name	Head office	Direct/Indirect ownership	Currency	Share Capital	% held as at 06/30/2023
Amplifon Portugal SA	Lisboa (Portugal)	I	EUR	15,520,187	100.0%
Amplifon Magyarország Kft	Budapest (Hungary)	D	HUF	723,500,000	100.0%
Amplibus Magyarország Kft	Budaörs (Hungary)	I	HUF	3,000,000	100.0%
Amplifon AG	Baar (Switzerland)	D	CHF	1,000,000	100.0%
Amplifon Nederland BV	Doesburg (The Netherlands)	D	EUR	74,212,052	100.0%
Auditech BV	Doesburg (The Netherlands)	I	EUR	22,500	100.0%
Electro Medical Instruments BV	Doesburg (The Netherlands)	I	EUR	16,650	100.0%
Beter Horen BV	Doesburg (The Netherlands)	I	EUR	18,000	100.0%
Amplifon Customer Care Service BV	Elst (The Netherlands)	I	EUR	18,000	100.0%
Amplifon Belgium NV	Bruxelles (Belgium)	D	EUR	495,800	100.0%
Amplifon RE SA	Luxembourg (Luxembourg)	D	EUR	3,700,000	100.0%
Amplifon Deutschland GmbH	Hamburg (Germany)	D	EUR	6,026,000	100.0%
Focus Hören AG	Willroth (Germany)	I	EUR	485,555	100.0%
Focus Hören Deutschland GmbH	Willroth (Germany)	I	EUR	25,000	100.0%
Amplifon Poland Sp. z o.o.	Lodz (Poland)	D	PLN	3,346,400	100.0%
Amplifon UK Ltd	Manchester (United Kingdom)	D	GBP	130,951,168	100.0%
Amplifon Ltd	Manchester (United Kingdom)	I	GBP	1,800,000	100.0%
Ultra Finance Ltd	Manchester (United Kingdom)	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	90.0%
Amplifon Middle East SAE	Cairo (Egypt)	D	EGP	3,000,000	51.0%
Miracle Ear Inc.	St. Paul (United States)	I	USD	5	100.0%
Elite Hearing, LLC	Minneapolis (United States)	I	USD	1,000	100.0%
Amplifon USA Inc.	Dover (United States)	D	USD	52,500,010	100.0%
Amplifon Hearing Health Care. Inc.	St. Paul (United States)	I	USD	10	100.0%
Ampifon IPA, LLC	New York (United States)	I	USD	-	100.0%
ME Pivot Holdings, LLC	Minneapolis (United States)	I	USD	2,000,000	100.0%
ME Flagship, LLC	Wilmington (United States)	I	USD	-	100.0%
METX, LLC	Waco (United States)	I	USD	-	100.0%
MEFL, LLC	Waco (United States)	I	USD	-	100.0%
METAMPA, LLC	Waco (United States)	I	USD	-	100.0%
MENM, LLC	Waco (United States)	I	USD	-	100.0%
MEOH, LLC	Minneapolis (United States)	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%

Company name	Head office	Direct/Indirect ownership	Currency	Share Capital	% held as at 06/30/2023
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%
Lisa Reid Audiology Hearing Centres	Manitoba (Canada)	I	CAD	-	100.0%
Great to Hear, Inc	Manitoba (Canada)	I	CAD	35	100.0%
Ontario, Inc	Ontario (Canada)	I	CAD	1,000,100	100.0%
Living Sounds Hearing Centre Ltd.	Alberta (Canada)	I	CAD	100	100.0%
Professional Hearing Services Ltd./100391416 Ontario Ltd.	Ontario (Canada)	I	CAD	1,210	100.0%
Sackville Hearing Centre Limited	Nova Scotia (Canada)	I	CAD	1,020	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	99.0%
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%
Audiovital S.A.	Quito (Ecuador)	I	USD	430,337	100.0%
Centros Auditivos GAES Mexico sa de cv	Ciudad de México (Mexico)	I	MXN	194,683,815	100.0%
Compañía de Audiología y Servicios Medicos sa de cv	Aguascalientes (Mexico)	I	MXN	43,306,212	100.0%
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)	D	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 Zeland)	I	NZD	130,411,317	100.0%
Bay Audiology Ltd	Takapuna (New Zeland)	I	NZD	-	100.0%
Dilworth Hearing Ltd	Auckland (New Zeland)	I	NZD	-	100.0%
Auckland Hearing Ltd	Auckland (New Zeland)	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%

Company name	Head office	Direct/Indirect ownership	Currency	Share Capital	% held as at 06/30/2023
Wuhan Amplifon Hearing Aids Co. Ltd	Wuhan (China)	I	CNY	1,250,000	100.0%
Shanghai Amplifon Hearing Technology Co. Ltd	Shanghai (China)	I	CNY	100,000	100.0%
Nanjing Amplifon Hearing Aid Co. Ltd	Nanjing (China)	I	CNY	100,000	100.0%
Shanxi Tingdaoai Hearing Technology Co. Ltd	Taiyuan (China)	I	CNY	30,000,000	100.0%
Henan Shengjia Hearing Aids Co., Ltd. (**)	Luoyang (China)	I	CNY	1,000,000	60.0%

(*) Medtechnica Ortophone Ltd, despite being 90% owned by Amplifon, is consolidated at 100% without exposure of non-controlling interests due to the put-call option exercisable from 2019 and related to the purchase of the remaining 10%.

(**) Hangzhou Amplifon Hearing Aid Co., Ltd. And its subsidiaries Zhengzhou Yuanjin Hearing Technology Co. Ltd (together Soundbridge) and Henan Shengjia Hearing Aids Co., Ltd. are consolidated using the full consolidation method, with a control of the group of 60% because of the direct ownership of 51% and a put-call option for an additional 9%.

Companies valued using the equity method:

Company name	Head office	Direct/Indirect ownership	Currency	Share Capital	% held as at 06/30/2023
Comfoor BV (*)	Doesburg (The Netherlands)	I	EUR	18,000	50.0%
Comfoor GmbH (*)	Emmerich am Rhein (Germania)	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 2023.

We also certify that the condensed interim consolidated financial statements at 30 June 2023:

- 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;
- 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.

Milan, July 27th, 2023

CEO

**Executive Responsible for Corporate
Accounting Information**

Enrico Vita

Gabriele Galli



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(This independent auditors' report has been translated into English solely for the convenience of international readers. Accordingly, only the original Italian version is authoritative.)

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 2023, 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.



Amplifon Group

Report on review of condensed interim consolidated financial statements

30 June 2023

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 2023 have not been prepared, in all material respects, in accordance with the International Financial Reporting Standard applicable to interim financial reporting (IAS 34), endorsed by the European Union.

Milan, 28 July 2023

KPMG S.p.A.

(signed on the original)

Claudio Mariani
Director