

# amplifon

Interim  
Financial  
Report as at  
30 September  
2021



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**Disclaimer**

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

## PREFACE

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

**INTERIM MANAGEMENT REPORT**

**AS AT 30 SEPTEMBER 2021**

## HIGHLIGHTS

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

(€ thousands)	First nine months 2021		First nine months 2020		First nine months 2019	
	Recurring	Total	Recurring	Total	Recurring	Total
<b>Economic figures:</b>						
Revenues from sales and services	1,418,589	1,418,589	1,042,122	1,042,122	1,224,741	1,224,741
Gross operating profit (loss) (EBITDA)	326,858	321,410	228,357	228,357	262,610	244,238
Operating profit (loss) (EBIT)	167,465	160,324	79,664	79,664	124,709	105,973
Profit (loss) before tax	147,151	140,010	57,703	57,703	104,993	86,257
Group net profit (loss)	106,002	100,743	41,107	41,107	75,682	61,663

The first nine months of the year closed with:

- turnover of €1,418,589 thousand, an increase of 37.0% at constant exchange rates and of 36.1% at current exchange rates compared to the same period of the prior year. Compared to the first nine months of 2019, turnover was 15.8% higher (+17.7% at constant exchange rates), consistent with the growth path seen before Covid-19.
- a gross operating margin (EBITDA) of €321,410 thousand, 40.7% higher than in the first nine months of 2020 (+43.1% on a recurring basis), with an EBITDA margin of 22.7% (+0.7 p.p. against the comparison period). Compared to the first nine months of 2019, EBITDA was up €77,172 thousand (+31.6%) with an increase in the EBITDA margin of 2.7 p.p. The improvement in profitability is explained by greater operating efficiency, even after significant investments in the business
- Group net profit of €100,743 thousand, showing an increase of €59,636 thousand (+145.1%) against the first nine months of 2020 and of €39,080 thousand (+63.4%) compared to the first nine months of 2019 (+40.1% on a recurring basis).

Net financial debt, excluding lease liabilities, was lower than the €633,665 recorded at year-end 2020, coming in a €616,843 thousand, confirming the Group's ability to generate cash flow. Free cash flow reached a positive €160,941 thousand (versus €127,076 thousand in the first nine months of 2020 and €68,627 thousand in the same period of 2019) after absorbing net capital expenditure of €58,424 thousand (€28,070 thousand in the comparison period). This result made it possible to finance cash-outs for acquisitions of €67,204 thousand (€41,947 thousand in the comparison period), restart the buyback program (€31,085 thousand) and pay dividends to

shareholders (€49,356 thousand). Cash flow for the period was positive for €18,792 thousand versus €77,251 thousand in the first nine months of 2020.

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

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

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

The disposal of the Elite business, which represented a separate "major line of business", will be treated as a "discontinued operation" in accordance with IFRS 5 as of the date of the disposal. The contribution of Elite to the figures shown in this financial report refers, for €38,716 thousand, to revenues and, for €662 thousand to EBITDA (before the allocation of centralized costs).

## MAIN ECONOMIC AND FINANCIAL FIGURES

(€ thousands)	First nine months 2021				First nine months 2020				Change % on recurring
	Recurring	Non- recurring	Total	% on revenues recurring	Recurring	Non- recurring	Total	% on revenues recurring	
<b>Economic figures:</b>									
Revenues from sales and services	1,418,589	-	1,418,589	100.0%	1,042,122	-	1,042,122	100.0%	36.1%
Gross operating profit (loss) (EBITDA)	326,858	(5,448)	321,410	23.0%	228,357	-	228,357	21.9%	43.1%
Operating profit (loss) before the depreciation and amortization of PPA related assets (EBITA)	199,378	(7,141)	192,237	14.1%	109,089	-	109,089	10.5%	82.8%
Operating profit (loss) (EBIT)	167,465	(7,141)	160,324	11.8%	79,664	-	79,664	7.6%	110.2%
Profit (loss) before tax	147,151	(7,141)	140,010	10.4%	57,703	-	57,703	5.5%	155.0%
Group net profit (loss)	106,002	(5,259)	100,743	7.5%	41,107	-	41,107	3.9%	157.9%

(€ thousands)	09/30/2021	12/31/2020	Change
<b>Financial figures:</b>			
Non-current assets	2,360,080	2,299,443	60,637
Net invested capital	1,885,546	1,858,312	27,234
Group net equity	836,274	800,883	35,391
Total net equity	838,114	801,868	36,246
Net financial indebtedness	616,843	633,665	(16,822)
Lease liabilities	430,589	422,779	7,810
Total lease liabilities and net financial indebtedness	1,047,432	1,056,444	(9,012)

(€ thousands)	First nine months 2021	First nine months 2020
<b>Free cash flow</b>	<b>160,941</b>	<b>127,076</b>
Cash flow generated from (absorbed by) business combinations	(67,204)	(41,947)
(Purchase) sale of other investments and securities	3,753	-
Cash flow provided by (used in) financing activities	(78,698)	(7,878)
<b>Net cash flow from the period</b>	<b>18,792</b>	<b>77,251</b>
Effect of discontinued operations on the net financial position	(52)	-
Effect of exchange rate fluctuations on the net financial position	(1,918)	(3,105)
<b>Net cash flow from the period with changes for exchange rate fluctuations and discontinued operations</b>	<b>16,822</b>	<b>74,146</b>

- **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

	09/30/2021	12/31/2020	09/30/2020
Net financial indebtedness (€ thousands)	616,843	633,665	712,552
Lease liabilities (€ thousands)	430,589	422,779	423,241
Total lease liabilities & net financial indebtedness (€ thousands)	1,047,432	1,056,444	1,135,793
Net equity (€ thousands)	838,114	801,868	726,722
Group Net Equity (€ thousands)	836,274	800,883	725,757
Net financial indebtedness/Net Equity	0.74	0.80	0.98
Net financial indebtedness/Group Net Equity	0.74	0.80	0.98
Net financial indebtedness/EBITDA	1.25	1.63	1.89
EBITDA/Net financial expenses	30.75	22.79	22.41
Earnings per share (EPS) (€)	0.44821	0.45132	0.18391
Diluted EPS (€)	0.44319	0.44556	0.18175
EPS (€) adjusted for non-recurring transactions and amortization/depreciation related to purchase price allocations to tangible and intangible assets	0.57429	0.57806	0.28066
Group Net Equity per share (€)	3.720	3.563	3.234
Period-end price (€)	41.200	34.040	30.550
Highest price in period (€)	46.490	36.540	31.440
Lowest price in period (€)	29.330	14.830	14.830
Share price/net equity per share	11.075	9.569	9.447
Market capitalization (€ millions)	9,261.62	7,651.71	6,856.65
Number of shares outstanding	224,796,665	224,785,974	224,440,189

- **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

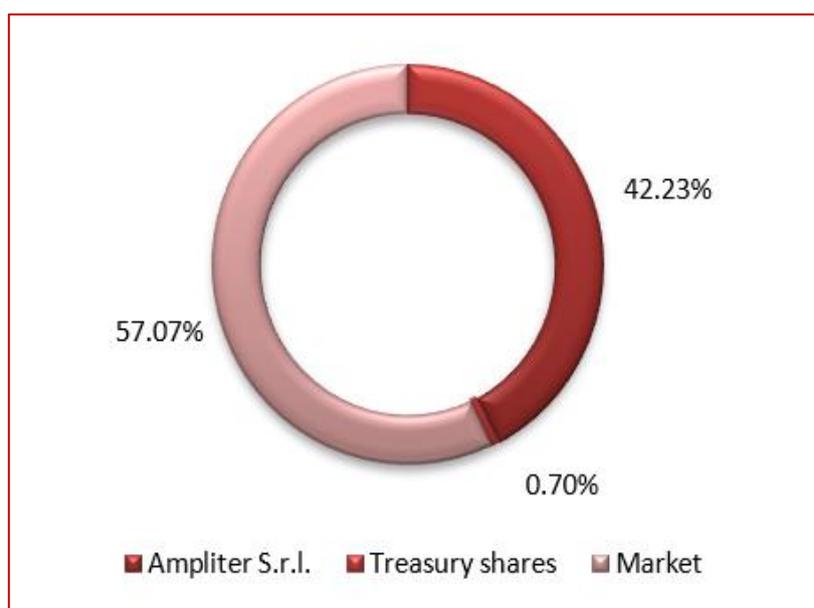
calculation of outstanding shares, purchases and sales of treasury shares are considered as cancellations and issues of shares, respectively.

- **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 September 2021 are:



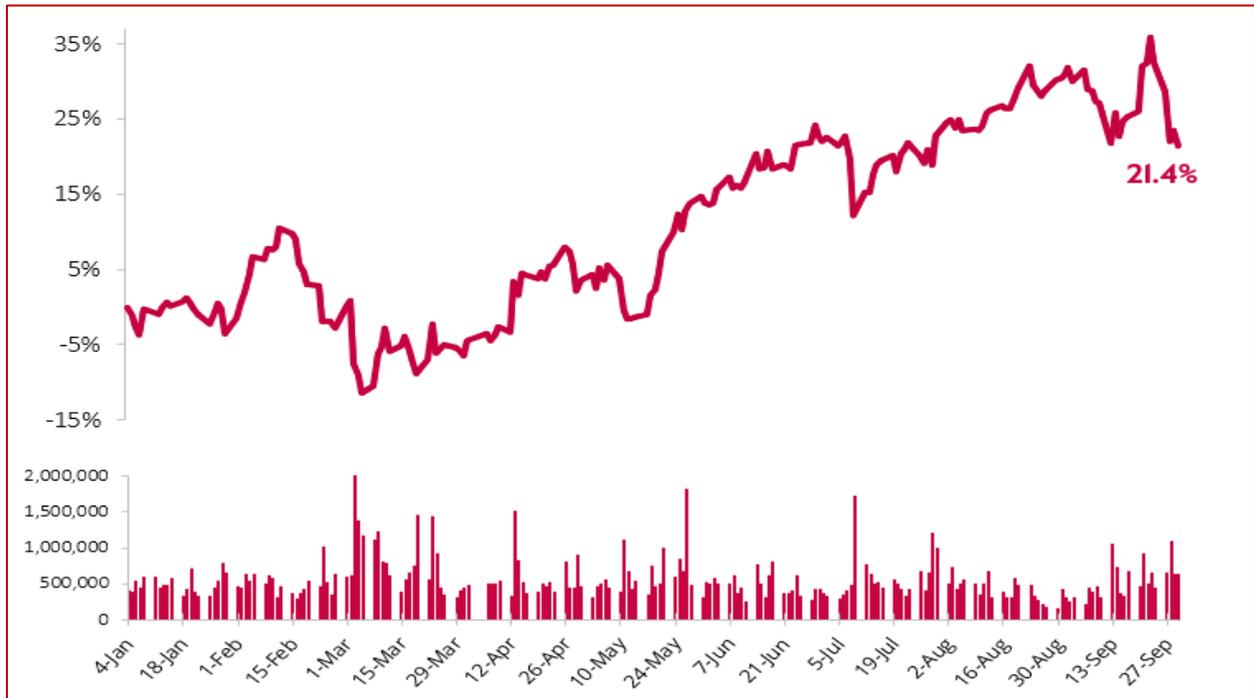
Shareholder	No. of ordinary shares	% held	% of the total share capital in voting rights
Ampliter S.r.l.	95,604,369	42.23%	59.18%
Treasury shares	1,591,955	0.70%	0.49%
Market	129,192,296	57.07%	40.33%
<b>Total</b>	<b>226,388,620 (*)</b>	<b>100.00%</b>	<b>100.00%</b>

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

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

The shares of the parent Amplifon S.p.A. have been listed on the screen-based stock market 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 2 January 2021 to 30 September 2021.



As at 30 September 2021 market capitalization was €9.261,62 million.

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

- average daily value: €20,967,698.73;
- average daily volume: 556,487 shares;
- total volume traded of 106,845,543 shares, or 47.5% of the total number of shares comprising the share capital, net of treasury shares.

## RECLASSIFIED CONSOLIDATED INCOME STATEMENT

(€ thousands)	First nine months 2021				First nine months 2020				Change % on recurring
	Recurring	Non- recurring (* )	Total	% on recurring	Recurring	Non- recurring (* )	Total	% on recurring	
Revenues from sales and services	1,418,589	-	1,418,589	100.0%	1,042,122	-	1,042,122	100.0%	36.1%
Operating costs	(1,095,428)	(5,183)	(1,100,611)	-77.3%	(826,925)	-	(826,925)	-79.4%	-32.5%
Other income and costs	3,697	(265)	3,432	0.3%	13,160	-	13,160	1.3%	-71.9%
<b>Gross operating profit (loss) (EBITDA)</b>	<b>326,858</b>	<b>(5,448)</b>	<b>321,410</b>	<b>23.0%</b>	<b>228,357</b>	<b>-</b>	<b>228,357</b>	<b>21.9%</b>	<b>43.1%</b>
Depreciation, amortization and impairment losses on non-current assets	(56,284)	(1,693)	(57,977)	-4.0%	(51,753)	-	(51,753)	-4.9%	-8.8%
Right-of-use depreciation	(71,196)	-	(71,196)	-4.9%	(67,515)	-	(67,515)	-6.5%	-5.5%
<b>Operating result before the amortization and impairment of PPA related assets (EBITA)</b>	<b>199,378</b>	<b>(7,141)</b>	<b>192,237</b>	<b>14.1%</b>	<b>109,089</b>	<b>-</b>	<b>109,089</b>	<b>10.5%</b>	<b>82.8%</b>
PPA related depreciation, amortization and impairment	(31,913)	-	(31,913)	-2.3%	(29,425)	-	(29,425)	-2.9%	-8.5%
<b>Operating profit (loss) (EBIT)</b>	<b>167,465</b>	<b>(7,141)</b>	<b>160,324</b>	<b>11.8%</b>	<b>79,664</b>	<b>-</b>	<b>79,664</b>	<b>7.6%</b>	<b>110.2%</b>
Income, expenses, valuation and adjustments of financial assets	931	-	931	0.1%	(438)	-	(438)	-0.1%	312.6%
Net financial expenses	(21,284)	-	(21,284)	-1.5%	(22,083)	-	(22,083)	-2.1%	3.6%
Exchange differences and non-hedge accounting instruments	39	-	39	0.0%	560	-	560	0.1%	-93.0%
<b>Profit (loss) before tax</b>	<b>147,151</b>	<b>(7,141)</b>	<b>140,010</b>	<b>10.4%</b>	<b>57,703</b>	<b>-</b>	<b>57,703</b>	<b>5.5%</b>	<b>155.0%</b>
Tax	(41,117)	1,882	(39,235)	-2.9%	(16,584)	-	(16,584)	-1.6%	-147.9%
<b>Net profit (loss)</b>	<b>106,034</b>	<b>(5,259)</b>	<b>100,775</b>	<b>7.5%</b>	<b>41,119</b>	<b>-</b>	<b>41,119</b>	<b>3.9%</b>	<b>157.9%</b>
Profit (loss) of minority interests	32	-	32	0.0%	12	-	12	0.0%	166.7%
<b>Net profit (loss) attributable to the Group</b>	<b>106,002</b>	<b>(5,259)</b>	<b>100,743</b>	<b>7.5%</b>	<b>41,107</b>	<b>-</b>	<b>41,107</b>	<b>3.9%</b>	<b>157.9%</b>

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

(€ thousands)	Third Quarter 2021				Third Quarter 2020				Change % on recurring
	Recurring	Non-recurring (*)	Total	% on recurring	Recurring	Non-recurring (*)	Total	% on recurring	
Revenues from sales and services	459,102	-	459,102	100.0%	428,223	-	428,223	100.0%	7.2%
Operating costs	(365,415)	(1,027)	(366,442)	-79.6%	(333,230)	-	(333,230)	-77.8%	-9.7%
Other income and costs	464	(129)	335	0.1%	2,065	-	2,065	0.5%	-77.5%
<b>Gross operating profit (loss) (EBITDA)</b>	<b>94,151</b>	<b>(1,156)</b>	<b>92,995</b>	<b>20.5%</b>	<b>97,058</b>	<b>-</b>	<b>97,058</b>	<b>22.7%</b>	<b>-3.0%</b>
Depreciation, amortization and impairment losses on non-current assets	(17,337)	(1,693)	(19,030)	-3.8%	(17,523)	-	(17,523)	-4.2%	1.1%
Right-of-use depreciation	(24,498)	-	(24,498)	-5.3%	(21,550)	-	(21,550)	-5.0%	-13.7%
<b>Operating result before the amortization and impairment of PPA related assets (EBITA)</b>	<b>52,316</b>	<b>(2,849)</b>	<b>49,467</b>	<b>11.4%</b>	<b>57,985</b>	<b>-</b>	<b>57,985</b>	<b>13.5%</b>	<b>-9.8%</b>
PPA related depreciation, amortization and impairment	(10,696)	-	(10,696)	-2.3%	(9,847)	-	(9,847)	-2.3%	-8.6%
<b>Operating profit (loss) (EBIT)</b>	<b>41,620</b>	<b>(2,849)</b>	<b>38,771</b>	<b>9.1%</b>	<b>48,138</b>	<b>-</b>	<b>48,138</b>	<b>11.2%</b>	<b>-13.5%</b>
Income, expenses, valuation and adjustments of financial assets	102	-	102	0.0%	(182)	-	(182)	-0.1%	156.0%
Net financial expenses	(7,128)	-	(7,128)	-1.6%	(7,864)	-	(7,864)	-1.8%	9.4%
Exchange differences and non-hedge accounting instruments	716	-	716	0.2%	(172)	-	(172)	0.0%	516.3%
<b>Profit (loss) before tax</b>	<b>35,310</b>	<b>(2,849)</b>	<b>32,461</b>	<b>7.7%</b>	<b>39,920</b>	<b>-</b>	<b>39,920</b>	<b>9.3%</b>	<b>-11.5%</b>
Tax	(9,634)	773	(8,861)	-2.1%	(11,261)	-	(11,261)	-2.6%	14.4%
<b>Net profit (loss)</b>	<b>25,676</b>	<b>(2,076)</b>	<b>23,600</b>	<b>5.6%</b>	<b>28,659</b>	<b>-</b>	<b>28,659</b>	<b>6.7%</b>	<b>-10.4%</b>
Profit (loss) of minority interests	2	-	2	0.0%	128	-	128	0.0%	-98.4%
<b>Net profit (loss) attributable to the Group</b>	<b>25,674</b>	<b>(2,076)</b>	<b>23,598</b>	<b>5.6%</b>	<b>28,531</b>	<b>-</b>	<b>28,531</b>	<b>6.7%</b>	<b>-10.0%</b>

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

The details of the non-recurring transactions, which refer to three main streams, included in the previous tables are shown below:

- costs relating to the second phase of the GAES integration;
- first part of the costs stemming from the acquisition of Bay Audio Pty which closed on 1 October 2021;
- costs relating to the project to redefine the corporate structure of Amplifon S.p.A., approved definitively on 3 March 2021 and effective 1 May 2021, were also incurred. The main goal of this project is to render the Group's structure consistent with the changes in its organizational structure and multinational nature. More specifically, as of 1 May 2021 Amplifon S.p.A. (which previously acted as the parent company and ran the Italian market operations) is responsible for the definition and development of the strategic direction and coordination of the entire Group, as well as the Group's centralized purchasing, while Amplifon Italia S.p.A. is now responsible for the Italian market operations.

(€ thousands)	First nine months 2021	First nine months 2020
GAES integration costs	(3,196)	-
Amplifon S.p.A restructuring costs	(1,796)	-
Bay Audio acquisition costs	(456)	-
<b>Impact of the non-recurring items on EBITDA</b>	<b>(5,448)</b>	-
Accelerated depreciation of GAES tangible assets	(1,693)	-
<b>Impact of the non-recurring items on EBIT</b>	<b>(7,141)</b>	-
<b>Impact of the non-recurring items on profit before tax</b>	<b>(7,141)</b>	-
Impact of the above items on the tax burden for the period	1,882	-
<b>Impact of the non-recurring items on net profit</b>	<b>(5,259)</b>	-

(€ thousands)	Q3 2021	Q3 2020
GAES integration costs	(530)	-
Amplifon S.p.A restructuring costs	(170)	-
Bay Audio acquisition costs	(456)	-
<b>Impact of the non-recurring items on EBITDA</b>	<b>(1,156)</b>	-
Accelerated depreciation of GAES tangible assets	(1,693)	-
<b>Impact of the non-recurring items on EBIT</b>	<b>(2,849)</b>	-
<b>Impact of the non-recurring items on profit before tax</b>	<b>(2,849)</b>	-
Impact of the above items on the tax burden for the period	773	-
<b>Impact of the non-recurring items on net profit</b>	<b>(2,076)</b>	-

## RECLASSIFIED CONSOLIDATED BALANCE SHEET

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

(€ thousands)	09/30/2021	12/31/2020	Change
Goodwill	1,335,378	1,281,609	53,769
Customer lists, non-compete agreements, trademarks and location rights	253,106	259,627	(6,521)
Software, licenses, other int.ass., wip and advances	106,596	101,559	5,037
Tangible assets	176,535	177,616	(1,081)
Right of use assets	415,783	409,338	6,445
Fixed financial assets (1)	38,000	38,125	(125)
Other non-current financial assets (1)	34,682	31,569	3,113
<b>Total fixed assets</b>	<b>2,360,080</b>	<b>2,299,443</b>	<b>60,637</b>
Inventories	66,705	57,431	9,274
Trade receivables	151,186	169,060	(17,874)
Other receivables	80,002	60,533	19,469
<b>Current assets (A)</b>	<b>297,893</b>	<b>287,024</b>	<b>10,869</b>
<b>Total assets</b>	<b>2,657,973</b>	<b>2,586,467</b>	<b>71,506</b>
Trade payables	(200,565)	(181,036)	(19,529)
Other payables (2)	(335,475)	(318,968)	(16,507)
Provisions for risks (current portion)	(2,328)	(3,560)	1,232
<b>Short term liabilities (B)</b>	<b>(538,368)</b>	<b>(503,564)</b>	<b>(34,804)</b>
<b>Net working capital (A) - (B)</b>	<b>(240,475)</b>	<b>(216,540)</b>	<b>(23,935)</b>
Derivative instruments (3)	(3,802)	(5,908)	2,106
Deferred tax assets	85,299	83,671	1,628
Deferred tax liabilities	(96,022)	(95,150)	(872)
Provisions for risks (non-current portion)	(51,101)	(49,765)	(1,336)
Employee benefits (non-current portion)	(23,304)	(24,019)	715
Loan fees (4)	6,507	7,941	(1,434)
Other long-term payables	(151,636)	(141,361)	(10,275)
<b>NET INVESTED CAPITAL</b>	<b>1,885,546</b>	<b>1,858,312</b>	<b>27,234</b>
Shareholders' equity	836,274	800,883	35,391
Third parties' equity	1,840	985	855
<b>Net equity</b>	<b>838,114</b>	<b>801,868</b>	<b>36,246</b>
Long term net financial debt (4)	970,941	1,103,265	(132,324)
Short term net financial debt (4)	(354,098)	(469,600)	115,502
<b>Total net financial debt</b>	<b>616,843</b>	<b>633,665</b>	<b>(16,822)</b>
Lease liabilities	430,589	422,779	7,810
<b>Total lease liabilities &amp; net financial debt</b>	<b>1,047,432</b>	<b>1,056,444</b>	<b>(9,012)</b>
<b>NET EQUITY, LEASE LIABILITIES AND NET FINANCIAL DEBT</b>	<b>1,885,546</b>	<b>1,858,312</b>	<b>27,234</b>

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

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

## CONDENSED RECLASSIFIED CONSOLIDATED CASH FLOW STATEMENT

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

(€ thousands)	First nine months 2021	First nine months 2020
<b>EBIT</b>	<b>160,324</b>	<b>79,664</b>
Amortization, depreciation and write-downs	161,085	148,693
Provisions, other non-monetary items and gain/losses from disposals	12,727	13,374
Net financial expenses	(19,531)	(19,654)
Taxes paid	(42,825)	(15,000)
Changes in net working capital	16,911	(1,653)
<b>Cash flow provided by (used in) operating activities before repayment of lease liabilities</b>	<b>288,691</b>	<b>205,424</b>
Repayment of lease liabilities	(69,326)	(50,278)
<b>Cash flow provided by (used in) operating activities (A)</b>	<b>219,365</b>	<b>155,146</b>
Cash flow provided by (used in) operating investing activities (B)	(58,424)	(28,070)
<b>Free Cash Flow (A) + (B)</b>	<b>160,941</b>	<b>127,076</b>
Net cash flow provided by (used in) acquisitions (C)	(67,204)	(41,947)
(Purchase) sale of other investment and securities (D)	3,753	-
<b>Cash flow provided by (used in) investing activities (B+C+D)</b>	<b>(121,875)</b>	<b>(70,017)</b>
<b>Cash flow provided by (used in) operating activities and investing activities</b>	<b>97,490</b>	<b>85,129</b>
Fees paid on medium/long-term financing	-	(7,533)
Treasury shares	(31,085)	-
Dividends	(49,356)	-
Capital increases, third parties' contributions and dividends paid by subsidiaries to third parties	440	(272)
Hedging instruments and other changes in non-current assets	1,303	(73)
<b>Net cash flow from the period</b>	<b>18,792</b>	<b>77,251</b>
<b>Net financial indebtedness at the beginning of the period</b>	<b>(633,665)</b>	<b>(786,698)</b>
Effect of exchange rate fluctuations on net financial indebtedness	(1,918)	(3,105)
Effect of discontinued operations on net financial indebtedness	(52)	-
Changes in net indebtedness	18,792	77,251
<b>Net financial indebtedness at the end of the period</b>	<b>(616,843)</b>	<b>(712,552)</b>

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

(€ thousands)	First nine months 2021	First nine months 2020
<b>Free cash flow</b>	<b>160,941</b>	<b>127,076</b>
Free cash flow generated by non-recurring transactions (see page 50 for details)	(5,112)	(1,372)
<b>Free cash flow generated by recurring transactions</b>	<b>166,053</b>	<b>128,448</b>

## INCOME STATEMENT REVIEW

### Consolidated income statement by segment and geographic area (\*)

(€ thousands)	First nine months 2021				
	EMEA	Americas	Asia Pacific	Corporate	Total
Revenues from sales and services	984,146	262,976	171,467	-	1,418,589
Operating costs	(716,563)	(204,019)	(121,752)	(58,277)	(1,100,611)
Other income and costs	3,351	(300)	(332)	713	3,432
<b>Gross operating profit (loss) (EBITDA)</b>	<b>270,934</b>	<b>58,657</b>	<b>49,383</b>	<b>(57,564)</b>	<b>321,410</b>
Depreciation, amortization and impairment of non-current assets	(30,482)	(8,126)	(8,528)	(10,841)	(57,977)
Right-of-use depreciation	(55,994)	(4,754)	(9,487)	(961)	(71,196)
<b>Operating profit (loss) before the depreciation and amortization of PPA related assets (EBITA)</b>	<b>184,458</b>	<b>45,777</b>	<b>31,368</b>	<b>(69,366)</b>	<b>192,237</b>
PPA related depreciation, amortization and impairment	(24,686)	(2,171)	(5,056)	-	(31,913)
<b>Operating profit (loss) (EBIT)</b>	<b>159,772</b>	<b>43,606</b>	<b>26,312</b>	<b>(69,366)</b>	<b>160,324</b>
Income, expenses, revaluation and adjustments of financial assets					931
Net financial expenses					(21,284)
Exchange differences and non-hedge accounting instruments					39
<b>Profit (loss) before tax</b>					<b>140,010</b>
Tax					(39,235)
<b>Net profit (loss)</b>					<b>100,775</b>
Profit (loss) of minority interests					32
<b>Net profit (loss) attributable to the Group</b>					<b>100,743</b>

(€ thousands)	First nine months 2021 – Only recurring operations				
	EMEA	Americas	Asia Pacific	Corporate	Total
Revenues from sales and services	984,146	262,976	171,467	-	1,418,589
Gross operating profit (loss) (EBITDA)	274,416	58,657	49,383	(55,598)	326,858
Operating profit (loss) before the depreciation and amortization of PPA related assets (EBITA)	189,632	45,777	31,368	(67,399)	199,378
Operating profit (loss) (EBIT)	164,946	43,606	26,312	(67,399)	167,465
Profit (loss) before tax					147,151
Net profit (loss) attributable to the Group					106,002

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

(€ thousands)	First nine months 2020				
	EMEA	Americas	Asia Pacific	Corporate	Total
Revenues from sales and services	740,652	174,163	127,307	-	1,042,122
Operating costs	(571,272)	(137,023)	(83,190)	(35,440)	(826,925)
Other income and costs	10,297	1,566	1,015	282	13,160
<b>Gross operating profit (loss) (EBITDA)</b>	<b>179,677</b>	<b>38,706</b>	<b>45,132</b>	<b>(35,158)</b>	<b>228,357</b>
Depreciation, amortization and impairment of non-current assets	(30,728)	(4,976)	(9,088)	(6,961)	(51,753)
Right-of-use depreciation	(55,860)	(2,884)	(8,438)	(333)	(67,515)
<b>Operating profit (loss) before the depreciation and amortization of PPA related assets (EBITA)</b>	<b>93,089</b>	<b>30,846</b>	<b>27,606</b>	<b>(42,452)</b>	<b>109,089</b>
PPA related depreciation, amortization and impairment	(23,702)	(971)	(4,752)	-	(29,425)
<b>Operating profit (loss) (EBIT)</b>	<b>69,387</b>	<b>29,875</b>	<b>22,854</b>	<b>(42,452)</b>	<b>79,664</b>
Income, expenses, revaluation and adjustments of financial assets					(438)
Net financial expenses					(22,083)
Exchange differences and non-hedge accounting instruments					560
<b>Profit (loss) before tax</b>					<b>57,703</b>
Tax					(16,584)
<b>Net profit (loss)</b>					<b>41,119</b>
Profit (loss) of minority interests					12
<b>Net profit (loss) attributable to the Group</b>					<b>41,107</b>

(€ thousands)	First nine months 2020 – Only recurring operations				
	EMEA	Americas	Asia Pacific	Corporate	Total
Revenues from sales and services	740,652	174,163	127,307	-	1,042,122
Gross operating profit (loss) (EBITDA)	179,677	38,706	45,132	(35,158)	228,357
Operating profit (loss) before the depreciation and amortization of PPA related assets (EBITA)	93,089	30,846	27,606	(42,452)	109,089
Operating profit (loss) (EBIT)	69,387	29,875	22,854	(42,452)	79,664
Profit (loss) before tax					57,703
Net profit (loss) attributable to the Group					41,107

(€ thousands)	Third Quarter 2021				
	EMEA	Americas	Asia Pacific	Corporate	Total
Revenues from sales and services	310,192	90,683	58,227	-	459,102
Operating costs	(231,915)	(71,548)	(42,563)	(20,416)	(366,442)
Other income and costs	222	(342)	53	402	335
<b>Gross operating profit (loss) (EBITDA)</b>	<b>78,499</b>	<b>18,793</b>	<b>15,717</b>	<b>(20,014)</b>	<b>92,995</b>
Depreciation, amortization and impairment of non-current assets	(9,700)	(2,272)	(3,319)	(3,739)	(19,030)
Right-of-use depreciation	(18,927)	(1,699)	(3,332)	(540)	(24,498)
<b>Operating profit (loss) before the depreciation and amortization of PPA related assets (EBITA)</b>	<b>49,872</b>	<b>14,822</b>	<b>9,066</b>	<b>(24,293)</b>	<b>49,467</b>
PPA related depreciation, amortization and impairment	(8,333)	(683)	(1,680)	-	(10,696)
<b>Operating profit (loss) (EBIT)</b>	<b>41,539</b>	<b>14,139</b>	<b>7,386</b>	<b>(24,293)</b>	<b>38,771</b>
Income, expenses, revaluation and adjustments of financial assets					102
Net financial expenses					(7,128)
Exchange differences and non-hedge accounting instruments					716
<b>Profit (loss) before tax</b>					<b>32,461</b>
Tax					(8,861)
<b>Net profit (loss)</b>					<b>23,600</b>
Profit (loss) of minority interests					2
<b>Net profit (loss) attributable to the Group</b>					<b>23,598</b>

(€ thousands)	Third Quarter 2021 – Only recurring operations				
	EMEA	Americas	Asia Pacific	Corporate	Total
Revenues from sales and services	310,192	90,683	58,227	-	459,102
Gross operating profit (loss) (EBITDA)	79,119	18,793	15,717	(19,478)	94,151
Operating profit (loss) before the depreciation and amortization of PPA related assets (EBITA)	52,184	14,822	9,066	(23,756)	52,316
Operating profit (loss) (EBIT)	43,851	14,139	7,386	(23,756)	41,620
Profit (loss) before tax					35,310
Net profit (loss) attributable to the Group					25,674

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

(€ thousands)	Third Quarter 2020				
	EMEA	Americas	Asia Pacific	Corporate	Total
Revenues from sales and services	303,182	69,562	55,479	-	428,223
Operating costs	(228,464)	(54,203)	(32,352)	(18,211)	(333,230)
Other income and costs	2,093	641	(651)	(18)	2,065
<b>Gross operating profit (loss) (EBITDA)</b>	<b>76,811</b>	<b>16,000</b>	<b>22,476</b>	<b>(18,229)</b>	<b>97,058</b>
Depreciation, amortization and impairment of non-current assets	(10,680)	(1,339)	(3,081)	(2,423)	(17,523)
Right-of-use depreciation	(17,620)	(915)	(2,897)	(118)	(21,550)
<b>Operating profit (loss) before the depreciation and amortization of PPA related assets (EBITA)</b>	<b>48,511</b>	<b>13,746</b>	<b>16,498</b>	<b>(20,770)</b>	<b>57,985</b>
PPA related depreciation, amortization and impairment	(7,922)	(312)	(1,613)	-	(9,847)
<b>Operating profit (loss) (EBIT)</b>	<b>40,589</b>	<b>13,434</b>	<b>14,885</b>	<b>(20,770)</b>	<b>48,138</b>
Income, expenses, revaluation and adjustments of financial assets					(182)
Net financial expenses					(7,864)
Exchange differences and non-hedge accounting instruments					(172)
<b>Profit (loss) before tax</b>					<b>39,920</b>
Tax					(11,261)
<b>Net profit (loss)</b>					<b>28,659</b>
Profit (loss) of minority interests					128
<b>Net profit (loss) attributable to the Group</b>					<b>28,531</b>

(€ thousands)	Third Quarter 2020 – Only recurring transactions				
	EMEA	Americas	Asia Pacific	Corporate	Total
Revenues from sales and services	303,182	69,562	55,479	-	428,223
Gross operating profit (loss) (EBITDA)	76,811	16,000	22,476	(18,229)	97,058
Operating profit (loss) before the depreciation and amortization of PPA related assets (EBITA)	48,511	13,746	16,498	(20,770)	57,985
Operating profit (loss) (EBIT)	40,589	13,434	14,885	(20,770)	48,138
Profit (loss) before tax					39,920
Net profit (loss) attributable to the Group					28,531

## Revenues from sales and services

(€ thousands)	First nine months 2021	First nine months 2020	Change	Change %
Revenues from sales and services	1,418,589	1,042,122	376,467	36.1%

(€ thousands)	Third Quarter 2021	Third Quarter 2020	Change	Change %
Revenues from sales and services	459,102	428,223	30,879	7.2%

Consolidated revenues from sales and services amounted to €1,418,589 thousand in the first nine months of 2021, an increase of €376,467 thousand (+36.1%) compared to the same period of the prior year which, given the extremely negative impact of the Covid-19 pandemic, cannot be considered a viable comparison period. Compared to the first nine months of 2019, a fully comparable period, there was an increase of €193,848 thousand (+15.8%), of which €146,104 thousand (+11.9%) attributable to organic growth.

The increase of €376,467 thousand (+36.1%) against the first nine months of 2020 is explained for €336,449 thousand (+32.2%) by organic growth and for €49,047 thousand (+4.7%) by acquisitions. The foreign exchange effect was negative for €9,029 thousand (-0.9%) as a result of the strengthening of the euro against the US dollar and the Latin American currencies.

The performance in the quarter was positive across all regions, despite the challenging comparison base primarily in EMEA which posted a solid performance, driven by a strong organic growth recorded mainly in France, Spain and Italy; in the AMERICAS, the United States reported once again an excellent, well above market, organic growth, which was combined with the significant contribution of the PJC Hearing acquisition, as well as the outstanding performances in Canada and Latin America; APAC recorded a solid, above-market performance, despite the localized lockdowns in Australia and New Zealand.

In the third quarter stand alone, consolidated revenues from sales and services were €30,879 thousand (+7.2%) higher than in the comparison period, coming in at €459,102 thousand, and showed an increase against the third quarter of 2019, a fully comparable period, of €66,396 thousand (+16.9%), of which €46,751 thousand (+11.9%) attributable to organic growth.

The increase of €30,879 thousand (+7.2%) against the third quarter of 2020 is explained for €8,952 thousand (+2.1%) by organic growth and for €19,922 thousand (+4.7%) by acquisitions. The exchange effect was positive for €2,005 thousand (+0.4%).

Excluding Elite's income statement figures from the results for the reporting period and the comparison periods, revenues would have amounted to €1,379,873 thousand in the first nine months of 2021, an increase of €375,868 thousand (+37.4%) compared to 2020 and €206,301 thousand (+17.6%) compared to 2019. Revenues in the third quarter would have come to €448,086 thousand, an increase of €34,647 thousand (+8.4%) compared to 2020 and €72,214 thousand (+19.2%) compared to 2019.

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

(€ thousands)	First nine months 2021	% on Total	First nine months 2020	% on Total	Change	Change %	Exchange diff.	Change % in local currency
EMEA	984,146	69.4%	740,652	71.1%	243,494	32.9%	(589)	33.0%
Americas	262,976	18.5%	174,163	16.7%	88,813	51.0%	(16,009)	60.2%
Asia Pacific	171,467	12.1%	127,307	12.2%	44,160	34.7%	7,569	28.8%
Corporate	-	-	-	-	-	-	-	-
<b>Total</b>	<b>1,418,589</b>	<b>100.0%</b>	<b>1,042,122</b>	<b>100.0%</b>	<b>376,467</b>	<b>36.1%</b>	<b>(9,029)</b>	<b>37.0%</b>

### Europe, Middle-East and Africa

Period (€ thousands)	2021	2020	Change	Change %
I quarter	311,084	258,266	52,818	20.5%
II quarter	362,870	179,204	183,666	102.5%
<b>I half</b>	<b>673,954</b>	<b>437,470</b>	<b>236,484</b>	<b>54.1%</b>
III quarter	310,192	303,182	7,010	2.3%
<b>First nine months</b>	<b>984,146</b>	<b>740,652</b>	<b>243,494</b>	<b>32.9%</b>

Consolidated revenues from sales and services amounted to €984,146 thousand in the first nine months of 2021, an increase of €243,494 thousand (+32.9%) compared to the same period of the prior year which, given the extremely negative impact of the Covid-19 pandemic above all in core markets like Italy, France and Spain, cannot be considered a viable comparison period. Compared to the first nine months of 2019, a fully comparable period, revenues from sales and services rose €106,319 thousand (+12.1%), of which €80,335 thousand (+9.2%) attributable to organic growth.

The increase of €243,494 thousand (+32.9%) against the first nine months of 2020 is explained for €229,925 thousand (+31.1%) by organic growth and for €14,158 thousand (+1.9%) by acquisitions. The foreign exchange effect was negative for €589 thousand (-0.1%).

A very positive performance was recorded in the region, with particularly strong organic growth in France, Spain and Italy.

In the third quarter stand alone, consolidated revenues from sales and services amounted to €310,192 thousand, €7,010 thousand (+2.3%) higher than in the comparison period and showed an increase against the third quarter of 2019, a fully comparable period, of €39,493 thousand (+14.6%), of which €30,469 thousand (+11.3%) attributable to organic growth.

The increase of €7,010 thousand (+2.3%) against the third quarter of 2020 is explained for €6,249 thousand (+2.3%) by acquisitions and for €129 thousand by limited organic growth (+0.0%). The foreign exchange effect was positive for €632 thousand (+0.2%).

### Americas

Period (€ thousands)	2021	2020	Change	Change %
I quarter	77,172	64,355	12,817	19.9%
II quarter	95,121	40,246	54,875	136.3%
<b>I half</b>	<b>172,293</b>	<b>104,601</b>	<b>67,692</b>	<b>64.7%</b>
III quarter	90,683	69,562	21,121	30.4%
<b>First nine months</b>	<b>262,976</b>	<b>174,163</b>	<b>88,813</b>	<b>51.0%</b>

Consolidated revenues from sales and services amounted to €262,976 thousand in the first nine months of 2021, an increase of €88,813 thousand (+51.0%) compared to the same period of the prior year which was impacted negatively by the Covid-19 pandemic and cannot be considered a viable comparison period. Compared to the first nine months of 2019, a fully comparable period, there was an increase of €59,594 thousand (+30.6%) in revenues from sales and services, of which €53,530 thousand (+26.3%) attributable to organic growth.

The increase of €88,813 thousand (+51.0%) against the first nine months of 2020 is explained for €73,322 thousand (+42.1%) by organic growth, driven mainly by the outstanding performance of Miracle-Ear. Acquisitions contributed €31,500 thousand (+18.1%) explained by the consolidation of PJC Hearing's results. The foreign exchange effect was negative for €16,009 thousand (-9.2%).

The region's revenues were 60.2% higher in local currency. A particularly strong performance was reported by Miracle Ear and PJC Hearing, as well as in Canada and Latin America, despite the adverse exchange effect. Elite posted a weak performance due the wind down of the business currently underway.

In the third quarter stand alone, consolidated revenues from sales and services amounted to €90,682 thousand, €21,121 thousand (+30.4%) higher than in the comparison period and showed an increase against the third quarter of 2019, a fully comparable period, of €19,185 thousand (+26.8%), of which €15,808 thousand (+22.1%) attributable to organic growth.

The increase of €21,121 thousand (+30.4%) against the third quarter of 2020 is explained for €9,275 thousand (+13.3%) by organic growth and for €12,024 thousand (+17.3%) by acquisitions. The exchange effect was slightly negative for €178 thousand (-0.2%).

Excluding Elite's income statement figures from the results for the reporting period and the comparison periods, the region's revenues would have amounted to €224,259 thousand in the first nine months of 2021, an increase of €88,213 thousand (+64.8%) compared to 2020 and €72,046 thousand (+47.3%) compared to 2019. Revenues in the third quarter would have come to €79,666 thousand, an increase of €24,889 thousand (+45.4%) compared to 2020 and €25,002 thousand (+45.7%) compared to 2019.

### Asia Pacific

Period (€ thousands)	2021	2020	Change	Change %
I quarter	52,646	40,855	11,791	28.9%
II quarter	60,594	30,973	29,621	95.6%
<b>I half</b>	<b>113,240</b>	<b>71,828</b>	<b>41,412</b>	<b>57.7%</b>
III quarter	58,227	55,479	2,748	5.0%
<b>First nine months</b>	<b>171,467</b>	<b>127,307</b>	<b>44,160</b>	<b>34.7%</b>

Consolidated revenues from sales and services amounted to €171,467 thousand in the first nine months of 2021, an increase of €44,160 thousand (+34.7%) compared to the same period of the prior year which, given the severe impact of the Covid-19 pandemic, cannot be considered a viable comparison period. Compared to the first nine months of 2019, a fully comparable period, revenues from sales and services rose €31,249 thousand (+22.3%), of which €15,553 thousand (+11.1%) attributable to organic growth.

The increase of €44,160 thousand (+34.7%) against the first nine months of 2020 is explained for €33,202 thousand (+26.1%) by organic growth and for €3,389 thousand (+2.7%) by acquisitions. The foreign exchange effect was positive for €7,569 thousand (+5.9%).

The region's revenues were 28.8% higher in local currency. The region posted a very positive performance despite the challenging comparison base with respect to the third quarter of both 2020 and 2019. A good performance was posted in China and Australia despite the continuation of the restrictive measures in different areas of the country. New Zealand reported a negative performance due to the lockdowns which resulted in the temporary closing of stores throughout the country.

In the third quarter stand alone, consolidated revenues from sales and services amounted to €58,227 thousand, €2,748 thousand (+5.0%) higher than in the comparison period and showed an increase against the third quarter of 2019, a fully comparable period, of €9,046 thousand (+18.4%), of which €1,802 thousand (+3.7%) attributable to organic growth.

The increase of €2,748 thousand (+5.0%) against the third quarter of 2020 is explained for €1,649 thousand (+23.0%) by acquisitions and for €1,555 thousand (+2.8%) by the positive exchange effect. Organic growth was slightly negative for €452 thousand (-0.8%).

## Gross operating profit (EBITDA)

(€ thousands)	First nine months 2021			First nine months 2020		
	Recurring	Non-recurring	Total	Recurring	Non-recurring	Total
Gross operating profit (loss) (EBITDA)	326,858	(5,448)	321,410	228,357	-	228,357

(€ thousands)	Third quarter 2021			Third quarter 2020		
	Recurring	Non-recurring	Total	Recurring	Non-recurring	Total
Gross operating profit (loss) (EBITDA)	94,151	(1,156)	92,995	97,058	-	97,058

Gross operating profit (EBITDA) amounted to €321,410 thousand in the first nine months of 2021, an increase of €93,053 thousand (+40.7%) against the comparison period with foreign exchange differences that were negative for €1,588 thousand.

The EBITDA margin came to 22.7%, 0.7 p.p. higher than in the comparison period.

The first nine months of 2020 cannot be considered a viable comparison period as the period was impacted significantly by the lower absorption of fixed costs attributable to the drop in revenues caused by the Covid-19 outbreak. Compared to the first nine months of 2019, a fully comparable period, EBITDA was €77,172 thousand (+31.6%) higher, with an EBITDA margin that was up by 2.7 p.p.

Non-recurring expenses of €5,448 thousand were incurred during the quarter explained for €1,796 thousand by the corporate restructuring of Amplifon S.p.A, for €456 thousand by the Bay Audio Pty acquisition and for €3,196 thousand by the GAES integration.

Net of this item, recurring EBITDA would have been €98,501 thousand (+43.1%) higher than in the first nine months of 2020 and €64,248 thousand higher (+24.5%) than in the first nine months of 2019 with the EBITDA margin up +1.1 p.p. and +1.6 p.p., respectively. This improvement in profitability is attributable mainly to the greater operating efficiency and increased productivity stemming from the actions taken in 2020 in response to the Covid-19 crisis and was, moreover, achieved after significant investments in the business.

In the third quarter stand alone, EBITDA amounted to €92,995 thousand (with an EBITDA margin of 20.3%), €4,063 thousand (-4.2%) lower than in the comparison period (which benefitted from non-recurring income related to the Covid-19 emergency). The EBITDA margin was also down by -2.3 p.p.. The foreign exchange differences had a positive impact of €532 thousand.

Compared to the third quarter of 2019, a fully comparable period, EBITDA was €29,517 thousand (+46.5%) higher with an EBITDA margin that was up by 4.1 p.p.

The result for the quarter reflects non-recurring expenses of €1,156 thousand attributable for €170 thousand to the corporate restructuring of Amplifon S.p.A, for €456 thousand to the Bay Audio Pty acquisition and for €530 thousand to the GAES integration.

Net of this item, recurring EBITDA would have been €2,907 thousand (-3.0%) lower than in the third quarter of 2020, with a drop in the EBITDA margin -2.2 p.p. and €18,105 thousand (+23.8%) higher than in the same period of 2019, with an increase of +1.1 p.p. in the EBITDA margin.

Excluding Elite's income statement figures from the results for the reporting period and the comparison periods, EBITDA would have amounted to €320,748 thousand in the first nine months of 2021, an increase of €96,780 thousand (+43.2%) compared to 2020 and €84,440 thousand (+35.7%) compared to 2019. In the third quarter stand alone, EBITDA would have come to €94,299 thousand, a decrease of €1,049 thousand (-1.1%) compared to 2020 and an increase of €33,500 thousand (+55.1%) compared to 2019.

The following table shows a breakdown of EBITDA by segment.

(€ thousands)	First nine months 2021	EBITDA Margin	First nine months 2020	EBITDA Margin	Change	Change %
EMEA	270,934	27.5%	179,677	24.3%	91,257	50.8%
Americas	58,657	22.3%	38,706	22.2%	19,951	51.5%
Asia Pacific	49,383	28.8%	45,132	35.5%	4,251	9.4%
Corporate (*)	(57,564)	-4.1%	(35,158)	-3.4%	(22,406)	-63.7%
<b>Total</b>	<b>321,410</b>	<b>22.7%</b>	<b>228,357</b>	<b>21.9%</b>	<b>93,053</b>	<b>40.7%</b>

(€ thousands)	Q3 2021	EBITDA Margin	Q3 2020	EBITDA Margin	Change	Change %
EMEA	78,499	25.3%	76,811	25.3%	1,688	2.2%
Americas	18,793	20.7%	16,000	23.0%	2,793	17.5%
Asia Pacific	15,717	27.0%	22,476	40.5%	(6,759)	-30.1%
Corporate (*)	(20,014)	-4.4%	(18,229)	-4.3%	(1,785)	-9.8%
<b>Total</b>	<b>92,995</b>	<b>20.3%</b>	<b>97,058</b>	<b>22.7%</b>	<b>(4,063)</b>	<b>-4.2%</b>

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

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

(€ thousands)	First nine months 2021	EBITDA Margin	First nine months 2020	EBITDA Margin	Change	Change %
EMEA	274,416	27.9%	179,677	24.3%	94,739	52.7%
Americas	58,657	22.3%	38,706	22.2%	19,951	51.5%
Asia Pacific	49,383	28.8%	45,132	35.5%	4,251	9.4%
Corporate (*)	(55,598)	-3.9%	(35,158)	-3.4%	(20,440)	-58.1%
<b>Total</b>	<b>326,858</b>	<b>23.0%</b>	<b>228,357</b>	<b>21.9%</b>	<b>98,501</b>	<b>43.1%</b>

(€ thousands)	Q3 2021	EBITDA Margin	Q3 2020	EBITDA Margin	Change	Change %
EMEA	79,119	25.5%	76,811	25.3%	2,308	3.0%
Americas	18,793	20.7%	16,000	23.0%	2,793	17.5%
Asia Pacific	15,717	27.0%	22,476	40.5%	(6,759)	-30.1%
Corporate (*)	(19,478)	-4.2%	(18,229)	-4.3%	(1,249)	-6.9%
<b>Total</b>	<b>94,151</b>	<b>20.5%</b>	<b>97,058</b>	<b>22.7%</b>	<b>(2,907)</b>	<b>-3.0%</b>

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

### Europe, Middle-East and Africa

Gross operating profit (EBITDA) amounted to €270,934 thousand in the first nine months of 2021, an increase of €91,257 thousand (+50.8%) with respect to the comparison period. The result was impacted marginally by negative foreign exchange differences of €268 thousand.

The EBITDA margin came to 27.5%, 3.3 p.p. higher than in the first nine months of 2020 which cannot be considered a viable comparison period as it was impacted by the lower absorption of fixed costs attributable to the drop in revenues. Compared to the first nine months of 2019, a fully comparable period, EBITDA was €83,887 thousand (+44.8%) higher, with an EBITDA margin that was +6.2 p.p. higher.

The result for the reporting period reflects non-recurring expenses of €3,482 thousand attributable for €286 thousand to the corporate restructuring of Amplifon S.p.A and for €3,196 thousand to the GAES integration.

Net of this item, recurring EBITDA would have been €94,739 thousand (+52.7%) higher than in the first nine months of 2020 and €69,022 thousand (+33.6%) higher than in the first nine months of 2019 with the EBITDA margin up +3.6 p.p. and +4.5 p.p., respectively.

In the third quarter stand alone, EBITDA amounted to €78,499, an increase of €1,688 thousand (+2.2%) against the comparison period (which benefitted from non-recurring income related to the Covid-19 emergency). The EBITDA margin was in line with the comparison quarter at 25.3% while the foreign exchange differences were positive for €97 thousand. Compared to the first nine months of 2019, a fully comparable period, EBITDA was €32,943 thousand (+72.3%) higher, with an EBITDA margin that was up by +8.5 p.p.

The result for the quarter reflects non-recurring expenses of €620 thousand attributable for €90 thousand to the corporate restructuring of Amplifon S.p.A and for €530 thousand to the GAES integration.

Net of this item, recurring EBITDA would have been €2,309 thousand (+3.0%) higher than in the third quarter of 2020 and €2,997 thousand (+36.1%) higher than in the same period of 2019 with the EBITDA margin up +0.2 p.p. and +4.0 p.p., respectively.

### Americas

Gross operating profit (EBITDA) amounted to €58,657 thousand in the first nine months of 2021, an increase of €19,951 thousand (+51.5%) with respect to the comparison period. The foreign exchange effect was negative for €3,685 thousand. The EBITDA margin came to 22.3%, 0.1 p.p. higher than in the first nine months of 2020 which cannot be considered a viable comparison period as it was impacted by the lower absorption of fixed costs attributable to the drop in revenues. Compared to the first nine months of 2019, a fully comparable period, EBITDA rose €13,905 thousand (+31.1%), with the EBITDA margin up +0.3 p.p.

In the third quarter stand alone, EBITDA amounted to €18,793, an increase against the comparison period of €2,793 thousand (+17.5%), including after negative exchange differences of €7 thousand.

The EBITDA margin came to 20.7%, 2.3 p.p. lower than in the comparison period.

Compared to the third quarter of 2019, a fully comparable period, EBITDA was €3,155 thousand (+20.2%) higher, with an EBITDA margin that was 1.1 p.p. lower.

Excluding Elite Hearing's income statement figures from the results for the reporting period and the comparison periods, EBITDA would have amounted to €57,995 thousand in the first nine months of 2021, an increase of €23,678 thousand (+69.0%) compared to 2020 and €21,173 thousand (+57.5%) compared to 2019. In the third quarter stand alone, EBITDA would have come to €20,097 thousand, an increase of €5,758 thousand (+40.2%) compared to 2020 and €7,140 thousand (+55.1%) compared to 2019.

### Asia Pacific

Gross operating profit (EBITDA) amounted to €49,383 thousand in the first nine months of 2021, an increase of €4,251 thousand (+9.4%) with respect to the comparison period. The foreign exchange effect was positive for €2,363 thousand. The EBITDA margin came to 28.8%, 6.7 p.p. lower than in the first nine months of 2020 which cannot be considered a viable comparison period as it was impacted by the lower absorption of fixed costs attributable to the drop in revenues.

Compared to the first nine months of 2019, a fully comparable period, EBITDA showed an increase of €7,730 thousand (+18.6%) with an EBITDA margin that was down by -0.9 p.p.

In the third quarter stand alone, EBITDA amounted to €15,717 thousand, lower than in the comparison period by €6,759 thousand (-30.1%), including positive exchange differences of €444 thousand.

The EBITDA margin came to 27.0%, 13.5 p.p. lower than in the comparison period.

Compared to the third quarter of 2019, a fully comparable period, EBITDA rose €1,332 thousand (+9.3%), with an EBITDA margin that was down by 2.3 p.p.

### Corporate

The net cost of centralized Corporate functions (corporate bodies, general management, business development, procurement, treasury, legal affairs, human resources, IT systems, global marketing and internal audit) which do not qualify as operating segments under IFRS 8 amounted to €57,564 thousand in the first nine months of 2021 (4.1% of the revenues generated by the Group's sales and services), an increase of €22,405 thousand with respect to the same period of the prior year and of €28,350 thousand against the first nine months of 2019.

The result for the reporting period reflects non-recurring expenses of €1,966 thousand attributable for €1,511 thousand to the corporate restructuring of Amplifon S.p.A and for €456 thousand to the Bay Audio acquisition.

Net of this item, costs would have been €20,440 thousand (+58.1%) higher than in the first nine months of 2020 and €26,384 thousand (+90.3%) higher than in the first nine months of 2019 with the EBITDA margin up +0.5 p.p. and +1.5 p.p., respectively.

In the third quarter stand alone, the centralized costs amounted to €20,014 thousand (4.4% of the Group's revenues from sales and services), an increase of €1,785 thousand (+9.8%) against the third quarter of 2020 and €7,914 (+65.4%) against the third quarter of 2019.

The result for the quarter reflects non-recurring expenses of €536 thousand attributable for €80 thousand to the corporate restructuring of Amplifon S.p.A and for €456 thousand to the Bay Audio acquisition.

Net of this item, costs would have been €1,249 thousand (+6.9%) higher than in the third quarter of 2020, with a drop in the EBITDA margin of 0.1 p.p., and €7,397 thousand (+61.0%) higher than in the same period of 2019, with an increase in the EBITDA margin of +1.2 p.p.

## Operating profit (EBIT)

(€ thousands)	First nine months 2021			First nine months 2020		
	Recurring	Non-recurring	Total	Recurring	Non-recurring	Total
<b>Operating profit (loss) (EBIT)</b>	167,465	(7,141)	160,324	79,664	-	79,664

(€ thousands)	Third Quarter 2021			Third Quarter 2020		
	Recurring	Non-recurring	Total	Recurring	Non-recurring	Total
<b>Operating profit (loss) (EBIT)</b>	41,620	(2,849)	38,771	48,138	-	48,138

Operating profit (EBIT) amounted to €160,324 thousand in the first nine months of 2021, an increase of €80,660 thousand (+101.3%) with respect to the comparison period, offset slightly by the negative foreign exchange differences of €1,859 thousand.

The EBIT margin came to 11.3%, an increase of 3.7 p.p. against the comparison period. The first nine months of 2020 cannot be considered a viable comparison period. Compared to the same period of 2019, a fully comparable period, EBIT rose €54,531 thousand (+51.3%), with the EBIT margin up +2.6 p.p.

The result was impacted for €7,141 thousand by non-recurring expenses which differ from those described in the section on EBITDA due to the accelerated depreciation of a few non-current assets relating to the GAES integration. Net of this item, recurring EBIT would have been €87,801 thousand higher (+110.2%) compared to the first nine months of 2020 and €42,756 higher (+34.3%) than in the first nine months of 2019, with the EBIT margin rising +4.2 p.p. and +1.6 p.p., respectively.

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

In the third quarter stand alone, operating profit (EBIT) amounted to €38,771 thousand (8.4% of revenues from sales and services), a decrease against the comparison period of €9,367 thousand (-19.5%) including positive exchange differences of +€131 thousand.

The EBIT margin came to 8.4%, a decrease of 2.8 p.p. against the same period of 2020.

Compared to the third quarter of 2019, a fully comparable period, EBIT showed an increase of €22,300 thousand (+135.4%) with an EBIT margin that was up by +4.3 p.p.

The result was impacted for €2,849 thousand by non-recurring expenses, which differ from those described in the section on EBITDA due to the accelerated depreciation of a few non-current assets relating to the GAES integration. Net of this item, recurring EBIT would have been €6,518 thousand lower (-13.5%) compared to the third quarter of 2020 and €12,282 higher (+41.9%) than in the same period of 2019, with the EBIT margin down -2.2 p.p. and up +1.6 p.p., respectively.

Excluding Elite Hearing's income statement figures from the results for the reporting period and the comparison periods, EBIT would have amounted to €159,678 thousand in the first nine months of 2021, an increase of €84,372 thousand (+112.0%) compared to 2020 and €61,576 thousand (+62.8%) compared to 2019. In the third quarter stand alone, EBIT would have come to €40,078 thousand, a decrease of €6,359 thousand (-13.7%) compared to 2020 and an increase of €26,270 thousand (+190.3%) compared to 2019.

The following table shows the breakdown of EBIT by segment:

(€ thousands)	First nine months 2021	EBIT Margin	First nine months 2020	EBIT Margin	Change	Change %
EMEA	159,772	16.2%	69,387	9.4%	90,385	130.3%
Americas	43,606	16.6%	29,875	17.2%	13,731	46.0%
Asia Pacific	26,312	15.3%	22,854	18.0%	3,458	15.1%
Corporate (*)	(69,366)	-4.9%	(42,452)	-4.1%	(26,914)	-63.4%
<b>Total</b>	<b>160,324</b>	<b>11.3%</b>	<b>79,664</b>	<b>7.6%</b>	<b>80,660</b>	<b>101.3%</b>

(€ thousands)	Q3 2021	EBIT Margin	Q3 2020	EBIT Margin	Change	Change %
EMEA	41,539	13.4%	40,589	13.4%	950	2.3%
Americas	14,139	15.6%	13,434	19.3%	705	5.2%
Asia Pacific	7,386	12.7%	14,885	26.8%	(7,499)	-50.4%
Corporate (*)	(24,293)	-5.3%	(20,770)	-4.9%	(3,523)	-17.0%
<b>Total</b>	<b>38,771</b>	<b>8.4%</b>	<b>48,138</b>	<b>11.2%</b>	<b>(9,367)</b>	<b>-19.5%</b>

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

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

(€ thousands)	First nine months 2021	EBIT Margin	First nine months 2020	EBIT Margin	Change	Change %
EMEA	164,946	16.8%	69,387	9.4%	95,559	137.7%
Americas	43,606	16.6%	29,875	17.2%	13,731	46.0%
Asia Pacific	26,312	15.3%	22,854	18.0%	3,458	15.1%
Corporate (*)	(67,399)	-4.8%	(42,452)	-4.1%	(24,947)	-58.8%
<b>Total</b>	<b>167,465</b>	<b>11.8%</b>	<b>79,664</b>	<b>7.6%</b>	<b>87,801</b>	<b>110.2%</b>

(€ thousands)	Q3 2021	EBIT Margin	Q3 2020	EBIT Margin	Change	Change %
EMEA	43,851	14.1%	40,589	13.4%	3,262	8.0%
Americas	14,139	15.6%	13,434	19.3%	705	5.2%
Asia Pacific	7,386	12.7%	14,885	26.8%	(7,499)	-50.4%
Corporate (*)	(23,756)	-5.2%	(20,770)	-4.9%	(2,986)	-14.4%
<b>Total</b>	<b>41,620</b>	<b>9.1%</b>	<b>48,138</b>	<b>11.2%</b>	<b>(6,518)</b>	<b>-13.5%</b>

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

### Europe, Middle-East and Africa

Operating profit (EBIT) amounted to €159,772 thousand in the first nine months of 2021, an increase of €90,385 thousand (+130.3%) with respect to the comparison period, including the slightly negative foreign exchange effect of €196 thousand. The EBIT margin came to 16.2% (+6.8 p.p. against the first nine months of 2020). Compared to the first nine months of 2019, a fully comparable period, EBIT rose €78,773 thousand (+97.3%), with an increase of +7.0 p.p. in the EBIT margin.

The result was impacted for €5,175 thousand by non-recurring expenses, which differ from those described in the section on EBITDA due to the accelerated depreciation of a few non-current assets relating to the GAES integration. Net of this item, recurring EBIT would have been €95,559 thousand higher (+137.7%) compared to the first nine months of 2020 and €65,235 thousand higher (+65.4%) than in the first nine months of 2019, with the EBIT margin up +7.4 p.p. and +5.4 p.p., respectively.

In the third quarter stand alone, EBIT amounted to €41,539 thousand, an increase against the comparison period of €950 thousand (+2.3%) including positive exchange differences which had a marginal impact of +€33 thousand. The EBIT margin came to 13.4%, in line with the comparison period.

Compared to the third quarter of 2019, a fully comparable period, EBIT showed an increase of €31,709 thousand (+322.6%) with an EBIT margin that was up by +9.8 p.p.

The result was impacted for €2,312 thousand by non-recurring expenses, which differ from those described in the section on EBITDA due to the accelerated depreciation of a few non-current assets relating to the GAES integration. Net of this item, recurring EBIT would have been €3,263 thousand higher (+8.0%) compared to the third quarter of 2020 and €21,155 higher (+93.2%) than in the same period of 2019, with the EBIT margin up +0.7 p.p. and +5.8 p.p., respectively.

### Americas

Operating profit (EBIT) amounted to €43,606 thousand in the first nine months of 2021, an increase of €13,731 thousand (+46.0%) with respect to the comparison period, offset by the negative foreign exchange effect of €2,928 thousand. The EBIT margin came to 16.6%, 0.6 p.p. lower than in the first nine months of 2020 which cannot be considered a viable comparison period. Compared to the same period of 2019, EBIT was €6,568 thousand (+17.7%) higher, with the EBIT margin down 1.6 p.p.

In the third quarter stand alone, EBIT amounted to €14,139 thousand, an increase against the comparison period of €705 thousand (+5.2%) including negative exchange differences of -€89 thousand. The EBIT margin came to 15.6%, 3.7 p.p. lower than in the comparison period.

Compared to the third quarter of 2019, a fully comparable period, EBIT showed an increase of €1,112 thousand (+8.5%) with an EBIT margin that was down by -2.6 p.p.

Excluding Elite Hearing's income statement figures from the results for the reporting period and the comparison periods, EBIT would have amounted to €40,608 thousand in the first nine months of 2021, an increase of €17,876 thousand (+78.6%) compared to 2020 and €14,957

thousand (+58.3%) compared to 2019. In the third quarter stand alone, EBIT would have come to €15,083 thousand, an increase of €4,229 thousand (+39.0%) compared to 2020 and of €5,891 thousand (+64.1%) compared to 2019.

### Asia Pacific

Operating profit (EBIT) amounted to €26,312 thousand in the first nine months of 2021, an increase of €3,458 thousand (+15.1%) with respect to the comparison period. The foreign exchange effect was positive for €1,264 thousand. The EBIT margin came to 15.3%, a decrease of 2.7 p.p. against the first nine months of 2020 which cannot be considered a viable comparison.

Compared to the first nine months of 2019 EBIT rose €2,519 thousand (+10.6%), with the EBIT margin down -1.6 p.p.

In the third quarter stand alone, EBIT amounted to €7,386 thousand, €7,499 thousand (-50.4%) lower than in the comparison period including positive exchange differences of €188 thousand. The EBIT margin came to 12.7%, 14.1 p.p. lower with respect to the third quarter of 2020. Compared to the third quarter of 2019, a fully comparable period, EBIT was down by €741 thousand (-9.1%) and the EBIT margin fell by -3.8 p.p.

### Corporate

The net costs of centralized Corporate functions at the EBIT level amounted to €69,366 thousand in the first nine months of 2021 (4.9% of the revenues generated by the Group's sales and services), an increase of €26,914 thousand with respect to the comparison period and of €33,509 thousand compared to the first nine months of 2019.

The result was impacted for €1,966 thousand by the same non-recurring expenses described in the section on EBITDA.

Net of this item, the costs would have been €24,946 thousand (+58.8%) higher compared to the first nine months of 2020, €31,543 higher (+88.0%) than in the first nine months of 2019 and would have increased as a percentage of revenues from sales and services by +0.7 p.p. and +1.8 p.p., respectively.

In the third quarter stand alone, the net costs totaled €24,293 thousand (5.3% of the revenues generated by the Group's sales and services), an increase of €3,523 thousand (+17.0%) against the third quarter of 2020 and €9,779 thousand (+67.4%) against the third quarter of 2019.

The result was impacted for €536 thousand by the same non-recurring expenses described in the section on EBITDA.

Net of this item, the costs would have been €2,986 thousand (+14.4%) higher compared to the third quarter of 2020, €9,243 higher (+63.7%) than in the same period of 2019 and would have increased as a percentage of revenues from sales and services by +0.3 p.p. and +1.5 p.p., respectively.

## Profit before tax

(€ thousands)	First nine months 2021			First nine months 2020		
	Recurring	Non-recurring	Total	Recurring	Non-recurring	Total
<b>Profit (loss) before tax</b>	<b>147,151</b>	<b>(7,141)</b>	<b>140,010</b>	<b>57,703</b>	<b>-</b>	<b>57,703</b>

(€ thousands)	Third quarter 2021			Third quarter 2020		
	Recurring	Non-recurring	Total	Recurring	Non-recurring	Total
<b>Profit (loss) before tax</b>	<b>35,310</b>	<b>(2,849)</b>	<b>32,461</b>	<b>39,920</b>	<b>-</b>	<b>39,920</b>

Profit before tax amounted to €140,010 thousand in the first nine months of 2021, showing an increase of €82,307 thousand (+142.6%) against the comparison period, with a gross profit margin of 9.9% (+4.3 p.p. with respect to the comparison period). The first nine months of 2020 cannot be considered a viable comparison period given the impact of the Covid-19 pandemic. Compared to the same period of 2019, the profit before tax was €53,753 thousand (+62.3%) higher.

The result for the reporting period was impacted for €7,141 thousand by the same non-recurring costs commented on in the section relating to EBITDA. Net of this item recurring profit before tax would have been €89,448 thousand (+155.0%) higher than in the first nine months of 2020 and €42,157 thousand (+40.2%) higher than in the first nine months of 2019, with the gross profit margin up by 4.8.p. and 1.8 p.p., respectively.

Financial expenses were lower than in the first nine months of 2020 due mainly to the capital gain generated by the sale of Amplifon Ireland Ltd and lower interest payable.

In the third quarter stand alone profit before tax amounted to €32,461 thousand, €7,459 thousand lower than in the comparison period (-18.7%). The gross profit margin came to 7.1% (-2.3 p.p. against the comparison period). Compared to the third quarter of 2019, a fully comparable period, profit before tax was €22,891 thousand (+239.2%) higher, with a gross profit margin that was up 4.6 p.p.

The result for the third quarter of 2021 was impacted for €2,849 thousand by the same non-recurring costs commented on in the section relating to EBITDA. Net of this item, there would have been a decrease of €4,610 thousand (-11.5%) against the third quarter of 2020 and an increase of €12,874 thousand (+57.4%) against the same period of 2019, with the gross profit margin down -1.6 p.p. and up 2.0 p.p., respectively.

## Net profit attributable to the Group

(€ thousands)	First nine months 2021			First nine months 2020		
	Recurring	Non-recurring	Total	Recurring	Non-recurring	Total
<b>Group net profit (loss)</b>	<b>106,002</b>	<b>(5,259)</b>	<b>100,743</b>	<b>41,107</b>	<b>-</b>	<b>41,107</b>

(€ thousands)	Third quarter 2021			Third quarter 2020		
	Recurring	Non-recurring	Total	Recurring	Non-recurring	Total
<b>Group net profit (loss)</b>	<b>25,674</b>	<b>(2,076)</b>	<b>23,598</b>	<b>28,531</b>	<b>-</b>	<b>28,531</b>

The Group's net profit came to €100,743 thousand in the first nine months of 2021, an increase of €59,636 thousand (+145.1%) against the comparison period, with a profit margin of 7.1% (+3.2 p.p. against the comparison period). The first nine months of 2020 cannot be considered a viable comparison period given the impact of the Covid-19 pandemic. Compared to the first nine months of 2019, the net profit was €39,080 thousand (+63.4%) higher.

The result for the reporting period was impacted for €5,259 thousand by the same non-recurring costs commented on in the section relating to EBIT, net of the tax effect. On a recurring basis, the increase in net profit would have reached €64,895 thousand (+157.9%) with respect to the first nine months of 2020 and €30,319 thousand against the first nine months of 2019, with the profit margin up +3.5 p.p. and 1.3 p.p., respectively.

The tax rate was 28.0% in the reporting period compared to 28.7% in the first nine months of 2020 and 28.5% in the first nine months of 2019.

In the third quarter stand alone, the Group's net profit came to €23,598 thousand (5.1% of revenues from sales and services), €4,933 thousand (-17.3%) lower than in the comparison period. The profit margin fell 1.5 p.p. Compared to the third quarter of 2019, a fully comparable period, net profit shows an increase of €16,427 thousand (+229.0%) with a profit margin that was 3.3 p.p. higher. Net of €2,076 thousand in non-recurring expenses, there would have been a decrease of €2,857 thousand (-10%) compared to 2020 and an increase of €9,355 thousand (+57.3%) over 2019.

## BALANCE SHEET REVIEW

### Consolidated balance sheet by geographical area (\*)

(€ thousands)	09/30/2021				
	EMEA	Americas	Asia Pacific	Eliminations	Total
Goodwill	890,616	161,517	283,245	-	1,335,378
Non-competition agreements, trademarks, customer lists and lease rights	202,415	19,100	31,591	-	253,106
Software, licenses, other intangible fixed assets, fixed assets in progress and advances	74,328	23,207	9,061	-	106,596
Tangible assets	139,470	11,099	25,967	-	176,536
Right-of-use assets	359,216	20,969	35,598	-	415,783
Financial fixed assets	3,813	34,187	-	-	38,000
Other non-current financial assets	31,948	1,615	1,118	-	34,681
<b>Non-current assets</b>	<b>1,701,806</b>	<b>271,694</b>	<b>386,580</b>	<b>-</b>	<b>2,360,080</b>
Inventories	52,098	8,053	6,554	-	66,705
Trade receivables	132,448	21,915	15,773	(18,950)	151,186
Other receivables	63,988	9,704	7,050	(740)	80,002
<b>Current assets (A)</b>	<b>248,534</b>	<b>39,672</b>	<b>29,377</b>	<b>(19,690)</b>	<b>297,893</b>
<b>Operating assets</b>	<b>1,950,340</b>	<b>311,366</b>	<b>415,957</b>	<b>(19,690)</b>	<b>2,657,973</b>
Trade payables	(158,825)	(39,640)	(21,050)	18,950	(200,565)
Other payables	(275,038)	(28,625)	(32,553)	740	(335,476)
Provisions for risks and charges (current portion)	(1,851)	(477)	-	-	(2,328)
<b>Current liabilities (B)</b>	<b>(435,714)</b>	<b>(68,742)</b>	<b>(53,603)</b>	<b>19,690</b>	<b>(538,369)</b>
<b>Net working capital (A) - (B)</b>	<b>(187,180)</b>	<b>(29,070)</b>	<b>(24,226)</b>	<b>-</b>	<b>(240,476)</b>
Derivative instruments	(3,802)	-	-	-	(3,802)
Deferred tax assets	71,449	6,288	7,562	-	85,299
Deferred tax liabilities	(67,219)	(19,602)	(9,200)	-	(96,021)
Provisions for risks and charges (non-current portion)	(21,050)	(29,234)	(817)	-	(51,101)
Liabilities for employees' benefits (non-current portion)	(22,460)	(140)	(705)	-	(23,305)
Loan fees	6,508	-	-	-	6,508
Other non-current liabilities	(137,186)	(11,750)	(2,700)	-	(151,636)
<b>NET INVESTED CAPITAL</b>	<b>1,340,866</b>	<b>188,186</b>	<b>356,494</b>	<b>-</b>	<b>1,885,546</b>
Group net equity					836,274
Minority interests					1,840
<b>Total net equity</b>					<b>838,114</b>
Net medium and long-term financial indebtedness					970,941
Net short-term financial indebtedness					(354,098)
<b>Total net financial indebtedness</b>					<b>616,843</b>
Lease liabilities	369,407	23,300	37,882	-	430,589
<b>Total lease liabilities &amp; net financial indebtedness</b>					<b>1,047,432</b>
<b>NET EQUITY, LEASE LIABILITIES AND NET FINANCIAL INDEBTEDNESS</b>					<b>1,885,546</b>

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

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

## Non-current assets

Non-current assets amounted to €2,360,080 thousand at 30 September 2021, an increase of €60,637 thousand against the €2,299,443 thousand recorded at 31 December 2020.

The changes in the reporting period are explained (i) for €60,876 thousand by capital expenditure (ii) for €69,919 thousand by the recognition of right-of-use assets acquired in the reporting period; (iii) for €79,471 thousand by acquisitions; (iv) for €161,052 thousand by depreciation, amortization and impairment which includes the amortization of the above leased right-of-use assets; (v) for €11,423 thousand by other net increases relating primarily to positive exchange differences.

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

(€ thousands)	09/30/2021	12/31/2020	Change
<b>EMEA</b>			
Goodwill	890,616	856,130	34,486
Non-competition agreements, trademarks, customer lists and lease rights	202,415	204,674	(2,259)
Software, licenses, other intangible fixed assets, fixed assets in progress and advances	74,328	70,030	4,298
Tangible assets	139,470	139,426	44
Right-of-use assets	359,216	350,449	8,767
Financial fixed assets	3,813	4,075	(262)
Other non-current financial assets	31,948	29,493	2,455
<b>Non-current assets</b>	<b>1,701,806</b>	<b>1,654,277</b>	<b>47,529</b>
<b>Americas</b>			
Goodwill	161,517	147,527	13,990
Non-competition agreements, trademarks, customer lists and lease rights	19,100	19,260	(160)
Software, licenses, other intangible fixed assets, fixed assets in progress and advances	23,207	22,381	826
Tangible assets	11,099	10,286	813
Right-of-use assets	20,969	20,585	384
Financial fixed assets	34,187	34,051	136
Other non-current financial assets	1,615	1,145	470
<b>Non-current assets</b>	<b>271,694</b>	<b>255,235</b>	<b>16,459</b>
<b>Asia Pacific</b>			
Goodwill	283,245	277,952	5,293
Non-competition agreements, trademarks, customer lists and lease rights	31,591	35,692	(4,101)
Software, licenses, other intangible fixed assets, fixed assets in progress and advances	9,061	9,148	(87)
Tangible assets	25,967	27,904	(1,937)
Right-of-use assets	35,598	38,303	(2,705)
Financial fixed assets	-	-	-
Other non-current financial assets	1,118	932	186
<b>Non-current assets</b>	<b>386,580</b>	<b>389,931</b>	<b>(3,351)</b>
<b>Total</b>	<b>2,360,080</b>	<b>2,299,443</b>	<b>60,637</b>

### Europe, Middle-East and Africa

Non-current assets amounted to €1,701,806 thousand at 30 September 2021, an increase of €47,529 thousand against the €1,654,277 thousand recorded at 31 December 2020.

The change is explained as follows:

- €61,465 thousand for acquisitions made in the period;
- €25,927 thousand for investments in property, plant and equipment, relating primarily to the opening of new stores and the renovation of existing ones;
- €20,694 thousand for investments in intangible assets, relating to the implementations needed for the new business transformation ERP cloud system for back-office functions: (Human Resources, Procurement, Administration and Finance for which investments are being made in centralized management), as well as CRM and digital marketing systems;
- €60,899 thousand for right-of-use assets;
- €122,930 thousand for amortization, depreciation and impairment losses, including the amortization and depreciation of the right-of-use assets referred to above;
- €1,474 thousand for other increases relating mainly to positive exchange differences.

### Americas

Non-current assets amounted to €271,694 thousand at 30 September 2021, an increase of €16,459 thousand against the €255,235 thousand recorded at 31 December 2020.

The change is explained as follows:

- €9,091 thousand for acquisitions made in the period;
- €2,235 thousand for investments in property, plant and equipment;
- €5,406 thousand for investments in intangible assets;
- €3,472 thousand for right-of-use assets;
- €15,051 thousand for amortization and depreciation, including the amortization and depreciation of the right-of-use assets referred to above;
- €11,306 thousand for other net increases relating mainly to exchange rate gains.

### Asia Pacific

Non-current assets amounted to €386,580 thousand at 30 September 2021, a decrease of €3,351 thousand against the €389,931 thousand recorded at 31 December 2020.

The decrease is explained as follows:

- for €8,915 thousand by acquisitions made in the reporting period, relating mainly to the acquisitions of two companies active on the Chinese market;
- for €4,624 thousand, by investments in plant, property and equipment;
- for €1,990 thousand by investments in intangible assets relating mainly to the ERP cloud business transformation system;
- for €5,548 thousand, by right-of-use assets acquired in the year;
- for €23,071 thousand, by amortization and depreciation which includes the amortization and depreciation of the right-of-use assets referred to above;
- for €1,357 thousand, by other net decreases relating mainly to negative exchange differences.

### Net invested capital

Net invested capital came to €1,885,546 thousand at 30 September 2021, an increase of €27,234 thousand compared to the €1,858,312 thousand recorded at 31 December 2020.

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

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

(€ thousands)	09/30/2021	12/31/2020	Change
EMEA	1,340,866	1,365,430	(24,564)
Americas	188,186	144,216	43,970
Asia Pacific	356,494	348,666	7,828
<b>Total</b>	<b>1,885,546</b>	<b>1,858,312</b>	<b>27,234</b>

### Europe, Middle-East and Africa

Net invested capital came to €1,340,866 thousand at 30 September 2021, a decrease of €24,564 thousand against the €1,365,430 thousand recorded at 31 December 2020. The increase in non-current assets described above was more than offset by the drop in working capital explained mainly by the increase in trade and other payables, as well as the decrease in other receivables including the lower dividends payable by a company in the Americas which were eliminated for the purposes of consolidation as shown in the table on page 39.

Factoring without recourse in the period involved trade receivables with a face value of €46,607 thousand (€50,102 thousand in the same period of the prior year).

### Americas

Net invested capital came to €188,186 thousand at 30 September 2021, an increase of €43,970 thousand against the €144,216 thousand recorded at 31 December 2020. In addition to the change in non-current assets described above, there was also an increase in working capital over December 2020 due largely to a decrease in the dividends payable in “Europe, the Middle-East and Africa”, which were eliminated for the purposes of consolidation as shown in the table on page 39, as well as the drop in trade receivables.

### Asia Pacific

Net invested capital came to €356,494 thousand at 30 September 2021, an increase of €7,828 thousand against the €348,666 thousand recorded at 31 December 2020. The drop in the non-current assets described above was more than offset by the increase in working capital.

## Net financial indebtedness

(€ thousands)	09/30/2021	12/31/2020	Change
Net medium and long-term financial indebtedness	970,941	1,103,265	(132,324)
Net short-term financial indebtedness	167,707	75,427	92,280
Cash and cash equivalents	(521,805)	(545,027)	23,222
<b>Net financial indebtedness (A)</b>	<b>616,843</b>	<b>633,665</b>	<b>(16,822)</b>
Lease liabilities – current portion	91,147	85,429	5,718
Lease liabilities – non-current portion	339,442	337,350	2,092
<b>Lease liabilities (B)</b>	<b>430,589</b>	<b>422,779</b>	<b>7,810</b>
<b>Total lease liabilities &amp; net financial indebtedness (A+B) (C)</b>	<b>1,047,432</b>	<b>1,056,444</b>	<b>(9,012)</b>
Group net equity (D)	836,274	800,883	35,391
Minority interests	1,840	985	855
<b>Net Equity (E)</b>	<b>838,114</b>	<b>801,868</b>	<b>36,246</b>
<b>Financial indebtedness/Group net equity (A/D)</b>	<b>0.74</b>	<b>0.80</b>	
<b>Financial indebtedness/Net equity (A/E)</b>	<b>0.74</b>	<b>0.80</b>	
<b>Financial indebtedness/EBITDA (*)</b>	<b>1.25</b>	<b>1.63</b>	

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

Net financial indebtedness, excluding lease liabilities, amounted to €616,843 thousand at 30 September 2021, reporting a decrease of €16,822 thousand with respect to 31 December 2020.

Ordinary operations confirmed excellent cash generation with free cash flow reaching a positive €160,941 thousand (€127,076 thousand in the first nine months of the prior year) after absorbing net capital expenditure of €58,424 thousand (€28,070 thousand in the first nine months of 2020), investments in acquisitions of €67,204 thousand, as well as the cash-outs for the restart of the buyback program (€31,085 thousand) and the payment of dividends to shareholders (€49,356 thousand).

At 30 September the Group had cash and cash equivalents of €521,805 thousand compared to total net financial indebtedness €616,843 thousand, net of lease liabilities.

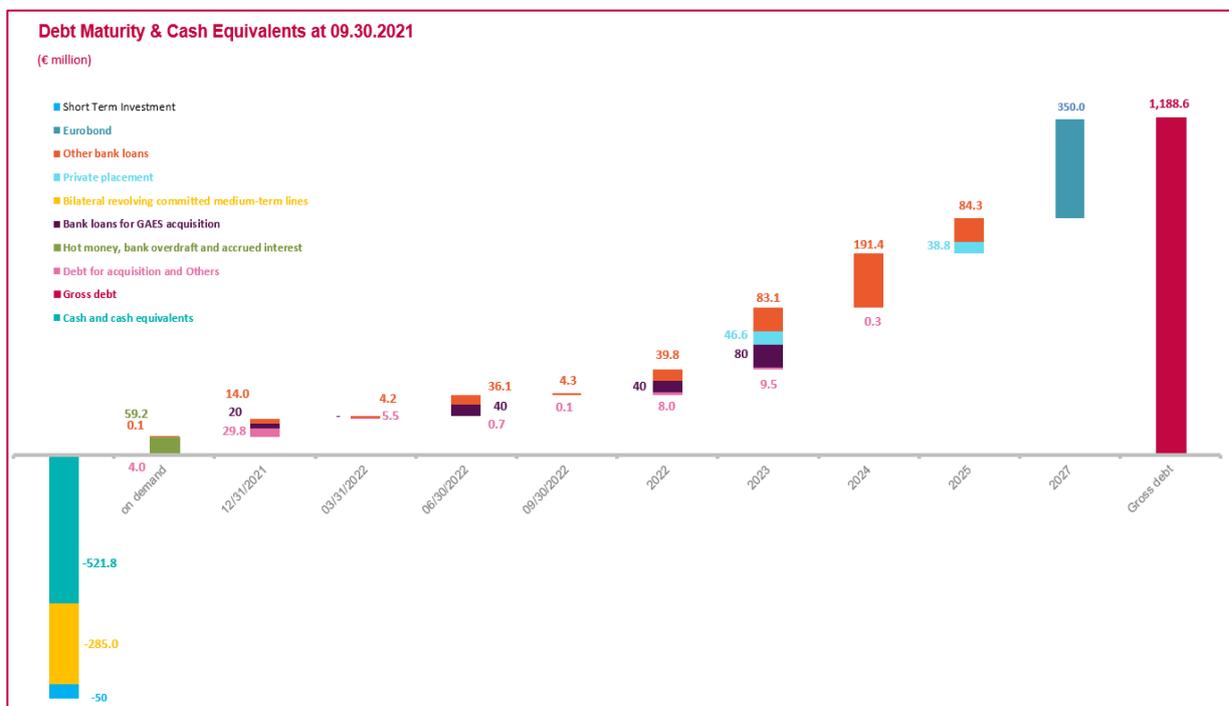
Medium-Long term debt amounts to €970,941 thousand, €17,759 thousand of which reflects the long-term portion of deferred payments for acquisitions. The decrease in the period relates primarily to a reclassification from non-current bank borrowings to current bank borrowings and debts for acquisitions.

Short-term debt amounts to €167,707 thousand, reporting an increase of €92,280 thousand with respect to the amount at 31 December 2020. The short-term portion refers primarily to short-term portion of the syndicated loan used for the GAES acquisition (€59,265 thousand), the short-term portion of other long-term bank loans (€56,602 thousand), the interest payable on the Eurobond (€2,483 thousand) and on private placement (€724 thousand), the interest payable on other bank loans and finally the best estimate of the deferred payments for acquisitions (€37,995

thousand) as well as current accounts payable and hot money (€55,643 thousand) net of the money market investments used to manage very short-term liquidity (€49,952 thousand).

The change in short-term net financial debt (€92,280 thousand) is explained primarily by the reclassification of portions of bank debt from long to short-term (€87,709 thousand), the repayment of current portions of long-term financial debt (€65,078 thousand), the opening of hot money accounts (€50,000 thousand), the increase in amounts owed for acquisitions (€31,302 thousand) and other minor differences.

The chart below shows the debt maturities compared to the €522 million in available cash and cash equivalents and the unutilized portions of irrevocable credit lines which amount to €285 million, as well as the €232 million in other uncommitted credit lines.



With regard to the bilateral revolving committed medium-term credit lines, on 30 September 2021 Amplifon signed a new 5-year “sustainability-linked” revolving credit facility for €100 million. This facility (which is part of the plan to refinance and increase the existing revolving credit facilities), linked to a few indicators in Amplifon’s Sustainability Plan, will make it possible to further diversify the sources of funding, as well as extend Amplifon’s debt maturities.

Interest payable on financial indebtedness amounted to €13,176 thousand at 30 September 2021, €13,579 thousand at 30 September 2020.

Interest payable on leases recognized in accordance with IFRS 16 amounted to €7,743 thousand versus €7,930 thousand at 30 September 2020.

Interest receivable on bank deposits came to €94 thousand at 30 September 2021 versus €131 thousand at 30 September 2020.

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

## CASH FLOW

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

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

(€ thousands)	First nine months 2021	First nine months 2020
<b>OPERATING ACTIVITIES</b>		
Net profit (loss) attributable to the Group	100,743	41,107
Minority interests	31	12
<i>Amortization, depreciation and impairment:</i>		
- Intangible fixed assets	53,245	45,493
- Tangible fixed assets	36,296	35,685
- Right-of-use assets	71,544	67,515
Total amortization, depreciation and impairment	161,085	148,693
Provisions, other non-monetary items and gain/losses from disposals	12,728	13,374
Group's share of the result of associated companies	(18)	404
Financial income and charges	20,332	21,557
Current and deferred income taxes	39,235	16,584
<i>Change in assets and liabilities:</i>		
- Utilization of provisions	(6,232)	(7,033)
- (Increase) decrease in inventories	(6,800)	(2,802)
- Decrease (increase) in trade receivables	22,027	41,527
- Increase (decrease) in trade payables	16,307	(26,025)
- Changes in other receivables and other payables	(8,391)	(7,320)
Total change in assets and liabilities	16,911	(1,653)
Dividends received	-	-
Net interest charges	(19,531)	(19,654)
Taxes paid	(42,825)	(15,000)
<b>Cash flow provided by (used in) operating activities before repayment of lease liabilities</b>	<b>288,691</b>	<b>205,424</b>
Repayment of lease liabilities	(69,326)	(50,278)
<b>Cash flow generated from (absorbed) by operating activities</b>	<b>219,365</b>	<b>155,146</b>
<b>INVESTING ACTIVITIES:</b>		
Purchase of intangible fixed assets	(28,090)	(16,715)
Purchase of tangible fixed assets	(32,786)	(13,967)
Consideration from sale of tangible fixed assets and businesses	2,452	2,612
<b>Cash flow generated from (absorbed) by investing activities</b>	<b>(58,424)</b>	<b>(28,070)</b>
<b>Cash flow generated from operating and investing activities (Free cash flow)</b>	<b>160,941</b>	<b>127,076</b>
Business combinations (*)	(67,204)	(41,947)
(Purchase) sale of other investments and securities	3,753	-
<b>Net cash flow generated from acquisitions</b>	<b>(63,451)</b>	<b>(41,947)</b>
<b>Cash flow generated from (absorbed) by investing activities</b>	<b>(121,875)</b>	<b>(70,017)</b>

(€ thousands)	First nine months 2021	First nine months 2020
<b>FINANCING ACTIVITIES:</b>		
Fees paid on medium/long-term financing	-	(7,533)
Other non-current assets and hedging instruments	1,303	(73)
Treasury shares	(31,085)	-
Dividends	(49,356)	-
Capital increases, third parties' contributions and dividends paid by subsidiaries to third parties	440	(272)
<b>Cash flow generated from (absorbed) by financing activities</b>	<b>(78,698)</b>	<b>(7,878)</b>
<b>Changes in net financial indebtedness</b>	<b>18,792</b>	<b>77,251</b>
Net financial indebtedness at the beginning of the period	(633,665)	(786,698)
Effect of discontinued operations on net financial indebtedness	(52)	-
Effect of exchange rate fluctuations on net financial indebtedness	(1,918)	(3,105)
Changes in net indebtedness	18,792	77,251
<b>Net financial indebtedness at the end of the period</b>	<b>(616,843)</b>	<b>(712,552)</b>

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

The change in net financial indebtedness of €18,792 thousand is attributable to:

(i) Investing activities:

- capital expenditure on property, plant and equipment and intangible assets of €60,876 thousand relating primarily to the new business transformation system for back-office functions (Human Resources, Procurement, Administration and Finance), investments in CRM systems, digital marketing and the opening, renewal and repositioning of stores consistent with Amplifon's new brand image;
- acquisitions amounting to €67,204 thousand, including the impact of the acquired companies' debt and the best estimate of the earn-out linked to sales and profitability targets payable over the next few years;
- consideration for the disposal of a few points of sales no longer viewed as strategic of €3,754 thousand;
- net proceeds from the disposal of assets of €2,452 thousand.

(ii) Operating activities:

- interest payable on financial indebtedness and other net financial expenses of €19,531 thousand;
- payment of taxes amounting to €42,825 thousand;
- payment of principle on lease obligations of €69,326 thousand;
- cash flow generated by operations of €351,047 thousand.

(iii) financing activities:

- payment of €49,356 thousand in dividends to shareholders;
- purchase of €31,085 thousand in treasury shares;
- net proceeds from other financial assets of €1,303 thousand relating mainly to reimbursement on active financing;

- capital increases of €681 thousand, payment of €249 thousand in dividends to minorities by subsidiaries, €8 thousand in other movements;

(iv) Net debt was also impacted by exchange losses of €1,918 thousand.

Non-recurring transactions had a negative impact on cash flow of €5,112 thousand in the first nine months of 2021 attributable for €3,893 thousand to the costs incurred for the GAES Integration, for €79 thousand to the costs incurred for the Bay Audio acquisition and for €1,140 thousand to the corporate restructuring of Amplifon S.p.A.

## ACQUISITION OF COMPANIES AND BUSINESSES

The Group's external growth continued in the first nine months of 2021. 206 points of sale were acquired for a total investment of €67,204 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 nine months:

- 73 points of sale were acquired in Italy of which 24 are franchising;
- 15 points of sale were acquired in France;
- 38 points of sale were acquired in Germany;
- 2 points of sale were acquired in Poland;
- 1 point of sale was acquired in Israel;
- 29 points of sale that were previously part of the indirect channel and 1 service centre were acquired in the United States;
- 2 points of sale were acquired in Canada;
- 45 points of sale were acquired in China.

## OUTLOOK

The Company is very positive for the full-year 2021 in light of the outstanding results achieved in the first nine months and the positive performance expected for the last quarter of the year. In fact, for the fourth quarter, despite the challenging comparison base, the Company expects an ongoing positive market trend thanks to the effectiveness of the vaccinations in reducing the impacts of the pandemic worldwide, as well as the easing of the restrictions in Australia and New Zealand as vaccinations progress.

Moreover, it is worth noting that the consolidation of Bay Audio as from October 1st shall contribute with additional around €15 million to the consolidated revenues expected for the full year 2021.

Finally, the Company expects to continue with the execution of its 2023 strategic plan at a rapid pace thanks to its leading role in the consolidation process of the industry, its unique and unmatched customer proposition which will allow the Company to grow faster than the reference market, while, at the same time, re-investing in the business for a long-term sustainable profitable growth path.

Milan, 27 October 2021

CEO

Enrico Vita

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

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION (\*)

(€ thousands)		09/30/2021	12/31/2020	Change
<b>ASSETS</b>				
<b><u>Non-current assets</u></b>				
Goodwill	Note 3	1,335,378	1,281,609	53,769
Intangible fixed assets with finite useful life	Note 4	359,703	361,185	(1,482)
Tangible fixed assets	Note 5	176,535	177,616	(1,081)
Right-of-use assets	Note 6	415,783	409,338	6,445
Equity-accounted investments		2,025	2,002	23
Hedging instruments		9,734	4,327	5,407
Deferred tax assets		85,299	83,671	1,628
Contract costs		9,273	7,777	1,496
Other assets		61,383	59,916	1,467
<b>Total non-current assets</b>		<b>2,455,113</b>	<b>2,387,441</b>	<b>67,672</b>
<b><u>Current assets</u></b>				
Inventories		66,705	57,432	9,273
Trade receivables		151,186	169,060	(17,874)
Contract costs		4,735	5,051	(316)
Other receivables		75,250	55,464	19,786
Other financial assets		49,982	8,997	40,985
Cash and cash equivalents	Note 8	521,805	545,027	(23,222)
<b>Total current assets</b>		<b>869,663</b>	<b>841,031</b>	<b>28,632</b>
<b>TOTAL ASSETS</b>		<b>3,324,776</b>	<b>3,228,472</b>	<b>96,304</b>

(€ thousands)		09/30/2021	12/31/2020	Change
<b>LIABILITIES</b>				
<b>Net Equity</b>				
Share capital	Note 7	4,528	4,528	-
Share premium reserve		202,712	202,712	-
Treasury shares		(32,624)	(14,281)	(18,343)
Other reserves		(33,285)	(40,562)	7,277
Retained earnings		594,200	547,482	46,718
Profit (loss) for the period		100,743	101,004	(261)
<b>Group net equity</b>		<b>836,274</b>	<b>800,883</b>	<b>35,391</b>
<b>Minority interests</b>		<b>1,840</b>	<b>985</b>	<b>855</b>
<b>Total net equity</b>		<b>838,114</b>	<b>801,868</b>	<b>36,246</b>
<b>Non-current liabilities</b>				
Medium/long-term financial liabilities	Note 9	957,857	1,069,321	(111,464)
Lease liabilities	Note 11	339,442	337,350	2,092
Provisions for risks and charges	Note 10	51,101	49,765	1,336
Liabilities for employees' benefits		23,305	24,019	(714)
Hedging instruments		3,726	5,963	(2,237)
Deferred tax liabilities		96,022	95,150	872
Payables for business acquisitions		17,759	32,262	(14,503)
Contract liabilities		138,501	130,016	8,485
Other long-term liabilities		13,135	11,344	1,791
<b>Total non-current liabilities</b>		<b>1,640,848</b>	<b>1,755,190</b>	<b>(114,342)</b>
<b>Current liabilities</b>				
Trade payables		200,565	181,036	19,529
Payables for business acquisitions		37,995	6,693	31,302
Contract liabilities		105,489	102,999	2,490
Tax liabilities		55,279	62,089	(6,810)
Other payables		171,744	150,741	21,003
Hedging instruments		181	112	69
Provisions for risks and charges	Note 10	2,328	3,560	(1,232)
Liabilities for employees' benefits		4,435	3,139	1,296
Short-term financial liabilities	Note 9	176,651	75,615	101,036
Lease liabilities	Note 11	91,147	85,430	5,717
<b>Total current liabilities</b>		<b>845,814</b>	<b>671,414</b>	<b>174,400</b>
<b>TOTAL LIABILITIES</b>		<b>3,324,776</b>	<b>3,228,472</b>	<b>96,304</b>

(\*) 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 nine months 2021			First nine months 2020			Change
	Recurring	Non-recurring	Total	Recurring	Non-recurring	Total	
Revenues from sales and services	1,418,589	-	1,418,589	1,042,122	-	1,042,122	376,467
Operating costs	(1,095,428)	(5,183)	(1,100,611)	(826,925)	-	(826,925)	(273,686)
Other income and costs	3,697	(265)	3,432	13,160	-	13,160	(9,728)
<b>Gross operating profit (EBITDA)</b>	<b>326,858</b>	<b>(5,448)</b>	<b>321,410</b>	<b>228,357</b>	<b>-</b>	<b>228,357</b>	<b>93,053</b>
<b>Amortization, depreciation and impairment</b>							
Amortization of intangible fixed assets	(52,948)	-	(52,948)	(45,480)	-	(45,480)	(7,468)
Depreciation of tangible fixed assets	(33,564)	(1,693)	(35,257)	(35,065)	-	(35,065)	(193)
Right-of-use depreciation	(71,196)	-	(71,196)	(67,515)	-	(67,515)	(3,681)
Impairment losses and reversals of non-current assets	(1,685)	-	(1,685)	(633)	-	(633)	(1,051)
	<b>(159,393)</b>	<b>(1,693)</b>	<b>(161,086)</b>	<b>(148,693)</b>	<b>-</b>	<b>(148,693)</b>	<b>(12,393)</b>
<b>Operating result</b>	<b>167,465</b>	<b>(7,141)</b>	<b>160,324</b>	<b>79,664</b>	<b>-</b>	<b>79,664</b>	<b>80,660</b>
<b>Financial income, expenses and value adjustments to financial assets</b>							
Group's share of the result of associated companies valued at equity and gains/losses on disposals of equity investments	(562)	-	(562)	(404)	-	(404)	(124)
Other income and expenses, impairment and revaluations of financial assets	1,493	-	1,493	(34)	-	(34)	1,493
Interest income and expenses	(13,083)	-	(13,083)	(13,448)	-	(13,448)	365
Interest expenses on lease liabilities	(7,743)	-	(7,743)	(7,930)	-	(7,930)	187
Other financial income and expenses	(458)	-	(458)	(705)	-	(705)	247
Exchange gains and losses	(73)	-	(73)	554	-	554	(627)
Gain (loss) on assets accounted at fair value	112	-	112	6	-	6	106
	<b>(20,314)</b>	<b>-</b>	<b>(20,314)</b>	<b>(21,961)</b>	<b>-</b>	<b>(21,961)</b>	<b>1,647</b>
<b>Profit (loss) before tax</b>	<b>147,151</b>	<b>(7,141)</b>	<b>140,010</b>	<b>57,703</b>	<b>-</b>	<b>57,703</b>	<b>82,307</b>
<b>Current and deferred income tax</b>							
Current tax	(44,584)	1,882	(42,702)	(20,194)	-	(20,194)	(22,508)
Deferred tax	3,467	-	3,467	3,610	-	3,610	(143)
	<b>(41,117)</b>	<b>1,882</b>	<b>(39,235)</b>	<b>(16,584)</b>	<b>-</b>	<b>(16,584)</b>	<b>(22,651)</b>
<b>Total net profit (loss)</b>	<b>106,034</b>	<b>(5,259)</b>	<b>100,775</b>	<b>41,119</b>	<b>-</b>	<b>41,119</b>	<b>59,656</b>
Net profit (loss) attributable to Minority interests	32	-	32	12	-	12	20
<b>Net profit (loss) attributable to the Group</b>	<b>106,002</b>	<b>(5,259)</b>	<b>100,743</b>	<b>41,107</b>	<b>-</b>	<b>41,107</b>	<b>59,636</b>

(\*) 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 nine months 2021	First nine months 2020
Earnings per share			
- Basic		0.44821	0.18391
- Diluted		0.44319	0.18175

## STATEMENT OF CONSOLIDATED COMPREHENSIVE INCOME

(€ thousands)	First nine months 2021	First nine months 2020
<b>Net income (loss) for the period</b>	<b>100,775</b>	<b>41,119</b>
<b>Other comprehensive income (loss) that will not be reclassified subsequently to profit or loss:</b>		
Remeasurement of defined benefit plans	2,012	1,715
Tax effect on items of other comprehensive income (expense) that will not be reclassified subsequently to profit or loss	(216)	(458)
<b>Total other comprehensive income (loss) that will not be reclassified subsequently to profit or loss after the tax effect (A)</b>	<b>1,796</b>	<b>1,257</b>
<b>Other comprehensive income (loss) that will be reclassified subsequently to profit or loss</b>		
Gains/(losses) on cash flow hedging instruments	477	2,483
Gains/(losses) from Foreign Currency Basis Spread on hedging instruments	173	137
Gains/(losses) on exchange differences from translation of financial statements of foreign entities	3,504	(25,196)
Tax effect on components of other comprehensive income that will be reclassified subsequently to profit or loss	(69)	(629)
<b>Total other comprehensive income (loss) that will be reclassified subsequently to profit or loss after the tax effect (B)</b>	<b>4,085</b>	<b>(23,205)</b>
<b>Total other comprehensive income (loss) (A)+(B)</b>	<b>5,881</b>	<b>(21,948)</b>
<b>Comprehensive income (loss) for the period</b>	<b>106,656</b>	<b>19,171</b>
Attributable to the Group	106,476	19,271
Attributable to Minority interests	180	(100)

## 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
<b>Balance at 1 January 2020 as reported</b>	<b>4,528</b>	<b>202,712</b>	<b>934</b>	<b>3,636</b>	<b>(29,131)</b>	<b>34,963</b>
Allocation of profit (loss) for 2019						
Share capital increase						
Treasury shares						
Dividend distribution						
Notional cost of stock options and stock grants						12,499
Other changes					11,768	(13,195)
- <i>Stock Grant</i>					11,768	(13,195)
- <i>Other changes</i>						
Total comprehensive income (expense) for the period						
- <i>Hedge accounting</i>						
- <i>Actuarial gains (losses)</i>						
- <i>Translation differences</i>						
- <i>Profit for the first nine months of 2020</i>						
<b>Balance at 30 September 2020</b>	<b>4,528</b>	<b>202,712</b>	<b>934</b>	<b>3,636</b>	<b>(17,363)</b>	<b>34,267</b>

(€ thousands)	Share capital	Share premium reserve	Legal reserve	Other reserves	Treasury shares reserve	Stock option and stock grant reserve
<b>Balance at 1 January 2021</b>	<b>4,528</b>	<b>202,712</b>	<b>934</b>	<b>3,636</b>	<b>(14,281)</b>	<b>34,780</b>
Allocation of profit (loss) for 2020						
Share capital increase						
Treasury shares					(31,085)	
Dividend distribution						
Notional cost of stock options and stock grants						12,817
Other changes					12,742	(11,187)
- <i>Stock Grant</i>					12,742	(11,187)
- <i>Inflation accounting</i>						
- <i>Other changes</i>						
Total comprehensive income (expense) for the period						
- <i>Hedge accounting</i>						
- <i>Actuarial gains (losses)</i>						
- <i>Deferred Tax recognized in net equity</i>						
- <i>Translation difference</i>						
- <i>Profit for the first nine months of 2021</i>						
<b>Balance at 30 September 2021</b>	<b>4,528</b>	<b>202,712</b>	<b>934</b>	<b>3,636</b>	<b>(32,624)</b>	<b>36,410</b>

Cash flow hedge reserve	Foreign Curr. Basis Spread reserve	Actuarial gains and (losses)	Retained earnings	Translation difference	Profit for the period	Total Shareholders' equity	Minority interests	Total net equity
(5,462)	(748)	(11,048)	432,925	(46,944)	108,666	695,031	1,084	696,115
			108,666		(108,666)	-		-
						-		-
						-		-
						-		-
						12,499		12,499
			383			(1,044)	(19)	(1,063)
			1,427			-		-
			(1,044)			(1,044)	(19)	(1,063)
1,887	104	1,257		(25,084)	41,107	19,271	(100)	19,171
1,887	104					1,991		1,991
		1,257				1,257		1,257
				(25,084)		(25,084)	(112)	(25,196)
					41,107	41,107	12	41,119
(3,575)	(644)	(9,791)	541,974	(72,028)	41,107	725,757	965	726,722

Cash flow hedge reserve	Foreign Curr. Basis Spread reserve	Actuarial gains and (losses)	Retained earnings	Translation difference	Profit for the period	Total Shareholders' equity	Minority interests	Total net equity
(2,893)	(1,122)	(9,783)	547,482	(66,114)	101,004	800,883	985	801,868
			101,004		(101,004)	-		-
						-		-
						(31,085)		(31,085)
			(49,356)			(49,356)		(49,356)
						12,817		12,817
			(5,016)			(3,461)	675	(2,786)
			(1,555)			-		-
			3,172			3,172		3,172
			(6,633)			(6,633)	675	(5,958)
363	132	1,796	86	3,356	100,743	106,476	180	106,656
363	132					495		495
		1,796				1,796		1,796
			86			86		86
				3,356		3,357	148	3,505
					100,743	100,743	32	100,775
(2,530)	(990)	(7,987)	594,200	(62,758)	100,743	836,274	1,840	838,114

## STATEMENT OF CONSOLIDATED CASH FLOWS (\*)

(€ thousands)	First nine months 2021	First nine months 2020
<b>OPERATING ACTIVITIES</b>		
Net profit (loss)	100,775	41,119
Amortization, depreciation and impairment:		
- intangible fixed assets	53,245	45,493
- tangible fixed assets	36,296	35,685
- right-of-use assets	71,544	67,515
- goodwill	-	-
Provisions, other non-monetary items and gain/losses from disposals	12,728	13,374
Group's share of the result of associated companies	(18)	404
Financial income and expenses	20,331	21,557
Current and deferred taxes	39,235	16,584
<b>Cash flow from operating activities before change in working capital</b>	<b>334,136</b>	<b>241,731</b>
Utilization of provisions	(6,232)	(7,033)
(Increase) decrease in inventories	(6,800)	(2,802)
Decrease (increase) in trade receivables	22,027	41,527
Increase (decrease) in trade payables	16,307	(26,025)
Changes in other receivables and other payables	(8,391)	(7,320)
<b>Total change in assets and liabilities</b>	<b>16,911</b>	<b>(1,653)</b>
Dividends received	-	-
Interest received (paid)	(20,125)	(15,051)
Taxes paid	(42,825)	(15,000)
<b>Cash flow generated from (absorbed by) operating activities (A)</b>	<b>288,097</b>	<b>210,027</b>
<b>INVESTING ACTIVITIES:</b>		
Purchase of intangible fixed assets	(28,090)	(16,715)
Purchase of tangible fixed assets	(32,786)	(13,967)
Consideration from sale of non-current assets	2,451	2,612
<b>Cash flow generated from (absorbed by) operating investing activities (B)</b>	<b>(58,425)</b>	<b>(28,070)</b>
Purchase of subsidiaries and business units net of cash and cash equivalents acquired or dismissed	(67,204)	(44,830)
Increase (decrease) in payables for business acquisitions	15,922	1,115
(Purchase) sale of other investments and securities	3,753	-
<b>Cash flow generated from (absorbed by) acquisition activities (C)</b>	<b>(47,529)</b>	<b>(43,715)</b>
<b>Cash flow generated from (absorbed by) investing activities (B+C)</b>	<b>(105,954)</b>	<b>(71,785)</b>
<b>FINANCING ACTIVITIES:</b>		
Increase (decrease) in financial payables	(17,640)	244,058
(Increase) decrease in financial receivables	(40,740)	-
Derivative instruments and other non-current assets	-	(705)
Commissions paid for medium/long-term financing	-	(7,533)
Principal portion of lease payments	(69,326)	(50,278)
Other non-current assets and liabilities	1,303	632
Dividends distributed	(49,356)	-
Treasury Shares	(31,085)	-
Capital increases, third parties contributions in subsidiaries and dividends paid to third parties by subsidiaries	440	(272)
<b>Cash flow generated from (absorbed by) financing activities (D)</b>	<b>(206,404)</b>	<b>185,902</b>
<b>Net increase in cash and cash equivalents (A+B+C+D)</b>	<b>(24,261)</b>	<b>324,144</b>

(€ thousands)	First nine months 2021	First nine months 2020
<b>Cash and cash equivalents at beginning of period</b>	<b>545,027</b>	<b>138,371</b>
Effect of exchange rate fluctuations on cash & cash equivalents	1,039	(2,768)
Liquid assets acquired	-	2,883
Flows of cash and cash equivalents	(24,261)	324,144
<b>Cash and cash equivalents at end of period</b>	<b>521,805</b>	<b>462,630</b>

(\*) 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.

Related-party transactions refer to rentals of the main office and certain stores, to recharges of maintenance costs and general services of the above-mentioned buildings and to commercial transactions, personnel expenses and loans. They are detailed in Note 17. The impact of these transactions on the Group's cash flows is not material.

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

## SUPPLEMENTARY INFORMATION TO THE STATEMENT OF CONSOLIDATED CASH FLOWS

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

(€ thousands)	First nine months 2021	First nine months 2020
- Goodwill	47,713	36,695
- Customer lists	20,817	5,737
- Trademarks and non-competition agreements	-	5,110
- Other intangible fixed assets	302	369
- Tangible fixed assets	3,712	2,411
- Right-of-use assets	6,700	4,741
- Financial fixed assets	-	-
- Current assets	6,789	4,800
- Provisions for risks and charges	(1,050)	(737)
- Current liabilities	(11,290)	(7,428)
- Other non-current assets and liabilities	(10,980)	(6,856)
- Minority interests	5,251	-
<b>Total investments</b>	<b>67,964</b>	<b>44,842</b>
Net financial debt acquired	2,259	(12)
<b>Total business combinations</b>	<b>70,223</b>	<b>44,830</b>
(Increase) decrease in payables through business acquisition	(15,922)	(1,115)
Purchase (sale) of other investments and securities	(3,753)	-
<b>Cash flow absorbed by (generated from) acquisitions</b>	<b>50,548</b>	<b>43,715</b>
(Cash and cash equivalents acquired)	(3,019)	(2,883)
<b>Net cash flow absorbed by (generated from) acquisitions</b>	<b>47,529</b>	<b>40,832</b>

## NOTES

### 1. General Information

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

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

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

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

The publication of the condensed interim consolidated financial statements of the Amplifon Group at 30 September 2021 was authorized by a resolution of the Board of Directors of 27 October 2021 which approved their publication.

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

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

Even though the performance was impacted by the different restrictive measures in place during the first part of the year, the third quarter was less affected by the pandemic thanks to the gradual roll-out of vaccination campaigns and the subsequent easing of restrictive measures, although a few localized lockdowns are still in effect in Australia and New Zealand.

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

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

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

(€ thousands)	Impact of Covid-19 in the first nine months of 2021	
	Profit & Loss	Profit & Loss
<b>CONTRIBUTIONS RECEIVED/COSTS INCURRED</b>		
<b>Subsidies received from the governmental authorities and other public entities</b>	<b>2,308</b>	<b>5,837</b>
For the cost of labor	1,026	2,928
Other business assistance	346	(166)
Tax credits, other exemptions and delays in tax payments and pension contributions	936	3,075
<b>Lease concessions received from landlords</b>	<b>177</b>	<b>(818)</b>
<b>Costs tied directly to the crisis</b>	<b>(758)</b>	<b>(620)</b>
Costs of personal protective equipment	(607)	(352)
Costs incurred to sanitize offices and stores	(55)	(55)
Costs incurred for consultancies (virologists and other experts, smart working, social plans)	(13)	(83)
Costs for advertising and communication targeting customers	(62)	(111)
Costs for advertising and communication targeting customers	(21)	(19)

### 3. Acquisitions and goodwill

The Group's external growth continued in the first nine months of 2021 with a series of acquisitions designed to increase regional coverage: more in detail, 129 points of sale were purchased in EMEA, 32 in Americas and 45 in Asia Pacific.

The total investment, including the consolidated indebtedness and the best estimate of the net change in the earn-out linked to sales and profitability targets due over the next few years, amounted to Euro 67,204 thousand.

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

(€ thousands)	Value at 12/31/2020	Business combinations	Disposals	Impairment	Other net changes	Net carrying value at 09/30/2021
EMEA	856,130	34,638	(579)	-	427	890,616
AMERICAS	147,528	6,108	-	-	7,881	161,517
APAC	277,951	6,967	-	-	(1,673)	283,245
<b>Total</b>	<b>1,281,609</b>	<b>47,713</b>	<b>(579)</b>	<b>-</b>	<b>6,635</b>	<b>1,335,378</b>

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

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

"Other net changes" refers almost entirely to foreign exchange differences.

#### Identification of the Groups of Cash Generating Units

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

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

The groups of Cash Generating Units recognized are:

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

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

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

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

The book value and fair value of the assets and liabilities derived from the temporary allocation of the price paid for business combinations and the purchase of minority interests in subsidiaries are summarized below.

(€ thousands)	EMEA	Americas	APAC	Total
<b>Cost of acquisitions of the period</b>	<b>49,762</b>	<b>5,407</b>	<b>12,794</b>	<b>67,963</b>
<b>Assets and liabilities acquired – Book value</b>				
Current assets	3,846	(489)	413	3,770
Current liabilities	(4,251)	(585)	(1,169)	(6,005)
<b>Net working capital</b>	<b>(405)</b>	<b>(1,074)</b>	<b>(756)</b>	<b>(2,235)</b>
Other intangible, tangible and right-of-use assets	8,336	1,446	934	10,716
Provisions for risks and charges	(1,043)	-	(7)	(1,050)
Other non-current assets and liabilities	(2,870)	(1,192)	(322)	(4,384)
<b>Non-current assets and liabilities</b>	<b>4,423</b>	<b>254</b>	<b>605</b>	<b>5,282</b>
<b>Net invested capital</b>	<b>4,018</b>	<b>(820)</b>	<b>(151)</b>	<b>3,047</b>
<b>Minority interests</b>	-	-	5,251	5,251
<b>Net financial position</b>	<b>487</b>	<b>2</b>	<b>271</b>	<b>760</b>
<b>NET EQUITY ACQUIRED - BOOK VALUE</b>	<b>4,505</b>	<b>(818)</b>	<b>5,371</b>	<b>9,058</b>
<b>DIFFERENCE TO BE ALLOCATED</b>	<b>45,257</b>	<b>6,225</b>	<b>7,423</b>	<b>58,905</b>
<b>ALLOCATIONS</b>				
Trademarks	-	-	-	-
Non-competition agreements	-	-	-	-
Customer lists	18,346	1,500	971	20,817
Contract liabilities - Short and long-term	(5,934)	(1,146)	(349)	(7,429)
Deferred tax assets	4,726	123	2	4,851
Deferred tax liabilities	(6,519)	(360)	(168)	(7,047)
<b>Total allocations</b>	<b>10,619</b>	<b>117</b>	<b>456</b>	<b>11,192</b>
<b>GOODWILL</b>	<b>34,638</b>	<b>6,108</b>	<b>6,967</b>	<b>47,713</b>

#### 4. Intangible fixed assets with finite useful life

The following table shows the changes in intangible assets.

(€ thousands)	Historical cost at 12/31/2020	Accumulated amortization and write-downs at 12/31/2020	Net book value at 12/31/2020	Historical cost at 09/30/2021	Accumulated amortization and write-downs at 09/30/2021	Net book value at 09/30/2021
Software	180,253	(118,676)	61,577	177,994	(106,482)	71,512
Licenses	22,638	(18,172)	4,466	16,624	(14,304)	2,320
Non-competition agreements	10,451	(7,376)	3,075	8,990	(6,146)	2,844
Customer lists	391,110	(191,905)	199,205	413,390	(215,973)	197,417
Trademarks and concessions	86,668	(29,755)	56,913	86,474	(34,036)	52,438
Other	27,343	(12,025)	15,318	25,255	(12,552)	12,703
Fixed assets in progress and advances	20,631	-	20,631	20,469	-	20,469
<b>Total</b>	<b>739,094</b>	<b>(377,909)</b>	<b>361,185</b>	<b>749,196</b>	<b>(389,493)</b>	<b>359,703</b>

(€ thousands)	Net book value at 12/31/2020	Investments	Disposals	Amortization	Business combinations	Impairment	Other net changes	Net book value at 09/30/2021
Software	61,577	13,486	(748)	(18,098)	142	(10)	15,163	71,512
Licenses	4,465	209	-	(2,607)	20	-	233	2,320
Non-competition agreements	3,075	704	-	(1,451)	-	-	516	2,844
Customer lists	199,205	-	(202)	(23,321)	20,817	(226)	1,144	197,417
Trademarks and concessions	56,914	-	-	(4,430)	1	-	(47)	52,438
Other	15,318	255	(163)	(3,041)	140	(8)	202	12,703
Fixed assets in progress and advances	20,631	13,436	-	-	-	(53)	(13,545)	20,469
<b>Total</b>	<b>361,185</b>	<b>28,090</b>	<b>(1,113)</b>	<b>(52,948)</b>	<b>21,120</b>	<b>(297)</b>	<b>3,666</b>	<b>359,703</b>

The change in “Business combinations” comprises:

- for €18,648 thousand, the temporary allocation of the price paid for acquisitions made in EMEA during the period;
- for €1,500 thousand, the temporary allocation of the price paid for acquisitions made in the Americas during the period;
- for €972 thousand, the temporary allocation of the price paid for acquisitions made in the APAC during the period;

The increase in intangible fixed assets recorded in the reporting period is mainly attributable to investments in information technology for operating and back, as well as front, office processes. More in detail, the latter was impacted by the gradual roll-out of the Amplifon Product Experience, which has redefined Amplifon’s entire customer journey and required investments in both technological infrastructure, as well as store systems. Investments in the operating and back office systems related mainly to the new cloud based ERP system, which will gradually be

used by the whole Group (to the benefit of HR, Procurement, Administration and Finance) and the use of advanced business intelligence technologies.

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

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

## 5. Tangible fixed assets

The following table shows the changes in tangible fixed assets.

(€ thousands)	Historical cost at 12/31/2020	Accumulated amortization and write-downs at 12/31/2020	Net book value at 12/31/2020	Historical cost at 09/30/2021	Accumulated amortization and write-downs at 09/30/2021	Net book value at 09/30/2021
Land	205	-	205	211	-	211
Buildings, constructions and leasehold improvements	267,451	(180,675)	86,776	280,164	(194,505)	85,659
Plant and machines	58,805	(42,985)	15,820	56,890	(43,160)	13,730
Industrial and commercial equipment	51,429	(40,054)	11,375	58,555	(45,154)	13,401
Motor vehicles	2,439	(2,108)	331	2,473	(2,113)	360
Computers and office machinery	65,385	(52,248)	13,137	67,653	(55,177)	12,476
Furniture and fittings	109,800	(77,178)	32,622	114,579	(83,096)	31,483
Other tangible fixed assets	3,213	(1,086)	2,127	3,143	(1,270)	1,873
Fixed assets in progress and advances	15,223	-	15,223	17,342	-	17,342
<b>Total</b>	<b>573,950</b>	<b>(396,334)</b>	<b>177,616</b>	<b>601,010</b>	<b>(424,475)</b>	<b>176,535</b>

(€ thousands)	Net book value at 12/31/2020	Investments	Disposals	Depreciation	Business combinations	Impairment	Other net changes	Net book value at 09/30/2021
Land	205	-	-	-	-	-	6	211
Buildings, constructions and leasehold improvements	86,776	12,126	(534)	(17,789)	2,238	(446)	3,288	85,659
Plant and machines	15,820	1,679	-	(2,724)	396	(95)	(1,346)	13,730
Industrial and commercial equipment	11,375	2,330	(30)	(2,783)	270	9	2,230	13,401
Motor vehicles	331	181	(32)	(100)	63	(18)	(65)	360
Computers and office machinery	13,137	3,242	(57)	(5,518)	39	(6)	1,639	12,476
Furniture and fittings	32,622	3,717	(3)	(6,047)	445	(81)	830	31,483
Other tangible fixed assets	2,127	30	(3)	(296)	7	-	8	1,873
Fixed assets in progress and advances	15,223	9,481	72	-	254	(402)	(7,286)	17,342
<b>Total</b>	<b>177,616</b>	<b>32,786</b>	<b>(587)</b>	<b>(35,257)</b>	<b>3,712</b>	<b>(1,039)</b>	<b>(696)</b>	<b>176,535</b>

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

The change in "Business combinations" comprises:

- for €3,494 thousand, the temporary allocation of the price paid for acquisitions made in EMEA during the period;
- for €218 thousand, the temporary allocation of the price paid for acquisitions made in the Americas during the period;

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

## 6. Right-of-use assets

Right-of-use assets are reported here below:

(€ thousands)	Historical cost at 12/31/2020	Accumulated amortization and write-downs at 12/31/2020	Net book value at 12/31/2020	Historical cost at 09/30/2021	Accumulated amortization and write-downs at 09/30/2021	Net book value at 09/30/2021
Stores and offices	559,664	(160,341)	399,323	627,627	(221,659)	405,968
Motor vehicles	19,142	(9,511)	9,631	21,419	(12,086)	9,333
Electronic machinery	687	(303)	384	803	(321)	482
<b>Total</b>	<b>579,493</b>	<b>(170,155)</b>	<b>409,338</b>	<b>649,849</b>	<b>(234,066)</b>	<b>415,783</b>

(€ thousands)	Net book value at 12/31/2020	Investments	Disposals	Depreciation	Business combinations	Impairment	Other net changes	Net book value at 09/30/2021
Stores and offices	399,323	74,636	(8,261)	(67,024)	6,456	(348)	1,186	405,968
Motor vehicles	9,631	3,483	(170)	(3,975)	244	-	120	9,333
Electronic machinery	384	484	(191)	(197)	-	-	2	482
<b>Total</b>	<b>409,338</b>	<b>78,603</b>	<b>(8,622)</b>	<b>(71,196)</b>	<b>6,700</b>	<b>(348)</b>	<b>1,308</b>	<b>415,783</b>

The change in "Business combinations" comprises:

- for €4,538 thousand, the temporary allocation of the price paid for acquisitions made in EMEA during the period;
- for €1,228 thousand, the temporary allocation of the price paid for acquisitions made in the Americas during the period;
- for €934 thousand, the temporary allocation of the price paid for acquisitions made in the APAC during the period;

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

## 7. Share Capital

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

A total of 850,691 of the performance stock grant rights were exercised in the period, as a result of which the Group transferred the same number of treasury shares to the beneficiaries.

During the reporting period 840,000 treasury shares were purchased as per the buyback program approved by the shareholders during the Annual General Meeting held on 23 April 2021.

A total of 1,591,955 treasury shares, or 0.703% of the parent's share capital, were held at 30 September 2021.

Information relating to the treasury shares held is shown below.

	No. of shares	Average purchase price (Euro)	Total amount (€ thousands)
		FV of transferred rights (Euro)	
<b>Held at 12/31/2020</b>	<b>1,602,646</b>	<b>8.911</b>	<b>14,281</b>
Purchases	840,000	37.006	31,085
Transfers due to exercise of performance stock grants	(850,691)	14.979	(12,742)
<b>Held at 09/30/2021</b>	<b>1,591,955</b>	<b>20.493</b>	<b>32,624</b>

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

## 8. Net financial position

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

(€ thousands)	09/30/2021	12/31/2020	Change
Cash (A)	521,805	545,027	(23,223)
Cash equivalents (B)	-	-	-
Short term investments (C)	49,964	8,980	40,984
<b>Total Cash, Cash Equivalents and Short-Term Investments (A+B+C) (D)</b>	<b>571,769</b>	<b>554,007</b>	<b>17,762</b>
Current financial payables (including bonds, but excluding current portion of medium/long-term debt) (E)	173,870	71,483	102,387
- Bank borrowings	118,345	65,715	52,630
- Bank overdraft	847	1,820	(973)
- Other financial payables (including Dividend payables)	54,678	3,836	50,842
- Hedging derivatives	-	112	(112)
Current portion of medium/long-term financial debt (F)	134,948	98,354	36,594
- Financial accruals and deferred income	5,806	6,231	(425)
- Payables for business acquisitions	37,995	6,693	31,302
- Lease Liability – current portion	91,147	85,430	5,717
<b>Current Financial Indebtedness (E+F) (G)</b>	<b>308,818</b>	<b>169,837</b>	<b>138,981</b>
<b>Current Financial Indebtedness (G-D) (H)</b>	<b>(262,951)</b>	<b>(384,170)</b>	<b>121,219</b>
Non current financial payables (I)	875,013	1,005,245	(130,232)
- Bank borrowings – Non current portion	517,812	635,633	(117,821)
- Payables for business acquisitions – Non current portion	17,759	32,262	(14,503)
- Lease Liability – Non current portion	339,442	337,350	2,092
Bonds (J)	445,000	439,642	5,358
- Eurobond 2020-2027	350,000	350,000	-
- Private placement 2013-2025	95,000	89,642	5,358
Trade and other non current payables (K)	(9,629)	(4,272)	(5,357)
- Hedging derivatives – non current portion	(9,629)	(4,272)	(5,357)
<b>Non Current Financial Indebtedness (I+J+K) (L)</b>	<b>1,310,384</b>	<b>1,440,615</b>	<b>(130,231)</b>
<b>Total Financial Indebtedness (H+L) (M)</b>	<b>1,047,433</b>	<b>1,056,445</b>	<b>(9,012)</b>

Net of lease liabilities (€430,589 thousand at 30 September 2021) net financial debt amounted to €616,843 thousand at 30 September 2021, broken down as follows:

(€ thousands)	09/30/2021	12/31/2020	Change
Cash and Cash Equivalents	521,805	545,027	(23,222)
Short Term Investments	49,964	8,980	40,984
<b>Cash, Cash Equivalents and Short Term Investments</b>	<b>571,769</b>	<b>554,007</b>	<b>17,762</b>
Current Financial Indebtedness (excluding lease liabilities)	217,671	84,407	133,264
<b>Current Financial Indebtedness (excluding lease liabilities)</b>	<b>354,098</b>	<b>469,600</b>	<b>(115,502)</b>
Non current Financial Indebtedness (excluding lease liabilities)	970,941	1,103,265	(132,324)
<b>Total Financial Indebtedness (excluding lease liabilities)</b>	<b>616,843</b>	<b>633,665</b>	<b>(16,822)</b>

The **non current financial Indebtedness**, excluding the lease liabilities, reached €970,941 thousand at September 30<sup>th</sup>, 2021 compared to €1,103,265 thousand at 31 December 2020, a difference of €132,324 thousand. The decrease in the period relates primarily to reclasses of bank borrowings and acquisition payables from non-current to current borrowings.

The **short-term portion of the net financial position**, excluding the lease liabilities, was €133,264 thousand higher, going from €84,407 thousand at 31 December 2020 to €217,671 thousand at 30 September 2021. It refers mainly to the short-term portion of the syndicated loan used for the GAES acquisition (€59,265 thousand); the short-term portion of other long-term bank loans (€55,602 thousand); other bank borrowings including hot money used for treasury activities and to cover bank overdrafts (€55,643 thousand); the interest payable on the Eurobond (€2,483 thousand), the private placement (€724 thousand) and on other bank loans; and, lastly, the best estimate of the deferred payments for acquisitions (€37,995 thousand). Liquidity includes €521,805 thousand in available cash and €49,965 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.

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

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

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

(€ thousands)	09/30/2021
Private placement 2013-2025	95,000
Eurobond 2020-2027	350,000
Syndicated loan for GAES acquisition	119,250
Other medium/long-term debt	398,562
Fees for Eurobond 2020-2027, fees for bank loans, private placement 2013-2025 and Syndicated loan for GAES acquisition	(4,955)
<b>Medium/long-term financial liabilities</b>	<b>957,857</b>

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

(€ thousands)	09/30/2021
Bank overdraft and other short-term debt (including current portion of other long-term debt)	172,398
Other financial payables	5,806
Fees for Eurobond 2020-2027, fees for bank loans, private placement 2013-2025 and Syndicated loan for GAES acquisition	(1,553)
<b>Short-term financial liabilities</b>	<b>176,651</b>

The “Other payables” shown in the net financial debt refer, for €1,472 thousand, to dividends which have already been approved, but not yet distributed.

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

## 9. Financial liabilities

Financial liabilities breakdown is as follows:

(€ thousands)	09/30/2021	12/31/2020	Change
Private placement 2013-2025	95,000	89,642	5,358
Eurobond 2020-2027	350,000	350,000	-
Syndicated loan for GAES acquisition	119,250	159,000	(39,750)
Other medium long-term bank loans	398,562	476,633	(78,071)
Fees for bank loans, private placement 2013-2025 and syndicated loan for GAES acquisition	(4,955)	(5,954)	999
<b>Total medium/long-term financial liabilities</b>	<b>957,857</b>	<b>1,069,321</b>	<b>(111,464)</b>
Short term debt	176,651	75,615	101,036
- of which current portion for the financing for GAES acquisition	59,625	39,750	19,875
- of which current portion of other short-term bank loans	58,690	25,964	32,726
- of which fees for bank loans, private placement 2013-2025 and syndicated loan for GAES acquisition	(1,553)	(1,987)	434
<b>Total short-term financial liabilities</b>	<b>176,651</b>	<b>75,615</b>	<b>101,036</b>
<b>Total financial liabilities</b>	<b>1,134,508</b>	<b>1,144,936</b>	<b>(10,428)</b>

The main financial liabilities are detailed below.

- *Eurobond 2020-2027*

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

Issue Date	Debtor	Maturity	Nominal value (€/000)	Fair Value (€/000)	Fair value hierarchy as per IFRS 13	Nominal interest rate (*)	Euro interest rate after hedging
02/13/2020	Amplifon S.p.A.	02/13/2027	350,000	358,756	1	1.125%	N/A
<b>Total in Euro</b>			<b>350,000</b>	<b>358,756</b>			

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

- *Private placement 2013-2025*

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

Issue Date	Debtor	Maturity	Currency	Nominal value (USD/000)	Outstanding debt (USD/000)	Fair Value (USD/000)	Fair value hierarchy as per IFRS 13	Nominal interest rate (*)	Euro interest rate after hedging
05/30/2013	Amplifon USA	07/31/2023	USD	8,000	8,000	8,663	1	4.46%	3.90%
07/31/2013	Amplifon USA	07/31/2023	USD	52,000	52,000	56,364	1	4.51%	3.90%-3.94%
07/31/2013	Amplifon USA	07/31/2025	USD	50,000	50,000	57,602	1	4.66%	4.00%-4.05%
<b>Total</b>				<b>110,000</b>	<b>110,000</b>	<b>122,629</b>			

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

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

- *Syndicated loan for the GAES acquisition*

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

Issue Date	Debtor	Maturity	Nominal value (€/000)	Outstanding debt (€/000)	Fair Value (€/000)	Fair value hierarchy as per IFRS 13	Nominal interest rate (*)	Euro interest rate after hedging (**)
12/18/2018	Amplifon S.p.A.	09/28/2023	265,000	178,875	163,274	1	0.437%	1.082%
<b>Total in Euro</b>			<b>265,000</b>	<b>178,875</b>	<b>163,274</b>	<b>1</b>		

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

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

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

The following table shows the applicable rates:

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

The rate, calculated based on the Group net debt/EBITDA ratio, is applicable starting from the interest period following the one when the rate was determined.

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

#### - 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)	Fair value hierarchy as per IFRS 13	Nominal interest rate (*)	Interest rate after hedging (**)	Euro interest rate after hedging (**)
04/30/20	Amplifon S.p.A.	<i>Amortizing</i>	30/04/23	30,000	26,272	26,757	1	0.553%		
04/07/20	Amplifon S.p.A.	<i>Bullet</i>	22/03/24	60,000	60,000	62,340	1	0.931%	30,000	1.559%
04/06/20	Amplifon S.p.A.	<i>Amortizing</i>	06/04/25	50,000	50,000	51,332	1	0.705%	50,000	1.012%
04/07/20	Amplifon S.p.A.	<i>Amortizing</i>	07/04/25	150,000	150,000	154,122	1	0.533%	100,000	1.17%
04/28/20	Amplifon S.p.A.	<i>Amortizing</i>	28/04/25	50,000	50,000	51,629	1	0.536%	50,000	1.530%
04/29/20	Amplifon S.p.A.	<i>Amortizing</i>	29/04/25	78,000	78,000	80,776	1	1.132%	54,600	1.540%
04/23/20	Amplifon S.p.A.	<i>Amortizing</i>	30/06/25	35,000	35,000	35,914	1	0.387%	35,000	0.990%
08/03/20	Amplifon S.p.A.	<i>Amortizing</i>	30/06/25	10,000	7,549	7,707	1	1.050%		
<b>Total</b>				<b>463,000</b>	<b>456,821</b>	<b>470,577</b>			<b>319,600</b>	

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

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

The following loans:

- the USD 110 million private placement 2013-2025 (equal to €85.4 million including the fair value of the currency hedges which set the Euro/USD exchange rate at 1.2885);
- the EUR 294 million medium/long-term bilateral loans with top-tier banking institutions;
- the EUR 155 million in irrevocable credit lines with top-tier banking institutions;

are subject to the covenants listed below:

- the ratio of Group net financial indebtedness to Group shareholders' equity must not exceed 1.65;

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

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

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

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

Bank loans amounting to €78 million and €35 expiring in 2025, a revolving credit facility of €15 million and the revolving credit facility of €100 million signed on 30 September 2021 are subject to the following covenants:

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

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

As at 30 September 2021 these ratios were as follows:

	Value as at 09/30/2021
Net financial indebtedness excluding lease liabilities/Group net equity	0.74
Net financial position excluding lease liabilities /EBITDA for the last 4 quarters	1.25
EBITDA for the last 4 quarters/Net financial expenses	30.75

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

(€ thousands)	Value as at 09/30/2021
Group EBITDA first nine months 2021	321,410
EBITDA October-December 2020	142,610
Fair value of stock grant assignment	16,697
EBITDA normalized (from acquisitions and disposals)	6,773
Acquisitions and non-recurring costs	7,019
EBITDA for the covenant calculation	494,509

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

## 10.Provisions for risk and charges

Provisions for risks and charges amounted to €53,429 thousand at 30 September 2021, largely in line with 31 December 2020 (€53,325 thousand).

The provisions for risks at 30 September 2021 are detailed below:

(€ thousands)	09/30/2021	12/31/2020	Change
Product warranty provision	1,463	1,337	126
Provision on contract risks	4,756	4,766	(10)
Agents' leaving indemnities	42,890	41,639	1,252
Other reserves for risks and charges	1,992	2,024	(32)
<b>Total Long-term provision for risk and charges</b>	<b>51,101</b>	<b>49,765</b>	<b>1,336</b>
Product warranty provision	398	386	12
Other reserves for risks and charges	1,930	3,174	(1,244)
<b>Total Short-term provision for risk and charges</b>	<b>2,328</b>	<b>3,560</b>	<b>(1,232)</b>
<b>Total provision for risk and charges</b>	<b>53,429</b>	<b>53,325</b>	<b>104</b>

## 11. Lease liabilities

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

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

	09/30/2021	12/31/2020	Change
Short-term lease liabilities	91,147	85,430	5,717
Long-term lease liabilities	339,442	337,350	2,092
<b>Lease liabilities</b>	<b>430,589</b>	<b>422,780</b>	<b>7,809</b>

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

	First nine months 2021
Interest paid on leased assets	(7,743)
Right-of-use depreciation	(71,196)
Costs relating to short-term and low-value leases	(7,893)

## 12. Revenues from sales and services

(€ thousands)	First nine months 2021	First nine months 2020	Change
Revenues from sales of products	1,236,914	898,851	338,063
Revenues from services	181,675	143,271	38,404
<b>Revenues from sales and services</b>	<b>1,418,589</b>	<b>1,042,122</b>	<b>376,467</b>
Goods and services provided at a point in time	1,236,914	898,851	338,063
Goods and services provided over time	181,675	143,271	38,404
<b>Revenues from sales and services</b>	<b>1,418,589</b>	<b>1,042,122</b>	<b>376,467</b>

Consolidated revenues from sales and services amounted to €1,418,589 thousand in the first nine months of 2021, an increase of €376,467 thousand (+36.1%) compared to the same period of the prior year which was impacted negatively by the Covid-19 pandemic.

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

Operating costs amounted to €1,100,611 thousand in the first nine months of 2021 versus €826,925 thousand in the same period of 2020. The difference is attributable mainly to the impact of the global Covid-19 pandemic. The operating costs at 30 September 2021 include €2,887 thousand in inventory write-downs.

“Amortization, depreciation and impairment” amounted to €161,086 thousand at 30 September 2021 (of which €71,196 thousand relative to right-of-use).

“Financial income, expenses and value adjustments to financial assets” came to €20,314 thousand in the first nine months of 2021, slightly lower than the €21,961 thousand recorded in the first nine months of 2020. The difference is explained mainly by capital gains on equity investments (net of capital losses) and, to a lesser degree, the decrease in interest owed on loans and leases.

Current and deferred tax amounted to €39,235 thousand in the first nine months of 2021, €22,651 thousand higher than in the first nine months of 2020 (€16,584 thousand). This increase is attributable to the considerable increase in profit before tax recorded in the first nine months of 2021 with respect to the same period of 2020 which was adversely impacted by the Covid-19 outbreak.

The tax rate was 28.0% in the reporting period versus 28.7% in the first nine months of 2020.

## 14. Performance Stock Grant

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

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

The following assumptions were used to determine the fair value:

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

A figurative cost of €2.155 thousand for this grant cycle was recognized in the income statement at 30 September 2021.

## 15. Non-recurring significant events

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

(€ thousands)		First nine months 2021	First nine months 2020
	GAES integration costs	(3,196)	-
Operating costs	Amplifon S.p.A restructuring cost (*)	(1,796)	-
	Bay Audio acquisition costs (**)	(456)	-
<b>Gross operating profit (EBITDA)</b>		<b>(5,448)</b>	-
Depreciation	Accelerated depreciation for GAES intangible asset	(1,693)	-
<b>Profit before tax</b>		<b>(7,141)</b>	-
Tax	Impact of the above items on the tax burden for the period	1,882	-
<b>Total</b>		<b>(5,259)</b>	-

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

(\*\*) Costs relative to the Bay Audio Pty acquisition which will close on 1 October 2021;

## 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 nine months 2021	First nine months 2020
Net profit (loss) attributable to ordinary shareholders (€ thousand)	100,743	41,107
Average number of shares outstanding in the period	224,769,694	223,513,959
Average earnings per share (€ per share)	0.44821	0.18391

### *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 nine months 2021	First nine months 2020
Average number of shares outstanding in the period	224,769,694	223,513,959
Weighted average of potential and diluting ordinary shares	2,545,155	2,660,007
Weighted average of shares potentially subject to options in the period	227,314,849	226,173,966

The diluted earnings per share were determined as follows:

Diluted earnings per share	First nine months 2021	First nine months 2020
Net profit attributable to ordinary shareholders (€ thousand)	100,743	41,107
Average number of shares outstanding in the period	227,314,849	226,173,966
Average diluted earnings per share (€)	0.44319	0.18175

## 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., of which the majority stake (100% at 30 September 2021) is owned by Amplifin S.p.A., which is fully controlled by Susan Carol Holland.

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

The following table details transactions with related parties:

(€ thousands)	09/30/2021			First nine months 2021		
	Trade receivables	Trade payables	Other receivables	Revenues for sales and services	Operating costs	Interest income and expense
Amplifin S.p.A.	-	-	1,120	-	(73)	18
<b>Total – Parent</b>	<b>-</b>	<b>-</b>	<b>1,120</b>	<b>-</b>	<b>(73)</b>	<b>18</b>
Comfoor BV (The Netherlands)	7	37	-	61	(1,896)	-
Comfoor GmbH (Germany)	-	1	-	-	(8)	-
Ruti Levinson Institute Ltd (Israel)	110	-	-	75	-	-
Afik - Test Diagnosis & Hearing Aids Ltd (Israel)	206	-	-	454	-	-
<b>Total – Other related parties</b>	<b>323</b>	<b>38</b>	<b>-</b>	<b>590</b>	<b>(1,904)</b>	<b>-</b>
<b>Total related parties</b>	<b>323</b>	<b>38</b>	<b>1,120</b>	<b>590</b>	<b>(1,977)</b>	<b>18</b>
<b>Total as per financial statements</b>	<b>151,186</b>	<b>200,565</b>	<b>75,249</b>	<b>1,418,588</b>	<b>(1,100,611)</b>	<b>(13,083)</b>
<b>% of financial statements total</b>	<b>0.21%</b>	<b>0.02%</b>	<b>1.49%</b>	<b>0.04%</b>	<b>0.18%</b>	

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

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

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

With the application of IFRS 16, the lease for the Milan headquarters (leased to Amplifon by the parent company Amplifin) is no longer recognized as an operating cost, but is recognized under right-of-use depreciation for €1,351 thousand, interest on leases for €261 thousand and lease liabilities of €15,603 thousand.

## **18. Contingent liabilities**

Currently the Group is not exposed to any particular risks, uncertainties or legal disputes which exceed the provisions already made in the financial statements, shown in Note 9. There are currently underway usual tax audits. These audits are presently in the preliminary phase and no findings have been reported so far.

## **19. Financial risk management**

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

## 20. Translation of foreign companies' financial statements

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

	30 September 2021		2020	30 September 2020	
	Average exchange rate	As at 30 September	As at 31 December	Average exchange rate	Cambio al 30 settembre
Panamanian balboa	1.1962	1.1579	1.1422	1.125	1.1708
Australian dollar	1.5770	1.6095	1.6549	1.6627	1.6438
Canadian dollar	1.4968	1.4750	1.53	1.5218	1.5676
New Zealand dollar	1.6816	1.6858	1.7561	1.7622	1.7799
Singapore dollar	1.6020	1.5760	1.5742	1.5635	1.6035
US dollar	1.1962	1.1579	1.1422	1.125	1.1708
Hungarian florin	356.50	360.19	351.2494	348.127	365.53
Swiss franc	1.0904	1.0830	1.0705	1.068	1.0804
Egyptian lira	18.7730	18.1910	18.0654	17.8449	18.442
New Israeli shekel	3.8941	3.7363	3.9258	3.9091	4.0277
Argentine peso	114.2144 (*)	114.2144	103.2494	89.1232 (*)	89.1232
Chilean peso	882.540	937.410	903.14	901.52	920.47
Colombian peso	4,426.230	4,441.330	4,217.06	4,167.09	4,550.37
Mexican peso	24.0772	23.7439	24.5194	24.5232	26.1848
Brazilian real	6.3764	6.2631	5.8943	5.71	6.6308
Chinese renminbi	7.7376	7.4847	7.8747	7.8659	7.972
Indian rupee	88.0420	86.0766	84.6392	83.496	86.299
British pound	0.8636	0.8605	0.8897	0.88509	0.91235
Polish zloty	4.5473	4.6197	4.443	4.422	4.5462

(\*) Argentina is a high inflationary country. As requested by IAS 29, profit and loss items have been converted at 09/30/2021 exchange rate.

Average Argentine peso exchange rate as at 30 September 2021 is 111.5844 (76.0339 as at 30 September 2020).

## 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, Luxemburg, Hungary, Egypt, Poland and Israel), Americas (USA, Canada, Chile, Argentina, Ecuador, Colombia, Panama and Mexico) and Asia-Pacific (Australia, New Zealand, India and China).

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

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

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

**Statement of Financial Position as at September 30<sup>th</sup>, 2021 (\*)**

(€ thousands)	EMEA	AMERICAS	APAC	ELIM.	CONSOLIDATED
<b>ASSETS</b>					
<b>Non-current assets</b>					
Goodwill	890,617	161,516	283,245	-	1,335,378
Intangible fixed assets with finite useful life	276,743	42,307	40,653	-	359,703
Tangible fixed assets	139,471	11,098	25,966	-	176,535
Right-of-use assets	359,216	20,969	35,598	-	415,783
Equity-accounted investments	2,025	-	-	-	2,025
Hedging instruments	9,734	-	-	-	9,734
Deferred tax assets	71,449	6,288	7,562	-	85,299
Deferred contract costs	8,419	772	82	-	9,273
Other assets	25,318	35,030	1,035	-	61,383
<b>Total non-current assets</b>					<b>2,455,113</b>
<b>Current assets</b>					
Inventories	52,098	8,053	6,554	-	66,705
Receivables	192,278	31,100	22,748	(19,690)	226,436
Deferred contract costs	4,140	520	75	-	4,735
Other financial assets					49,982
Cash and cash equivalents					521,805
<b>Total current assets</b>					<b>869,663</b>
<b>TOTAL ASSETS</b>					<b>3,324,776</b>
<b>LIABILITIES</b>					
<b>Net Equity</b>					<b>838,114</b>
<b>Non-current liabilities</b>					
Medium/long-term financial liabilities					957,857
Lease liabilities	295,841	17,486	26,115	-	339,442
Provisions for risks and charges	21,050	29,234	817	-	51,101
Liabilities for employees' benefits	22,460	140	705	-	23,305
Hedging instruments	3,726	-	-	-	3,726
Deferred tax liabilities	67,220	19,602	9,200	-	96,022
Payables for business acquisitions	6,733	11,026	-	-	17,759
Contract liabilities	125,628	10,173	2,700	-	138,501
Other long-term liabilities	11,558	1,577	-	-	13,135
<b>Total non-current liabilities</b>					<b>1,640,848</b>
<b>Current liabilities</b>					
Trade payables	158,825	39,640	21,050	(18,950)	200,565
Payables for business acquisitions	33,189	4,806	-	-	37,995
Contract liabilities	87,140	10,346	8,003	-	105,489
Other payables and tax payables	187,379	18,119	22,265	(740)	227,023
Hedging instruments	181	-	-	-	181
Provisions for risks and charges	1,851	477	-	-	2,328
Liabilities for employees' benefits	1,990	161	2,284	-	4,435
Short-term financial liabilities					176,651
Lease liabilities	73,566	5,814	11,767	-	91,147
<b>Total current liabilities</b>					<b>845,814</b>
<b>TOTAL LIABILITIES</b>					<b>3,324,776</b>

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

**Statement of Financial Position as at December 31<sup>st</sup>, 2020 (\*)**

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

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

## Income Statement – First nine months 2021 <sup>(\*)</sup>

(€ thousands)	EMEA	AMERICAS	APAC	CORPORATE	ELIM.	CONSOLIDATED
Revenues from sales and services	984,146	262,976	171,467	-	-	1,418,589
Operating costs	(716,563)	(204,019)	(121,752)	(58,277)	-	(1,100,611)
Other income and costs	3,351	(300)	(332)	713	-	3,432
<b>Gross operating profit by segment (EBITDA)</b>	<b>270,934</b>	<b>58,657</b>	<b>49,383</b>	<b>(57,564)</b>	<b>-</b>	<b>321,410</b>
<b>Amortization, depreciation and impairment</b>						
Intangible assets amortization	(28,182)	(7,801)	(8,217)	(8,748)	-	(52,948)
Tangible asset depreciation	(25,998)	(2,269)	(5,352)	(1,638)	-	(35,257)
Right-of-use depreciation	(55,994)	(4,754)	(9,487)	(961)	-	(71,196)
Impairment losses and reversals of non-current assets	(988)	(227)	(15)	(455)	-	(1,685)
	<b>(111,162)</b>	<b>(15,051)</b>	<b>(23,071)</b>	<b>(11,802)</b>	<b>-</b>	<b>(161,086)</b>
<b>Operating result by segment</b>	<b>159,772</b>	<b>43,606</b>	<b>26,312</b>	<b>(69,366)</b>	<b>-</b>	<b>160,324</b>
<b>Financial income, expenses and value adjustments to financial assets</b>						
Group's share of the result of associated companies valued at equity and gains/losses on disposals of equity investments	(562)	-	-	-	-	(562)
Other income and expenses, impairment and revaluations of financial assets						1,493
Interest income and expenses						(13,083)
Interest expenses on lease liabilities						(7,743)
Other financial income and expenses						(458)
Exchange gains and losses						(73)
Gain (loss) on assets accounted at fair value						112
						<b>(20,314)</b>
<b>Net profit (loss) before tax</b>						<b>140,010</b>
<b>Current and deferred income tax</b>						
Current income tax						(42,702)
Deferred tax						3,467
						<b>(39,235)</b>
<b>Total net profit (loss)</b>						<b>100,775</b>
Minority interests						32
<b>Net profit (loss) attributable to the Group</b>						<b>100,743</b>

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

## Income Statement – First nine months 2020 <sup>(\*)</sup>

(€ thousands)	EMEA	AMERICAS	APAC	CORPORATE	ELIM.	CONSOLIDATED
Revenues from sales and services	740,652	174,163	127,307	-	-	1,042,122
Operating costs	(571,272)	(137,023)	(83,190)	(35,440)	-	(826,925)
Other income and costs	10,297	1,566	1,015	282	-	13,160
<b>Gross operating profit by segment (EBITDA)</b>	<b>179,677</b>	<b>38,706</b>	<b>45,132</b>	<b>(35,158)</b>	-	<b>228,357</b>
<b>Amortization, depreciation and impairment</b>						
Intangible assets amortization	(27,741)	(4,338)	(7,638)	(5,763)	-	(45,480)
Tangible asset depreciation	(26,099)	(1,609)	(6,159)	(1,198)	-	(35,065)
Right-of-use depreciation	(55,860)	(2,884)	(8,438)	(333)	-	(67,515)
Impairment losses and reversals of non-current assets	(590)	-	(43)	-	-	(633)
	<b>(110,290)</b>	<b>(8,831)</b>	<b>(22,278)</b>	<b>(7,294)</b>	-	<b>(148,693)</b>
<b>Operating result by segment</b>	<b>69,387</b>	<b>29,875</b>	<b>22,854</b>	<b>(42,452)</b>	-	<b>79,664</b>
<b>Financial income, expenses and value adjustments to financial assets</b>						
Group's share of the result of associated companies valued at equity	(404)	-	-	-	-	(404)
Other income and expenses, impairment and revaluations of financial assets						(34)
Interest income and expenses						(13,448)
Other financial income and expenses						(7,930)
Exchange gains and losses						(705)
Gain (loss) on assets accounted at fair value						554
						6
						<b>(21,961)</b>
<b>Net profit (loss) before tax</b>						<b>57,703</b>
<b>Current and deferred income tax</b>						
Current income tax						(20,194)
Deferred tax						3,610
						<b>(16,584)</b>
<b>Total net profit (loss)</b>						<b>41,119</b>
Minority interests						12
<b>Net profit (loss) attributable to the Group</b>						<b>12</b>

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

## 22. Accounting policies

### 20.1. Presentation of the financial statements

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

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

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

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

### 20.2. Use of estimates in preparing the financial statements

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

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

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

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

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

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

### 20.3. IFRS standards and interpretations

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

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

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

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

On 31 March 2021 IASB issued *Covid-19-Related Rent Concessions beyond 30 June 2021 (Amendments to IFRS 16)* which extends the period of application of the 2020 amendment to IFRS 16, relative to the lessees' accounting of concessions granted as a result of Covid-19, by one year.

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

### Future financial reporting standards and interpretations

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

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

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

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

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

## 23. Subsequent events

After the close of the first nine months, the acquisition of Bay Audio in Australia closed at AUD 550 million Australian dollars (roughly €340 million) which was financed entirely with available cash. The Bay Audio acquisition is a strategic transaction for the Group, entirely consistent with the Group's strategy to grow and further strengthen its position in the core Australian market.

In October the Company also started the roll-out of the Amplifon Product Experience in the core Spanish market and opened its first Amplifon store in Shanghai.

On October 18th, 2021 Amplifon was included in the new MIB ESG index launched by Euronext and Borsa Italiana, dedicated to the 40 Italian blue chips which demonstrate strong ESG (Environment, Social & Governance) practices. Inclusion in the index provides further confirmation of the Company's commitment to pursuing sustainable, long-term growth.

Lastly, during and after the close of the quarter, the Group progressed with the wind-down process of the Elite business in the United States. The wind-down will be treated as a discontinued operation in accordance with the IFRS 5 as of the date on which operations are effectively discontinued. More in detail, P&L data for Elite will be excluded from the Group's consolidated P&L and from the comparison periods starting from the date the business is effectively discontinued. The result of the discontinued operations will be reported in a separate P&L line named Net Result after discontinued operations. As of today Amplifon expects the total negative impact for the wind-down of Elite to be around 10 million euros, mainly related to the write-off of assets (credits, other financial assets and goodwill). The discontinuation of Elite is expected to be effective and completed by the end of 2021.

In 2020 Elite posted revenues and an EBITDA (before corporate costs) of € 52,285 thousand and €5,134 thousand, respectively (€69,881 thousand and €11,965 thousand in 2019). In the first nine months of 2021 Elite reported revenues and an EBITDA (before the allocation of centralized costs) of €38,716 thousand and €662 thousand, respectively (€51,168 thousand and €7.930 thousand in the first nine months of 2019).

Subsequent to 30 September 2021 exercise of the performance stock grants continued and on 25 October 2021 the Company transferred 17,910 treasury shares to the beneficiaries. At the date of this report the Company, therefore, holds a total of 1,574,045 treasury shares or 0.695% of the Company's share capital.

Milano, 27 October 2021

CEO

Enrico Vita

## Annexes

### Annex I

#### Consolidation scope

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

#### Parent company:

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

#### Subsidiaries consolidated using the line-by-line method:

Company name	Registered head office	Direct/Indirect ownership	Currency	Share Capital	% held as at 09/30/2021
Amplifon Italia S.p.A.	Milano (Italy)	D	EUR	100,000	100.0%
Amplifon Rete	Milano (Italy)	I	EUR	19,250	4.35%
Otohub S.r.l.	Naples (Italy)	D	EUR	28,571	100.0%
Audibel S.r.l. (in liquidation)	Rome (Italy)	D	EUR	70,000	100.0%
Amplifon France SAS	Arcueil (France)	D	EUR	98,550,898	100.0%
SCI Eliot Leslie	Lyon (France)	I	EUR	610	100.0%
Amplifon France Holding	Arcueil (France)	D	EUR	1	100.0%
Lomaco SAS	Lorient (France)	I	EUR	425,400	100.0%
Akoute Sas	Reims (France)	I	EUR	10,000	100.0%
Le Sens de l'Ecoute Sas	Châlons en Champagne (France)	I	EUR	1,000	100.0%
I Audiogram Sas	Châlons en Champagne (France)	I	EUR	1,000	100.0%
Centre Audio Sas	Chartres (Francia)	I	EUR	7,500	100.0%
Audition 85 Sas	La Roche-sur-Yon (France)	I	EUR	1,000	100.0%
Zhida Sas	La Roche-sur-Yon (France)	I	EUR	30,000	100.0%
Amplifon Iberica SA	Zaragoza (Spain)	D	EUR	26,578,809	100.0%
Microson S.A.	Barcelona (Spain)	D	EUR	61,752	100.0%
Amplifon LATAM Holding S.L.	Barcelona (Spain))	I	EUR	3,000	100.0%
Auditiva 2014 S.A.	Andorra la Vella (Andorra)	I	EUR	3,000	100.0%
Amplifon Portugal SA	Lisboa (Portugal)	I	EUR	15,520,187	100.0%
Amplifon Magyarország Kft	Budapest (Hungary)	D	HUF	723,500,000	100.0%
Amplibus Magyarország Kft	Budaörs (Hungary)	I	HUF	3,000,000	100.0%
Amplifon AG	Baar (Switzerland)	D	CHF	1,000,000	100.0%
Amplifon Nederland BV	Doesburg (The Netherlands)	D	EUR	74,212,052	100.0%
Auditech BV	Doesburg (The Netherlands)	I	EUR	22,500	100.0%
Electro Medical Instruments BV	Doesburg (The Netherlands)	I	EUR	16,650	100.0%

Company name	Registered head office	Direct/Indirect ownership	Currency	Share Capital	% held as at 09/30/2021
Beter Horen BV	Doesburg (The Netherlands)	I	EUR	18,000	100.0%
Amplifon Customer Care Service BV	Elst (The Netherlands)	I	EUR	18,000	100.0%
Amplifon Belgium NV	Bruxelles (Belgium)	D	EUR	495,800	100.0%
Amplifon Luxemburg Sarl	Luxembourg (Luxembourg)	I	EUR	50,000	100.0%
Amplifon RE SA	Luxembourg (Luxembourg)	D	EUR	3,700,000	100.0%
Amplifon Deutschland GmbH	Hamburg (Germany)	D	EUR	6,026,000	100.0%
Focus Hören AG	Willroth (Germany)	I	EUR	485,555	100.0%
Focus Hören Deutschland GmbH	Willroth (Germany)	I	EUR	25,000	100.0%
Amplifon Poland Sp. z o.o.	Lodz (Poland)	D	PLN	3,345,460	100.0%
Amplifon UK Ltd	Manchester (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	80.0%
Amplifon Middle East SAE	Cairo (Egypt)	D	EGP	3,000,000	51.0%
Miracle Ear Inc.	St. Paul (USA)	I	USD	5	100.0%
Elite Hearing, LLC	Minneapolis (USA)	I	USD	1,000	100.0%
Amplifon USA Inc.	Dover (USA)	D	USD	52,500,010	100.0%
Amplifon Hearing Health Care, Inc.	St. Paul (USA)	I	USD	10	100.0%
Ampifon IPA, LLC	New York (USA)	I	USD	-	100.0%
ME Pivot Holdings LLC	Minneapolis (USA)	I	USD	2,000,000	100.0%
ME Flagship LLC	Wilmington (USA)	I	USD	-	100.0%
METX LLC	Waco (USA)	I	USD	-	100.0%
MEFL LLC	Waco (USA)	I	USD	-	100.0%
METAMPA LLC	Waco (USA)	I	USD	-	100.0%
MENM LLC	Waco (USA)	I	USD	-	100.0%
Miracle Ear Canada Ltd.	Vancouver (Canada)	I	CAD	69,301,200	100.0%
2829663 Ontario Inc	Milton (Canada)	I	CAD	-	100.0%
Ossicle Fort McMurray Inc	Fort McMurray (Canada)	I	CAD	-	100.0%
Amplifon South America Holding LTDA	São Paulo (Brasil)	D	BRL	940,966	100.0%
GAES S.A.	Santiago de Chile (Chile)	D	CLP	1,901,686,034	100.0%
GAES Servicios Corporativo de Latinoamerica Spa	Santiago de Chile (Chile)	I	CLP	10,000,000	100.0%
Audiosonic Chile S.A.	Santiago de Chile (Chile)	I	CLP	1,000,000	100.0%
GAES S.A.	Buenos Aires (Argentina)	I	ARS	120,542,331	100.0%
GAES Colombia SAS	Bogotá (Colombia)	I	COP	21,803,953,043	100.0%
Soluciones Audiologicas de Colombia SAS	Bogotá (Colombia)	I	COP	45,000,000	100.0%
Audiovital S.A.	Quito (Ecuador)	I	USD	430,337	100.0%
Centros Auditivos GAES Mexico sa de cv	Ciudad de México (Mexico)	I	MXN	164,838,568	100.0%
Compañía de Audiología y Servicios Medicos sa de cv	Aguascalientes (Mexico)	I	MXN	43,306,212	66.4%

Company name	Registered head office	Direct/Indirect ownership	Currency	Share Capital	% held as at 09/30/2021
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 liquidation)	Brisbane (Australia)	D	AUD	-	100.0%
Otohub Australasia Pty Ltd	Brisbane (Australia)	D	AUD	10	100.0%
Amplifon Asia Pacific Pte Limited	Singapore (Singapore)	I	SGD	1,000,000	100.0%
Amplifon NZ Ltd	Takapuna (New Zealand)	I	NZD	130,411,317	100.0%
Bay Audiology Ltd	Takapuna (New Zealand)	I	NZD	-	100.0%
Dilworth Hearing Ltd	Auckland (New Zealand)	I	NZD	-	100.0%
Amplifon India Pvt Ltd	Gurgaon (India)	I	INR	1,770,000,000	100.0%
Beijing Amplifon Hearing Technology Center Co. Ltd (**)	Běijīng (China)	D	CNY	2,143,685	100.0%
Tianjin Amplifon Hearing Technology Co. Ltd (**)	Tianjin (China)	I	CNY	3,500,000	100.0%
Shijiazhuang Amplifon Hearing Technology Co. Ltd (**)	Shijiazhuang (China)	I	CNY	100,000	100.0%
Shanghai Amplifon Hearing Aid Co. Ltd	Shanghai (China)	D	CNY	46,000,000	100.0%
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%

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

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

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

**Companies valued using the equity method:**

Company name	Registered head office	Direct/Indirect ownership	Currency	Share Capital	% held as at 09/30/2021
Comfoor BV (*)	Doesburg (The Netherlands)	I	EUR	18,000	50.0%
Comfoor GmbH (*)	Emmerich am Rhein (Germany)	I	EUR	25,000	50.0%
Ruti Levinson Institute Ltd (**)	Ramat HaSharon (Israel)	I	ILS	105	16.0%
Afik - Test Diagnosis & Hearing Aids Ltd (**)	Jerusalem (Israel)	I	ILS	100	16.0%
Lakeside Specialist Centre Ltd (**)	Mairangi Bay (New Zealand)	I	NZD	-	50.0%

(\*) Joint Venture

(\*\*) Related companies

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

The undersigned Gabriele Galli, Chief Financial Officer of the Amplifon Group, as Executive Responsible for Corporate Accounting Information hereby declares that the quarterly report at 30 September 2021 corresponds to the results documented in the books, accounting and other records of the Company.

Milan, 27 October 2021

**Executive Responsible for Corporate  
Accounting Information**

Gabriele Galli