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AMPLIFON AT A GLANCE

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AMPLIFON AT A GLANCE

LETTER TO STAKEHOLDERS

DEAR STAKEHOLDERS,

we are pleased to present you with another Annual Report that shows significant growth and further strengthening of our competitive positioning in the global hearing care market, confirming the execution capabilities of our company and the validity of our strategy, not only from a business and financial standpoint, but also in terms of sustainability. For the first time we are, in fact, consolidating our financial and non-financial results in a single document which testifies to the ongoing integration of ESG topics in our business strategy. This represents another step forward along the sustainability path that we have been following since 2016.

In 2023, we continued to outpace the reference market thanks to a strong organic growth and the contribution from acquisitions, despite a softer than expected European market, as well as a global macroeconomic and geopolitical environment characterized by uncertainty and volatility.

This overperformance allowed us to achieve revenues of 2,260 million euros, a record level in our almost 75-year history, with an increase of 10.2% at constant exchange rates compared to 2022. Recurring EBITDA was 3.1% higher than in the prior year, coming in at 542 million euros, after significant investments to sustain the future growth of our company, including in the organization to serve our customers in our current 26 countries. Thanks to the acquisition of Audical, the leading national player in Uruguay's hearing care market, our presence at the end of the year, in fact, grew to include this new and interesting market.

In 2023 we also accelerated our bolt-on acquisitions adding more than 340 new points of sale to our global network, primarily in our core markets: North America, France, Germany and China. This testifies to how much M&A is part of our company's DNA. Toward this end, in the first two months of 2024 we acquired more than 100 stores, specifically in the United States - where we acquired one of the main Miracle-Ear franchisees, further strengthening our position in the largest market in the world – and in China, where our network now exceeds 400 stores.

We are convinced that the investments made in 2023 to expand our global network (around 110 million euros), combined with those made in the organization to offer a unique experience to our customers (around 1,200 new employees, mainly hearing care specialists), in marketing and innovation are essential to the acceleration of our medium-long term growth trajectory.

In 2023 we further expanded our commitment to innovation by extending the roll-out in our stores of Otopad, the innovative audiometer developed by our AmplifonX division, and the implementation of our new store format in 200 points of sale worldwide in order to provide our customers with an increasingly unique and personalized experience to rediscover words and sounds.

All of this was possible thanks to the Group's solidity, as demonstrated by the main balance sheet and financial indicators. More specifically, we generated a free cash flow of around 160 million euros, while net financial debt came to 852 million euros with financial leverage decreasing at 1.50x compared to 1.52x at December 31st, 2022.

In order to continue to share the value created by the company with our main stakeholders, having posted a net profit as reported of 155 million euros, we are proposing to our Shareholders a dividend of 29-euro cents, in line with the dividend paid in 2022.

The commitment to our employees, essential stakeholders for a service and people company like ours, also continues and gets even stronger. During the year, we provided them with almost 420 thousand hours of training, guaranteeing new growth and development opportunities. Moreover, following the adoption of our DEIB (Diversity, Equity, Inclusion & Belonging) Policy, in one year the percentage of women in managerial roles went from 44% at 47%, confirming how much attention we pay to providing equal opportunities, viewed as a strength and source of enrichment. We are, therefore, very pleased to have been included by Newsweek among the 100 "Most Loved Workplaces 2023" globally and to have received Top Employer 2024 certification in two regions (Europe and North America) and 11 countries (Italy, France, Germany, Spain, the United States, Canada, the Netherlands, New Zealand, Portugal, Columbia and Panama).

We also made headway with respect to the challenges posed by climate change. Firstly, we worked towards the definition and disclosure of decarbonization targets by committing to the Science-based Targets initiative (SBTi), and we were even more thorough in the Climate Change Risk Assessment and reporting based on the recommendations of the Task Force on Climate-Related Financial Disclosures to ensure complete and transparent disclosure of our potential climate risks. Our renewed focus on the environment is confirmed also by the adoption of a Group Environmental Policy, by the increase in the share of electricity purchased from certified renewable sources which went from 52% in 2022 to around 74% in 2023, and by the score of B obtained on the CDP Climate Change Questionnaire, higher than the sector average and decidedly better than the C score obtained last year.

Lastly, we continued to contribute to the wellbeing of the communities in which we operate by offering free hearing tests, which provided our customers with savings of around 300 million euros, by promoting the participation of our people in the social inclusion initiatives sponsored by our foundations and by spreading greater awareness about hearing well-being and responsible listening through our Listen Responsibly program. Since its launch this program has involved almost 50,000 students and 1,700 schools.

These and other achievements are presented in this Report, in which we also have the pleasure of sharing with you our new Sustainability Plan, whose medium and long-term targets are completely integrated with the company's business and financial strategy, as well as linked to top management's variable compensation. In the following pages we will also detail the progress made in applying the ten principles promoted by the United Nations' Global Compact, to which we renew our commitment and of which we remain convinced signers.

We are very proud of the results achieved this year and to have further consolidated our global leadership. All of this was possible thanks to the commitment, professionalism, passion and sense of belonging towards the company of the more than 20,000 Amplifon people around the world, its management and directors.

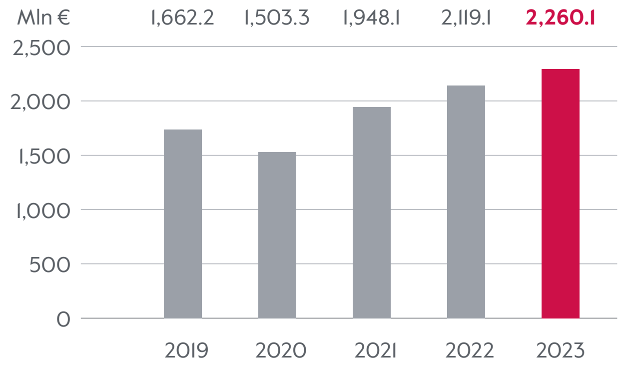
We also thank all of you, shareholders and stakeholders, for your support, spur and your trust. We continue to look to the years that lie ahead with great enthusiasm and optimism, thanks to the secular fundamentals of the hearing care market and our even stronger competitive positioning. We are deeply convinced that together, with you, we can contribute to an increasingly inclusive and sustainable future, improving the quality of life of millions of people worldwide.

Susan Carol Holland
Chairperson

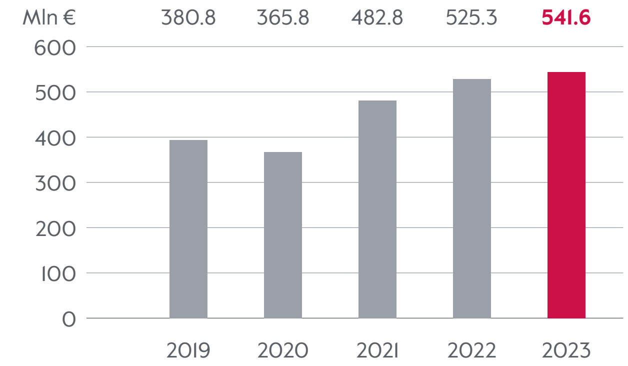
Enrico Vita
Chief Executive Officer

2023 HIGHLIGHTS

REVENUES[1]
(MILLION EUROS)

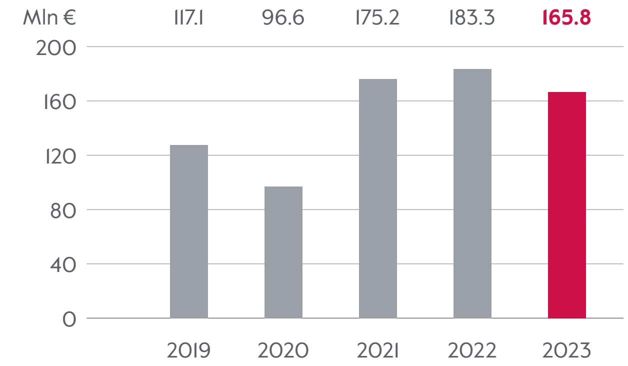


EBITDA[1,2]
(MILLION EUROS)

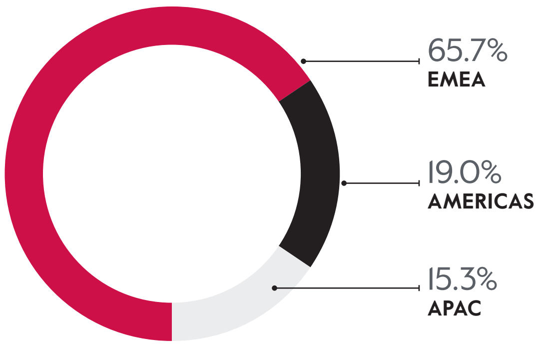


EBITDA MARGIN	22.9%	24.3%	24.8%	24.8%	24.0%

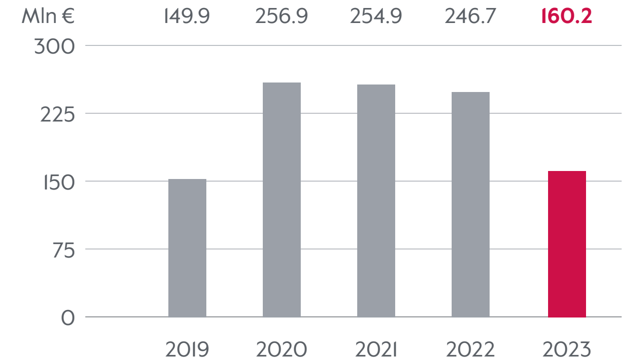
NET PROFIT[1,2]
(MILLION EUROS)



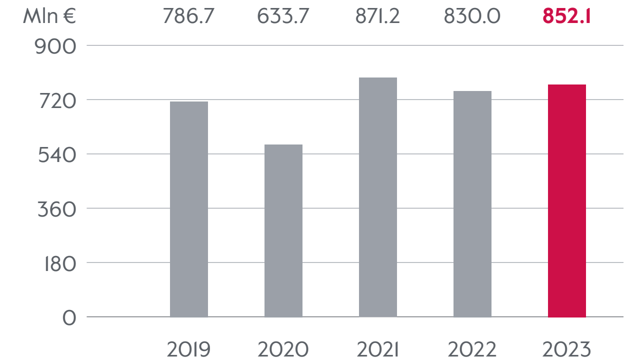
REVENUES BY REGION



FREE CASH FLOW
(MILLION EUROS)



NET FINANCIAL DEBT[3]
(MILLION EUROS)



1 Figures for 2019 and 2020 presented without the contribution of the Elite wholesale business, winded-down at the end of 2021 and treated as discontinued operations according to the accounting principle IFRS 5
2 Recurring data
3 Data without lease liabilities

2023 HIGHLIGHTS

GLOBAL LEADER IN HEARING CARE

13%
> GLOBAL MARKET SHARE

26
> COUNTRIES

5,110
> CORPORATE SHOPS

1,240
> SHOPS IN FRANCHISING

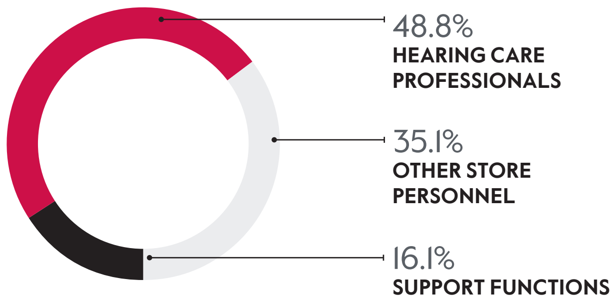
3,300
> SHOP-IN-SHOPS & CORNERS

20,300
> PEOPLE

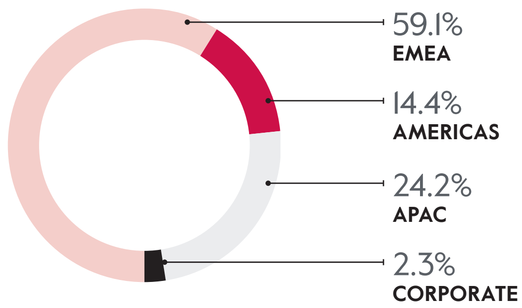
14,400
> EMPLOYEES

EMPLOYEES

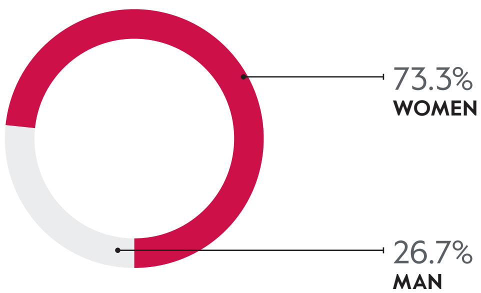
> BY ROLE



> BY REGION



> BY GENDER



2023 HIGHLIGHTS

PRODUCT & SERVICE STEWARDSHIP

~295 M€

> SAVED BY CUSTOMERS & PROSPECTS THANKS TO FREE HEARING TESTS

~96%

> AMPLIFON PRODUCT EXPERIENCE PENETRATION

PEOPLE EMPOWERMENT

~49%

> EMPLOYEES IN STEM POSITIONS

~47%

> WOMEN IN MANAGERIAL POSITIONS

ETHICAL BEHAVIOR

SBTi

> COMMITTMENT TOWARDS THE DISCLOSURE OF DECARBONIZATION TARGETS

~74%

> OF RENEWABLE ELECTRICITY

~254 mln

> BATTERIES SAVED

COMMUNITY IMPACT

>22,700

> NOISE MEASUREMENTS THROUGH THE LISTEN RESPONSIBLY APP SINCE 2020

>48,700

> STUDENTS MADE AWARE OF HEARING PREVENTION SINCE 2020

CORPORATE **CULTURE**

Our purpose is the reason we exist and have been serving our customers for nearly 75 years. Helping people rediscover all the emotions of sound motivates and guides us every day. Our values are the principles that shape how we act. They unite us and make us unique.

OUR PURPOSE

We empower people to rediscover all the emotions of sound.

OUR MISSION

We transform the way in which hearing care is perceived and experienced across the world, so that everyone naturally turns to the high-quality service and professionalism offered by our specialists.

Each day we strive to understand the unique needs of each customer, guaranteeing each and every one of them the best solution and a fantastic experience.

We select, develop and grow the best talent who share our ambition to change the lives of millions of people around the world.

OUR VALUES

CUSTOMER DEVOTION

We serve our customers' best interests with passion and seek to surprise them by always going the extra-mile.

PERSONAL IMPACT

We empower our people to think freely, perform and succeed, working together to make a lasting difference.

EVERYDAY EXCELLENCE

We take accountability for setting and delivering the highest standards of quality, and never give up.

FORWARD THINKING

We listen to the world around us and embrace every challenge with the ambition to learn, grow and innovate.

ACTING RESPONSIBLY

We do well by doing good, acting with true integrity, and showing respect to everyone, every time.

MARKET

The global retail hearing care market is estimated at around **17.5 billion euros** in 2023, with positive growth expected in the medium and long-term thanks to its solid fundamentals and secular trends. It is a highly fragmented market, although in consolidation, in which we hold a **global leadership position with around 13% market share.**

Currently over 1.5 billion people have some degree of hearing loss across the world. Among those, it is estimated that at least 430 million people have a hearing loss that would require rehabilitation and by 2050 they will be 700 million[4]. The United Nations estimates that the number of people aged above 60 years old will increase from the current 1.1 billion (14% of global population) to 2.1 billion (22%) by 2050[5], translating into a considerable increase in the number of seniors who could develop hearing difficulties, both due to **increasing life expectancy** and higher exposure to acoustic pollution (currently over **1 billion young people** are at risk of avoidable hearing losses). Finally, untreated hearing loss can negatively impact people's health, leading to cognitive decline, depression, and falls. Today it represents a global annual cost of approximately **1 trillion US dollars**, linked to health sector spending, lost productivity, and related social costs. Notwithstanding these implications, hearing aids adoption rate is still very low, estimated at around 38% in high-income countries and between 5 and 10% in emerging economies[6].

4 Source: «World Report on Hearing», World Health Organization, 2021: https://www.who.int/publications/i/item/9789240020481.
5 Source: United Nations website: https://www.un.org/en/global-issues/population e United Nations Population Fund website: https://www.unfpa.org/ageing.
6 Source: World Health Organization, EuroTrak, MarkeTrak, 2023 Amplifon data.

430 mln
> PEOPLE WITH HEARING LOSS THAT REQUIRES HEARING CARE

700 mln
> BY 2050

1.5 bln
> PEOPLE WITH SOME DEGREE OF HEARING LOSS WORLDWIDE

2.5 bln
> BY 2050

1 bln
> YOUNG PEOPLE AT RISK OF AVOIDABLE HEARING LOSS

$ 1 trillion
> ANNUAL COST OF UNTREATED HEARING LOSS

KNOW MORE
HOW HEARING WORKS

KEY DRIVERS

LIFE EXPECTANCY

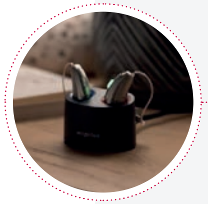
We are all aware of the increase in life expectancy. In 2018, for the first time in the history of mankind, the number of people aged over 65 exceeded the number of children under 5 years old. By 2050, it is estimated that 2.1 billion people will be 60 years old or more.

ACTIVE LIFESTYLE

We have a much longer life expectancy than the previous generations and our quality of life is much higher. The so-called active agers represent a new generation that won't compromise on quality of life as the years go by.

TECHNOLOGY

Advances in technology such as miniaturization, connectivity and rechargeability contribute towards the higher intake and accessibility of hearing devices. Thus, more and more people decide to take care of their own hearing.



DIGITALIZATION

The use of digital devices, such as smartphones and tablets, is rapidly increasing also among seniors. This makes it possible to offer personalized and interconnected services with added value through new touchpoints such as apps.

RESILIENCE

The importance of hearing well for people's overall health makes our reference market resilient even in periods of deep economic crisis. In addition, consumers in many countries, mainly characterized by retirees with fixed incomes, can still rely on both government reimbursement and consumer credit to finalize their purchases.

STRATEGY

Our strategy remains simple and focused, aimed at supporting our next phase of growth thanks to three important pillars.

1. CONSOLIDATE OUR LEADERSHIP AT GLOBAL LEVEL

We aim to strengthen our leadership in all core markets, consolidating our position where we are already a leader and achieving leadership in markets where we are not leader yet.

We will focus on growing in the United States, the largest market worldwide, where we aim to capture an even larger portion of the value chain, leveraging our strategic businesses: Miracle-Ear (both through our direct retail network and franchised stores) and Amplifon Hearing Health Care.

In Australia we aim at consolidating our leadership through three perfectly complementary businesses: Amplifon, Attune, and Bay Audio. In the very attractive and fast-growing Chinese market, we will continue to pursue our growth path via M&A in new areas, as well as organically around the existing hubs of Zhejiang, Hubei Hebei, Shanxi, Henan, Jiangxi, Jiangsu, Fuzhou, Sichuan e le special municipalities of Shanghai, Tianjin, Shanghai e Chongqing.

In EMEA we aim at consolidating our leadership position through organic growth supported by significant investments in marketing and in customer experience innovation, with the progressive roll-out of the Amplifon Product Experience and the launch of Ampli-care, as well as through targeted M&A to reach optimal scale in France and Germany.

2. A UNIQUE AND UNMATCHABLE CUSTOMER PROPOSITION

Our customer proposition will be further enriched leveraging three distinctive assets: the undisputed leading brands in the industry; a superior customer knowledge deriving from the quantity and quality of the data we own to build the finest customer insights; and an innovative customer experience, in which digital technologies play a key role in enriching the consumer experience and enhancing protocols both inside and outside our stores, from the first contact to the after-sales service.

3. EFFECTIVE AND TALENTED ORGANIZATION

We aim to increase the investments dedicated to our people, both in our stores and in the back-office, with the goal of further improving their skills, fostering the sharing of best practices within the Group, and attracting the best talents every day to better support the implementation of our strategy and be even more competitive every day.

OUR COMMITMENT TO SUSTAINABLE GROWTH

Listening Ahead, our Sustainability Plan, outlines ambitious targets in line with the United Nations Sustainable Development Goals to continue to grow, every day, in a sustainable way.

KNOW MORE
OUR SUSTAINABILITY PLAN

DIGITAL INNOVATION

AMPLIFON PRODUCT EXPERIENCE

Amplifon Product Experience represents a unique and distinctive lever to further strengthen our brand identity, significantly differentiate our service, and offer a complete value proposition, made of product, service, and experience.

The Amplifon Product Experience, which includes the Amplifon Product Line and the Amplifon multichannel ecosystem, is an integrated system that synergically combines service and product to redefine the entire customer journey by placing people at its center.

Ampli-easy, Ampli-connect, Ampli-energy and Ampli-mini are the four product categories within the Amplifon Product Line designed to meet the needs and requirements of our customers, while the Amplifon multichannel ecosystem is a cutting-edge system that uses digital technologies and big data to collect and analyze information on the use of hearing devices, as well as feedback and needs from consumers, employing them to offer a unique, customized, and distinctive experience. In fact, the Amplifon Product Experience redefines the entire customer journey (also outside our stores), offering fast access to differentiated and high value-added services to further increase customer satisfaction.

Within the ecosystem, the Amplifon App is the first touchpoint for consumers and, with a penetration of 23%, allows them to manage device functions while providing suggestions related to the battery replacement or the most suitable program for the surrounding sounds through the use of artificial intelligence.

The Amplifon Product Experience was successfully launched in 12 countries (Italy, France, Germany, Spain, the Netherlands, the United States (Miracle-Ear and Amplifon Hearing Health Care), Australia, United Kingdom, Belgium, Portugal, New Zealand, and Switzerland) where the penetration of the addressable markets, primarily private and paid-up, reached around 96%, and currently represents roughly 70% of the Group's consolidated revenues.

With the aim of making our business even more sustainable, an eco-friendly packaging made up of 100% recyclable paper (the new Cube All-in-One) was launched within all the markets where the Amplifon Product Experience is present. Moreover, as foreseen in our new Sustainability Plan, at the end of 2023 we started to explore new ways to revolutionize our packaging so that, through the use of new materials, it becomes reusable - always bearing in mind its sustainability footprint and how useful it can be to our customers.

KNOW MORE
INNOVATION
& TECHNOLOGY

AMPLI-CARE

Our platform to deliver a revolutionary and personalized audiological care experience, within our stores and at every step of the customer journey.

With Ampli-care, we are activating a full ecosystem around the customer, in which the unrivaled quantity and quality of data we possess, as well as digital technologies play a key role in delivering a unique, innovative, and engaging experience along a seamless audiological care journey across all touchpoints.

AMPLI-CARE IS BASED ON THREE PILLARS

IMMERSIVE EXPERIENCE

Within Ampli-care, our stores, the primary touchpoint in the customer journey, will be completely revolutionized thanks to our new immersive store format which is being rolled-out as part of our internal renovation program. Currently present in around 200 stores worldwide, the new format aims at offering a unique experience to our consumers and reinforcing our global brand also through an innovative architectural design focused on both the retail area, consisting of the reception and the waiting area, with the display of our products, as well as the Solution Room, where the customer remains at the center, between the caregiver and the hearing care professional, while enjoying an immersive experience also through visual and digital elements. Thanks to its modular design for a scalable approach, it fits the needs of all the different stores around the world. Our stores will also be equipped with an innovative diagnostic tool (the so-called Otopad, the first and only Ipad-based audiometer, developed internally) to provide interactive and engaging touch-based experiences, perform sophisticated audiological tests, as well as standardize the quality of service provided at the highest level and optimize our hearing care professionals' time.

HYPERPERSONALIZED SOLUTIONS

Thanks to the adoption of technologies that foster an in-depth 360° knowledge of the single customer through an omnichannel approach, Ampli-care provides more and more elements to our hearing care professionals to offer a hyperpersonalized service and experience.

Ampli-care also supports them in identifying the best solution for each customer through a proprietary system called "solution builder engine", already present in our shops in Spain and the United Kingdom.

This technology allows them to identify and propose the most suitable product, service offering and fitting for each customer, based on the audiological profile and personal information gathered during the visit and through other touchpoints.

ALWAYS CONNECTED SUPPORT

Thanks to a complex remote monitoring and support system, our hearing care professionals are always connected to intercept hearing solutions usage trends and specific customer needs. Thus, they are able to support customers also when they are not in the store. In the future, our assistance will also be provided remotely via videocalls and systems aimed at performing remote fine-tunings to the hearing devices. Moreover, both caregivers and ENTs, crucial influencers in the hearing solution adoption process, will play a more active role. Caregivers will have a dedicated profile on the Amplifon App to coach and support their dear ones, while ENTs will receive their patients' audiological and hearing aid usage data.

CUSTOMER SATIFACTION

To better understand customers' expectations and offer them an even more satisfactory level of service, we are committed to a customer feedback collection and management program which foresees the continuous development of tools to measure and monitor customer expectations and satisfaction in a standardized fashion across the main countries where we operate. The surveys are conducted using different contact channels (including call centers, e-mails, and SMS) and provide us with customers' satisfaction level throughout the key moments of their relation with Amplifon: the hearing test and the trial, the purchase phase, the follow-up phase, the decision not to proceed with the purchase, and the entire after care phase.

In 2021 the entire process was redesigned, based on the Net Promoter Score (NPS), the most used parameter to measure customer satisfaction with products and services. Customers evaluate their overall experience, awarding a score on a scale of 0 to 10 on the point of sale, services, and product, by replying to the question "to what extent would you recommend Amplifon to friends and family?". The final NPS value is calculated as the difference between the so-called promoters (who awarded a score of 9 or 10) and the so-called detractors (who gave a score of 6 or less). In 2022 the program was implemented in 11 countries, among which important countries such as Italy, France, Spain, Germany and Australia. In 2023 specific "close-the-loop" actions have been carried out by our area managers and store personnel both to leverage on word of mouth as well as to improve detractors' satisfaction.

DIGITAL LEADERS

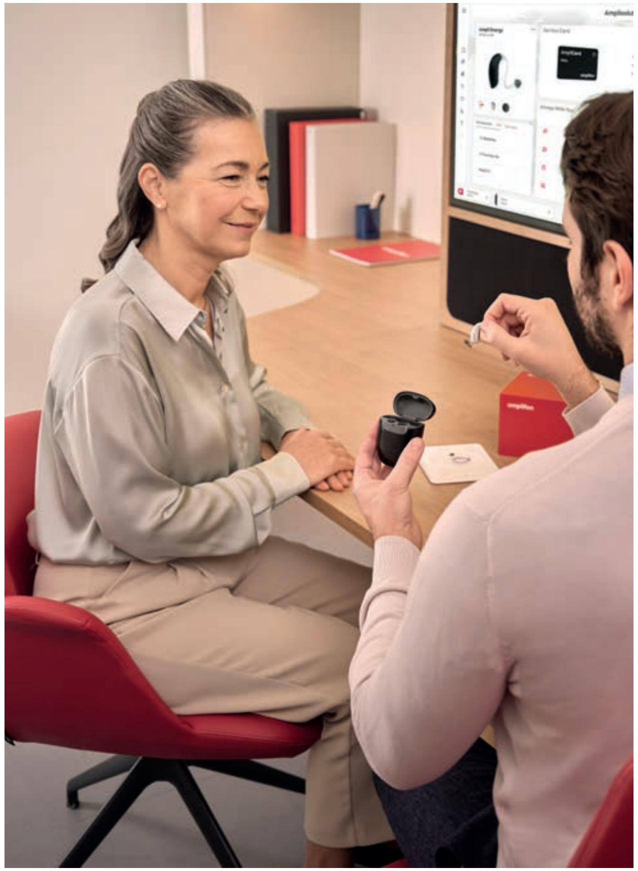
The Amplifon.com website ranks first in organic traffic in 7 of our 8 major markets within the hearing care industry and, together with the Group's other brands and through other digital channels such as social media, they constantly engage both our customers and their caregivers, such as their friends and family. And we continue to invest to consolidate our leadership also online. In fact, thanks to an in-house team dedicated to content creation, our sites are constantly optimized using a data-driven approach and fully integrated with our Customer Relationship Management systems to be increasingly effective. Today, more than 27% of our leads come from our digital platforms, and the number of appointments booked online has increased by around 25% globally compared to just one year ago. Finally, thanks to Earpros.com, our unbranded platform available in 7 countries, we have reached additional 3.2 million users, on average 4 years younger than the users reached by the Amplifon sites.

DIGITAL FOSTERING ACCESSIBILITY

In the same way our consumer websites allow customers and potential customers to easily access services such as the store locator and the online hearing test, the Amplifon App also offers high added value services. In addition to checking hearing device functions in real time, the smartphone services include the online appointment booking and the "Companion", an essential support in the early stages of the device utilization. In this way, we support our customers remotely as well, also thanks to tutorial videos in the Amplifon App for solving small problems and its rapid intuitive navigation paths, thus increasing the accessibility of our services.

AMPLIFON X

Amplifon X is the Group's new internal start-up entirely dedicated to our digital innovation strategy. It is responsible for the software design and the end-to-end development of highly innovative digital solutions to enhance the service offered in-store and, most importantly, remotely. With a team fully devoted to innovation, Amplifon X enables us to continue to redefine the standards of the audiological experience globally, consolidating the Company's significant competitive advantage and creating a unique and unmatchable experience for our customers and hearing care professionals.



BUSINESS MODEL

We offer unique hearing care services directly to the end-customer thanks to extensive technical expertise, innovative technologies and, above all, empathy: those who choose us have a totally unique and personalized experience.

THE AMPLIFON 360 PROTOCOL

The success of hearing solutions relies above all on the hearing care specialist's ability to perform hearing tests, select the most suitable devices among the most advanced technologies by the best manufacturers worldwide, and correctly fit them based on each single person's needs. For this very reason we conceived Amplifon 360[7], our patented store protocol that, through its data-driven approach, employs pioneering tools and user-friendly technologies to assess hearing quality and guides our hearing care professionals towards the identification of the best hearing solution for each person's needs.

Amplifon 360 increases customers' involvement in the hearing evaluation process, improving the analysis of their needs and individual lifestyles. The protocol is illustrated to the customer with the support of digital applications through a video interface that allow the customer to have an immersive experience, understand their hearing requirements and the benefits of the proposed hearing solution. As evidence of its benefits, the Amplifon 360 protocol was approved by SIAF (the Italian society of audiology and phoniatrics) and patented in the US, Australia, and Europe, thus certifying its uniqueness and novelty and demonstrating its importance in the development of audiology. it is also worth mentioning the extent to which Amplifon 360 further facilitates accessibility to hearing care to countless people thanks to the free hearing tests offered to anyone entering our stores, thereby creating a considerable economic saving for customers, prospects, and community in general.

KNOW MORE

CUSTOMER-DEVOTED

7 Available in most countries of operation.

BUSINESS-TO-CONSUMER

In EMEA, APAC, Canada, and Latin America, we serve our customers through direct points of sale. In the United States we operate around 350 direct points of sale under the Miracle- Ear brand.

FRANCHISING

Miracle-Ear operates in the United States mainly through a franchised network. It is a network of around 1,240 points of sales that provides hearing care services independently according to our strategic guidelines.

MANAGED CARE

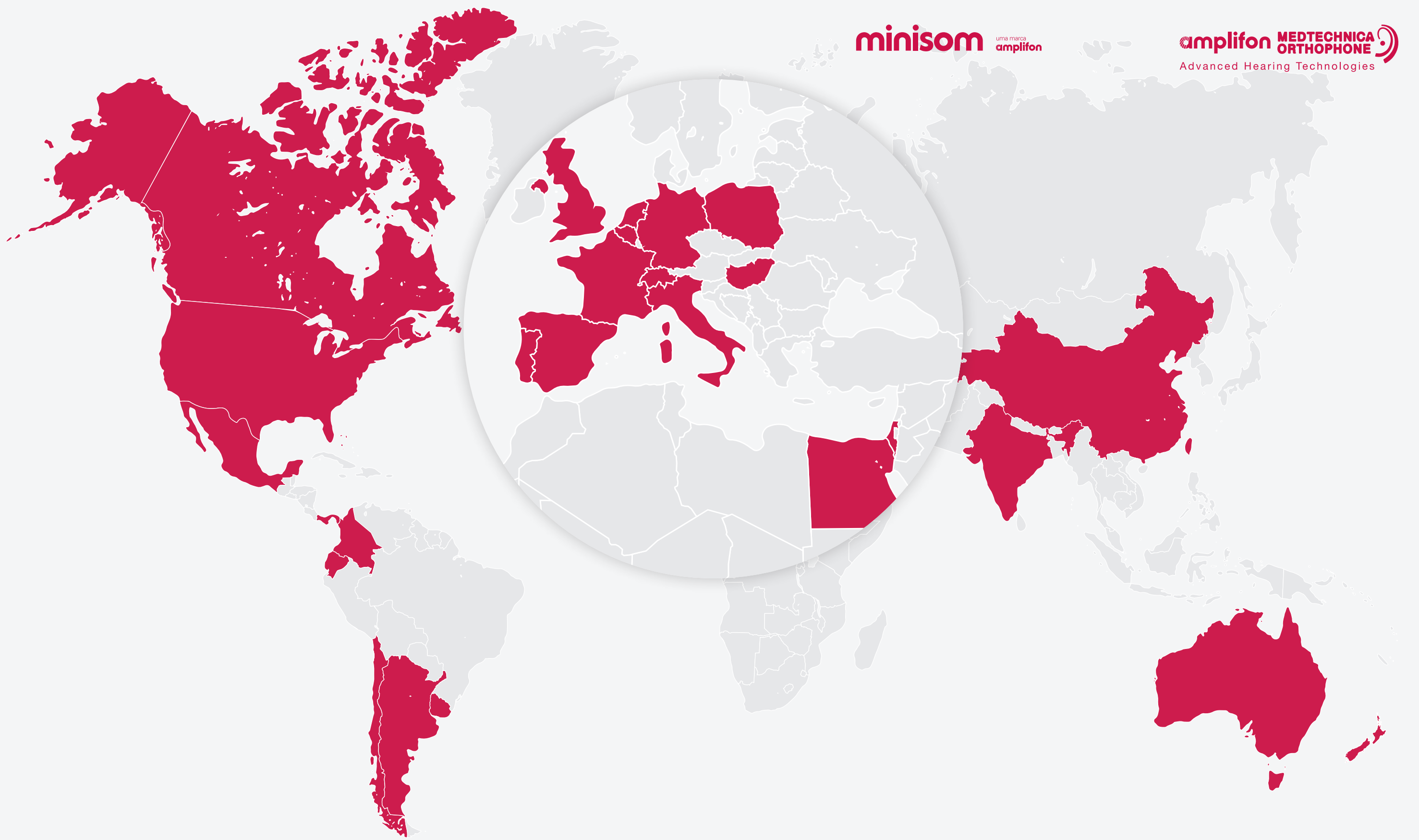
Amplifon Hearing Health Care offers hearing care solutions to health plan members in the United State, though a distribution network made of Miracle-Ear shops and other independent retailers.

OUR NETWORK

We are global leader in terms of geographic coverage and distribution network capillarity, recognized for the quality of our service and our competencies.

We operate under three regions – EMEA, Americas and APAC. Each Region corresponds to a business area and is responsible for pursuing the Company's strategy at local level and for sharing its know-how among the various countries.

Thanks to the capillarity of our distribution network, composed of around 5,110 direct points of sale and 1,240 shops in franchising, we are always close to those suffering from hearing loss, allowing everyone, even those with reduced mobility, to easily access quality audiological service. With around 3,300 shop-in-shops & corners located in third-party premises such as pharmacies, opticians and medical clinics, we are reaching people with a hearing loss in rural areas or those with a low population density and, thanks to home visits, we serve customers with reduced mobility who cannot physically get to stores.



EMEA

Corporate shops	Shop-in-shops & corners
3,410	3,060

AMERICA

Corporate shops	Franchisees
660	1,240

APAC

Corporate shops	Shop-in-shops & corners
1,030	250

STRENGTHS

> PROFESSIONAL EXPERTISE
Our over 7,000 hearing care specialists perform hundreds of thousands of hearing tests and keep up to date by completing over 230,000 hours of training each year. They bring together innovation, scientific knowledge and a highly personalized approach following the exclusive Amplifon 360 protocol to ensure an excellent customer experience.

> BRANDS
Our portfolio of strong, well-known brands allows us to drive real cultural change in the sector, redefining the way in which customers relate to their hearing well-being. United under the Amplifon brand, all our trademarks invite people to enjoy unique experiences.

> INNOVATION
Through Amplifon X, our new agile business unit entirely dedicated to developing highly innovative digital solutions, we express our attitude of always looking ahead and pushing our limits. The Amplifon multichannel ecosystem of customer-centric omni-channel and omni-persona solutions enables data mining activities, thus allowing us to develop high value-added services to further differentiate the customer journey and the experience we offer.

> Our global positioning and our nearly 75 years of experience allow us to aspire to be the best at interpreting the needs of people who won't settle for anything else apart from living life to the full.

> GLOBAL SCALE
Our global distribution network, interconnected through our databases, allows us to stay close to our customers, share excellence among our hearing care specialists in 26 Countries and diversify exposure to different markets.

> EMPLOYER OF CHOICE
We are the employer of choice thanks to our corporate culture, constant investment in our talents and incentives for their professional development, also through assignments within global project.

> SCIENTIFIC LEADERSHIP
Amplifon's Centre for Research and Studies is a specialist partner for the medical and scientific community in the fields of audiology and ENT since 1971. Its prestige is linked to the contribution of internationally recognized experts, whose innovative contribution is fundamental for the continuous theoretical and practical development of the medical community.

GOVERNANCE

Our aim goes beyond mere compliance: we are fully aware that a correct governance system is essential for meeting our long-term strategic objectives.

Our Corporate Governance system complies with the principles set by the Italian Stock Exchange Corporate Governance Code issued in January 2020 and promoted by the Corporate Governance Committee, with which we have complied with since its first version of 2001, timely adhering to subsequent amendments.

BOARD OF DIRECTORS

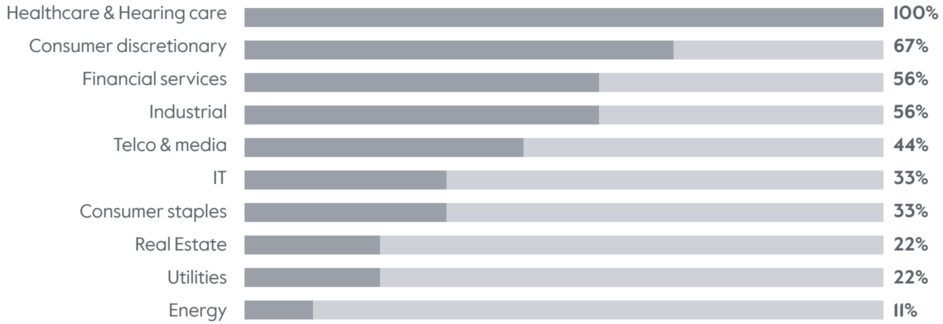
Our Board of Directors[8] is characterized by an appropriate mix of expertise and professional profiles: it includes prominent executives, managers from other sectors, financial profiles and with international experience, and professionals with expertise in hearing care and ESG. In addition, more than half of the members are women, while the average age of the Board members has significantly decreased from 72 in 2011 to the current 61, with a maximum age of 75 and a minimum of 40. Finally, about 80% are independent directors and there is a single executive director, the CEO. The Board of Directors met five times in 2023, with an attendance rate of 97.8%. The meetings lasted 3 hours on average.

Role	Name	Executive	Independent[9]	C.C.R.S.[10]	C.R.N.[11]	Gender	Year of first appointment	Attendance rate	Expertise
Chairperson	Susan Carol Holland			●	●	F	1988	100%	Business development & strategic planning; Risk, crisis & audit management; Finance; Governance, legal & regulatory; International context
CEO	Enrico Vita	●				M	2015	100%	Business development & strategic planning; Finance; International context; Governance, legal & regulatory; HR & organizational transformation
Director	Maurizio Costa		●		●	M	2007	100%	Business development & strategic planning; Finance; Governance, legal & regulatory; HR & organizational transformation; International context
Director	Veronica Diquattro		●		●	F	2022	100%	Business development & strategic planning; Risk, crisis & audit management; IT, digital & cyber; HR & organizational transformation; International context
Director	Laura Donnini		●	●		F	2016	100%	Business development & strategic planning; Risk, crisis & audit management; IT, digital & cyber; ESG & climate change; HR & organizational transformation; International context
Director	Maria Patrizia Grieco		●		●	F	2016	100%	Business development & strategic planning; Risk, crisis & audit management; Finance; ESG & climate change; Governance, legal & regulatory; International context
Director	Lorenza Morandini[12]		●	●		F	2022	100%	Business development & strategic planning; Finance; IT, digital & cyber; ESG & climate change; HR & organizational transformation; International context
Director	Lorenzo Pozza		●	●		M	2016	80%	Business development & strategic planning; Risk, crisis & audit management; Finance; ESG & climate change; Governance, legal & regulatory; HR & organizational transformation
Director	Giovanni Tamburi		●			M	2013	100%	Business development & strategic planning; Finance; Governance, legal & regulatory; HR & organizational transformation; International context

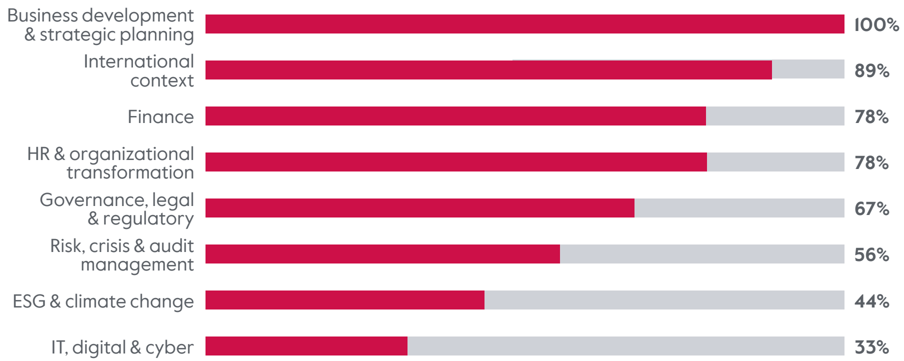
Business development & strategic planning
Finance
ESG & climate change
HR & organizational transformation
Risk, crisis & audit management
IT, digital & cyber
Governance, legal & regulatory
International context

8 The Board of Directors was appointed by the Shareholders' Meeting on April 22nd, 2022 and will remain in office until the approval of the Financial Statements as of December 31st, 2024. The Curricula Vitae of the members of the Board of Directors are available on our corporate website.
9 Directors that declare they qualify as independent as defined under current law and in the Italian Stock Exchange Corporate Governance Code.
10 C.C.R.S.: Members of the Risk, Control and Sustainability Committee.
11 C.R.N.: Members of the Remuneration and Appointment Committee.
12 Director appointed by the minority shareholders and independent pursuant to the Italian Stock Exchange Corporate Governance Code.

BOARD MEMBERS BY INDUSTRY EXPERIENCE[13]



BOARD MEMBERS BY EXPERTISE



BOARD OF STATUTORY AUDITORS[14]

Role	Name
Chairperson	**Raffaella Pagani**[(15)]
Standing auditor	**Patrizia Arienti**
Standing auditor	**Dario Righetti**
Alternate auditor	**Alessandro Grange**[(15)]
Alternate auditor	**Maria Venturini**

REMUNERATION & APPOINTMENT COMMITTEE

Role	Name	Attendance rate
Chairperson	**Maurizio Costa**	100%
Member	**Susan Carol Holland**	100%
Member	**Veronica Diquattro**	100%
Member	**Maria Patrizia Grieco**	100%

RISK, CONTROL & SUSTAINABILITY COMMITTEE

Role	Name	Attendance rate
Chairperson	**Lorenzo Pozza**	100%
Member	**Susan Carol Holland**	80%
Member	**Laura Donnini**	80%
Member	**Lorenza Morandini**	100%

RELATED PARTIES TRANSACTIONS COMMITTEE

Role	Name
Chairperson	**Laura Donnini**
Member	**Maurizio Costa**
Member	**Lorenza Morandini**

SUPERVISORY BOARD

Role	Name
Chairperson	**Lorenzo Pozza**
Member	**Laura Donnini**
Member	**Laura Ferrara** (Head of Internal Audit)

EXECUTIVE RESPONSIBLE FOR FINANCIAL REPORTING

Name
Gabriele Galli

SECRETARY OF THE BOARD OF DIRECTORS

Name
Federico Dal Poz

EXTERNAL AUDITORS

Company
KPMG S.p.A.

LEAD INDEPENDENT DIRECTOR

Name
Lorenzo Pozza

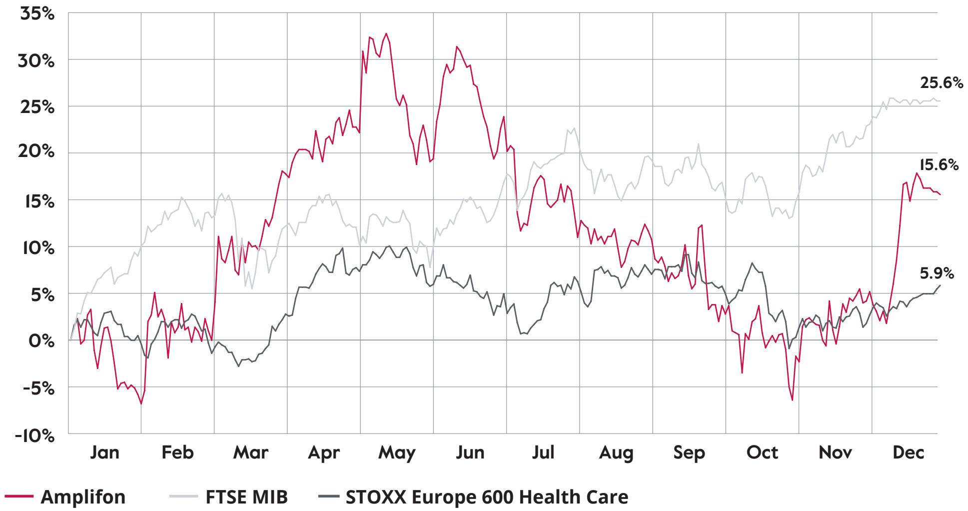
13 Sectors of expertise have been identified based on the MSCI Global Industry Classification Standard: https://www.msci.com/our-solutions/indexes/gics
14 The Board of Statutory Auditors was appointed by the Shareholders' Meeting on April 23rd, 2021 and will remain in office until the approval of the Financial Statements as of December 31st, 2023.
15 Member of the Board of Statutory Auditors expressed by the minority list.

INVESTORS' REPORT

AMPLIFON IN THE STOCK EXCHANGE

Amplifon (Bloomberg ticker: AMP:IM / Reuters ticker: AMPF.MI) is listed on the Euronext Milan market of the Italian Stock Exchange since 2001 and it is part of the Euronext STAR Milan segment since 2008. In December 2018, Amplifon became part of the FTSE MIB index, made of the 40 largest capitalization stocks of the Milan Stock Exchange. Since June 2019, Amplifon is also part of the Stoxx Europe 600 index and since November 2020 it is part of the MSCI Global Standard index as well. Finally, in October 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.

2023 PERFORMANCE



KEY SHARE DATA

Stock exchange	EXM	**Nominal value**	€ 0.02
Bloomberg/Reuters ticker	AMP:IM/AMPF.MI	**Average price**[18]	€ 30.084
Share capital[16]	€ 4.528	**Average volumes**[18]	623,518
N° of shares outstanding[16,17]	225,746,472	**Market capitalization**[16,17]	€ 7.075

SHAREHOLDING

SHAREHOLDER STRUCTURE AS OF DECEMBER 31ST, 2023[19]

INCREASED VOTING RIGHTS

The possibility of exercising increased voting rights was adopted by the Extraordinary Shareholders' Meeting held on January 29th, 2015 with a view to pursuing stability and loyalty of the shareholder base. It gives shareholders the option to obtain increased voting rights equal to two votes for each share held for at least 24 consecutive months from the registration date shown in the shareholder register prepared by the Company, in accordance with current law and regulations. On December 31st, 2023, there were 95,868,033 registered shares (59.50% of the Company's voting capital), of which 95,344,369 shares (59.17% of the voting capital) owned by the majority shareholder Ampliter S.r.l..

16 At 31.12.2023, in million euros.
17 Excluding treasury shares.
18 Last 12 months.
19 Percentages refer to the share capital on December 31st, 2023.

RELATIONS WITH THE FINANCIAL COMMUNITY

STOCK COVERAGE

As of December 31st, 2023, the stock was covered by 18 brokers who actively followed the Company, published specific research and analyses, and issued generally positive recommendations. Coverage by Goldman Sachs is temporarily suspended, while HSBC started coverage from January 2023, Bernstein Research restarted coverage from May 2023, Jefferies from November 2023 and Bank of America from January 2024.

AlphaValue	BNP Paribas	Jefferies
Banca Akros	Carnegie	JP Morgan
Banca IMI	Citi	Kepler Cheuvreux
Bank of America	Equita SIM	Mediobanca
Barclays	HSBC	Morgan Stanley
Bernstein Research	Intermonte	Oddo BHF Corporates & Markets

RESULTS CONFERENCE CALLS

Amplifon organizes conference calls and audiowebcasts with the financial community (analysts and institutional investors) for the release of its annual, half-year and quarterly results. On average, there were over 150 people connected to each conference call.

MEETINGS WITH THE FINANCIAL COMMUNITY

During 2023, the Company's management - Chief Executive Officer, Chief Financial Officer and Investor Relator - took part in 8 roadshows, both in person and virtually, with investors in the main international financial centers (London, Milan, Paris, New York, Boston, Chicago and Toronto), meeting around 110 institutional investors in one-on-one and group meetings. Furthermore, the Company attended 14 international conferences, both in the Healthcare and Hearing Aids sectors, organized by leading institutions such as Bank of America, Barclays, Citi, BNP Paribas, Jefferies and Kepler Cheuvreux, and conferences dedicated to Italian and/or mid-capitalization companies organized by Borsa Italiana, Equita SIM, Jefferies, Kepler Cheuvreux, Mediobanca and Unicredit. During these conferences, the management met around 400 institutional investors in both one-on-one and group meetings. In addition, management met over 130 institutional investors during company visits, via video or conference calls, leading to a total of more than 500 investors met throughout 2023.

SHAREHOLDER ENGAGEMENT POLICY

The Investor Relations and Shareholders Engagement Policy describes the principles and practices that Amplifon applies for managing the constant and ongoing relationship with shareholders, potential investors and the Company's main stakeholders, always based on active listening and on principles of fairness and transparency. The policy describes the relationships within the competences of the corporate functions and regulates the engagement activities designed to promote dialogue between the Company and its shareholders, defining the related topics, setting out the procedures and identifying the parties responsible for the engagement activities and the other persons potentially involved.

RECOGNITION BY THE FINANCIAL COMMUNITY

Also in 2023 Amplifon was recognized among the best companies in Europe in terms of Investor Relations in the "*Medical Technology & Services*" sector by a prestigious independent research institute in international finance. Amplifon was ranked first for "best CEO" and "best IR professional", and second for "best CFO". Amplifon also ranked at the top for ESG aspects, Investor Relations programs and IR team. Such achievements testify to the international community's appreciation for the dialogue and relationship of trust that the Group has established with the financial market and all the stakeholders over the years.

DEBT & CREDIT RATING

We leverage on a solid financial structure that allows us to support our ambitious growth projects and to embrace future opportunities thanks to a strong cash flow generation. In order to ensure consistency between our financial structure and our strategic objectives, we diversify the composition and maturity of the debt.

FINANCIAL STRUCTURE

Strong cash generation in 2023 with the operating cash flow at 300.0 million euros and free cash flow at 160.2 million euros, after capex of around 140 million euros. This result allowed us to finance cash-outs for acquisitions for 108.5 million euros and dividend distribution for 65.4 million euros. As of December 31st, 2022, we have liquidity of 194.0 million euros versus gross financial debt, excluding lease liabilities, of 1,046.2 million euros.

The medium to long-term component of debt amounts to 68.8% of the total debt, while the short-term is 31.2%. More than 70% of the debt can be considered fixed-rate debt since most of the variable-rate debt is swapped. During the year, the average cost of debt was around 2.8%.

Amplifon enjoys an average maturity of its debt of approximately two and a half years and a strong headroom (available liquidity and committed credit lines) totaling around 900 million euros.

BANKING MARKET

In June 2023, we signed a new sustainability-linked revolving credit facility with a pool of banks for a total amount of 300 million euros with a 3-year term and an extension option for 2 additional years at the Company's discretion. In line with our sustainability strategy, also the new revolving credit facility is linked to specific indicators of the Sustainability Plan, which if reached will activate a margin adjustment mechanism applied to the credit line. Moreover, in July 2023 we singed a loan with the European Investment Bank to further accelerate our innovation and digitalization process. The EIB financing gave us access to a flexible instrument of €300 million to be invested over four years (2023-2026). The loan can be disbursed in several tranches over the 24 months following the signing and has a repayment period of nine years from the date of each disbursement, and is characterized by more favorable conditions than those currently available on the market in view of the strategic role of the EIB in supporting innovation, digital economy and human development. The first tranche of the loan was disbursed in December 2023 for an amount of 75 million euros.

Both transactions provide us with greater financial flexibility, further strengthening our solid liquidity position, diversifying the sources of funding and extending the average debt maturity.

DEBT CAPITAL MARKETS

On February 5th, 2020, we placed non-convertible bond notes for 350 million euros with 7-year maturity. Amplifon has a public "BB+" corporate credit rating with a stable outlook by S&P Global Ratings Europe Limited ("S&P"), the same rating is also assigned to the bond notes.

2024 FINANCIAL CALENDAR

> MARCH 7TH, 2024
Board of Directors' meeting to approve the Consolidated Financial Statements, the draft of Amplifon S.p.A.'s Financial Statements at December 31st, 2023 and proposed allocation of 2023 Net Result

> APRIL 24TH, 2024
Shareholders' General Meeting (Single Call) to approve Amplifon S.p.A.'s Financial Statement at December 31st, 2023 and allocation of 2023 Net Result

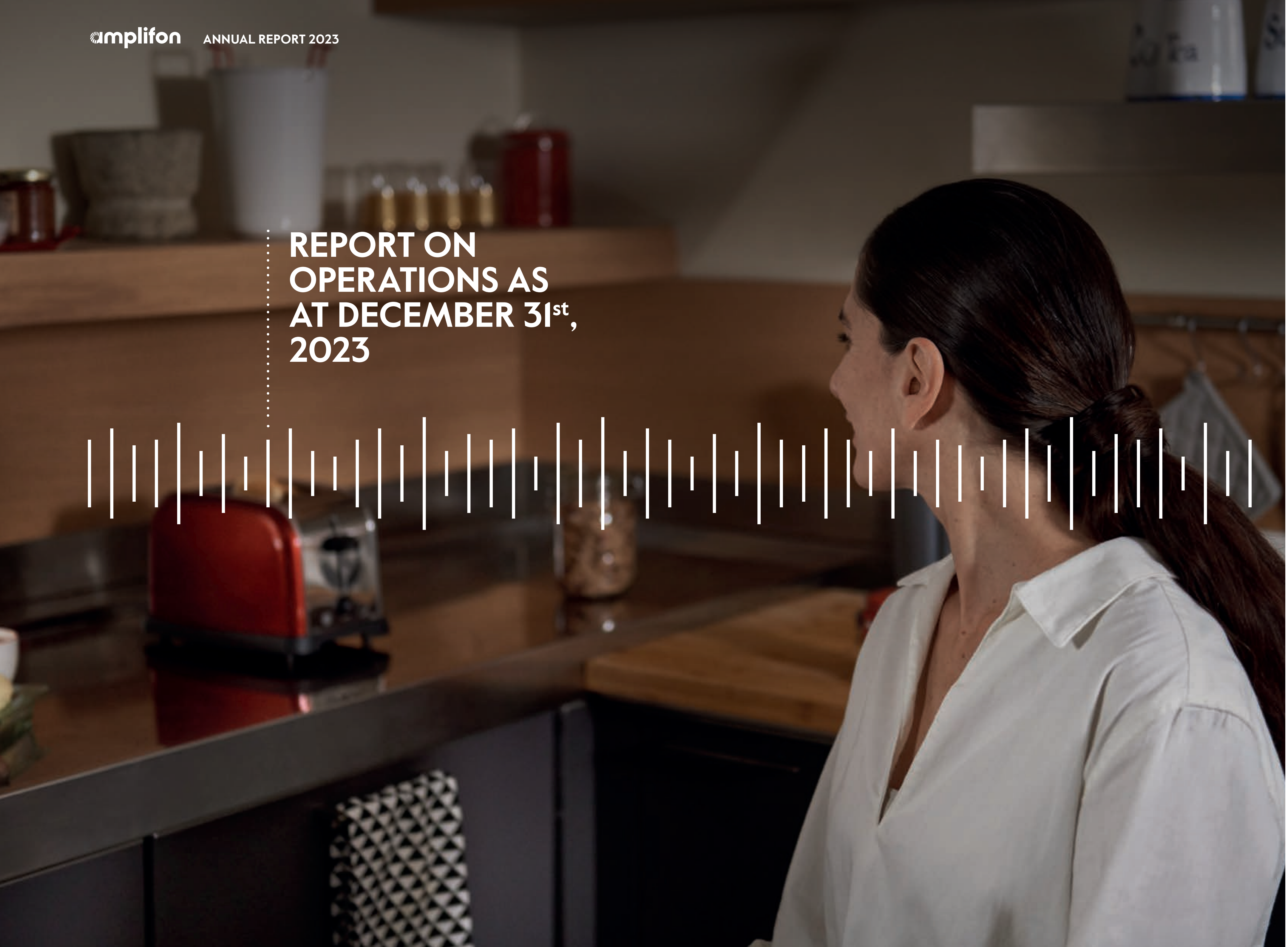
> MAY 6TH, 2024
Board of Directors' meeting to approve the Interim Financial Report at March 31st, 2024

> JULY 30TH, 2024
Board of Directors' meeting to approve the Interim Management Report at June 30th, 2024

> OCTOBER 30TH, 2024
Board of Directors' meeting to approve the Interim Financial Report at September 30th, 2024


WE EMPOWER PEOPLE
TO REDISCOVER
ALL THE EMOTIONS
OF SOUND

REPORT ON OPERATIONS AS AT DECEMBER 31st, 2023



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REPORT ON OPERATIONS AS AT DECEMBER 31st, 2023

COMMENTS ON THE FINANCIAL RESULTS

In 2023 Amplifon reported higher revenues than in the comparison period due to above-market organic growth. Profitability, while higher than in the comparison period, was impacted by lower operating leverage in EMEA resulting from strong investment to support future growth made in a softer-than-expected European market.

The year closed with:

- turnover of €2,260,084 thousand, up 10.2% at constant exchange rates and 6.7% at current exchange rates compared to 2022.
- a recurring gross operating margin (EBITDA) of €541,587 thousand, an increase of €16,294 thousand (+3.1%) with the EBITDA margin at 24.0% (-0.8 p.p. against the comparison period).
- Group net profit on a recurring basis of €165,790 a decrease of €17,500 thousand (-9.5%) compared to 2022 due to higher amortization and depreciation and financial expenses.

REVENUES PERFORMANCE

Consolidated revenues from sales and services amounted to €2,260,084 thousand in 2023, an increase of €140,958 thousand (+6.7%) compared to 2022, of which €169,450 thousand (+8.0%) attributable to organic growth. The foreign exchange effect was negative for €74,829 thousand (-3.5%). Revenues for the Argentinian subsidiary were affected by the inflation accounting used in accordance with IAS29, which had a positive impact on organic growth (0.8%) and a negative impact on the exchange effect.

Performance was very positive in all geographic areas: EMEA performed well in terms of revenues despite a softer-than-expected market and one less working day than in the comparison period; AMERICAS had the highest revenue growth, driven by both excellent organic growth and acquisitions; and APAC recorded an excellent performance thanks to double-digit organic growth in all area markets and the recent acquisitions in China.

The foreign exchange effect was negative due mainly to the weakening of the Australian dollar, the New Zealand dollar and, most importantly, the Argentine peso (devalued at the end of the year) against the Euro during the year.

PROFITABILITY PERFORMANCE

Gross operating profit (EBITDA) amounted to €526,849 thousand in 2023, an increase against the comparison period of €8,140 thousand (+1.6%). The EBITDA margin stood at 23.3%, a decrease of -1.2 p.p. compared to 2022.

The result for the reporting period reflects non-recurring expenses of €14,738 thousand explained:

- for €12,433 thousand, by the notional cost of one-off assignment, free of charge, made by the shareholder Ampliter of 500,000 of its Amplifon shares to the Chief Executive Officer, recognized in the reporting period in accordance with IFRS 2 "Share Based Payments". Further details can be found in Note 35;
- for €1,931 thousand, by the second phase of the GAES integration
- for €374 thousand, by the integration of Bay Audio.

Net of these items, EBITDA would have been €16,294 thousand (+3.1%) higher than in the 2022, with a decrease in the EBITDA margin of -0.8 p.p.

NET FINANCIAL POSITION CHANGES

Excluding lease liabilities net financial debt amounted to €852,130 thousand at 31 December 2023 compared to €829,993 thousand at year-end 2022. Free cash flow reached a positive €160,182 thousand (compared to €246,695 thousand in the prior year), down due to higher capital expenditure (€139,858 thousand compared to €106,292 thousand), higher tax payments (€77,679 thousand compared to €44,857 thousand), higher net financial expenses (Euro 49,103 thousand compared to Euro 31,073 thousand), and higher rents for stores and offices.

The net cash-out for acquisitions (€108,469 thousand versus €84,572 thousand in 2022), along with the dividends paid (€65,361 thousand versus €58,237 thousand in the comparison period) and the outlays for other financial assets (€3,884 thousand) bring cash flow for the reporting period to a negative €17,532 thousand versus positive €44,013 thousand in 2022.

Gross debt, excluding lease liabilities, amounted to €1,046,161 thousand at 31 December 2023, €719,428 thousand of which long-term. The short-term portion amounted to €326,733 thousand which is offset by cash and cash equivalents and other current financial assets of €194,031 thousand. The latter, along with the €480 million in unutilized irrevocable credit lines, the unutilized portion of the loan signed with the European Investment Bank amounting to €225 million and €101 million in other available uncommitted credit lines, provide ample headroom and ensure the flexibility needed to take advantage of any opportunities to consolidate and develop business that might materialize.

If the lease liabilities of €497,431 thousand are taken into account, net financial debt totals €1,349,561 thousand (€1,298,599 thousand at 31 December 2022).

CONSOLIDATED INCOME STATEMENT

(€ thousands)	FY 2023				FY 2022				
	Recurring	Non-recurring (*)	Total	% on recurring	Recurring	Non-recurring (*)	Total	% on recurring	Change % on recurring
Revenues from sales and services	2,260,084	-	2,260,084	100.0%	2,119,126	-	2,119,126	100.0%	6.7%
Operating costs (**)	(1,727,574)	(14,738)	(1,742,312)	-76.4%	(1,605,723)	(6,533)	(1,612,256)	-75.8%	-7.6%
Other income and costs (**)	9,077	-	9,077	0.4%	11,890	(51)	11,839	0.6%	-23.7%
Gross operating profit (loss) (EBITDA)	**541,587**	**(14,738)**	**526,849**	**24.0%**	**525,293**	**(6,584)**	**518,709**	**24.8%**	**3.1%**
Depreciation, amortization and impairment losses on non-current assets	(99,371)	-	(99,371)	-4.4%	(84,447)	-	(84,447)	-4.0%	-17.7%
Right-of-use depreciation	(119,292)	-	(119,292)	-5.3%	(108,491)	-	(108,491)	-5.1%	-10.0%
Operating result before the amortization and impairment of PPA related assets (EBITA)	**322,924**	**(14,738)**	**308,186**	**14.3%**	**332,355**	**(6,584)**	**325,771**	**15.7%**	**-2.8%**
PPA related depreciation, amortization and impairment	(48,974)	-	(48,974)	-2.2%	(47,102)	-	(47,102)	-2.2%	-4.0%
Operating profit (loss) (EBIT)	**273,950**	**(14,738)**	**259,212**	**12.1%**	**285,253**	**(6,584)**	**278,669**	**13.5%**	**-4.0%**
Income, expenses, revaluation and adjustments of financial assets	555	-	555	0.0%	309	-	309	0.0%	79.6%
Net financial expenses	(48,511)	-	(48,511)	-2.1%	(32,481)	-	(32,481)	-1.5%	-49.4%
Exchange differences, inflation accounting and Fair value valuation	(1,509)	-	(1,509)	-0.1%	(2,761)	-	(2,761)	-0.1%	45.3%
Profit (loss) before tax	**224,485**	**(14,738)**	**209,747**	**9.9%**	**250,320**	**(6,584)**	**243,736**	**11.9%**	**-10.3%**
Tax	(58,809)	4,087	(54,722)	-2.6%	(66,775)	1,819	(64,956)	-3.2%	11.9%
Net profit (loss)	**165,676**	**(10,651)**	**155,025**	**7.3%**	**183,545**	**(4,765)**	**178,780**	**8.7%**	**-9.7%**
Profit (loss) of minority interests	(114)	-	(114)	0.0%	255	-	255	0.0%	-144.7%
Net profit (loss) attributable to the Group	**165,790**	**(10,651)**	**155,139**	**7.3%**	**183,290**	**(4,765)**	**178,525**	**8.7%**	**-9.5%**

(*) See table at page 34 for details of non-recurring transactions.
(**) It's specified that, on the comparative period 2022, reclassifications between operating costs and other income and costs have been made in order to better represent financial information.

The indicators below are provided with the purpose to facilitate the financial statement analysis and are additional to ones provided by IFRS accounting standards. It is reported also the criteria used to calculate each indicator. Members of the Board consider such indicators as the most appropriate to monitor and analyze the Group financial information with regard the specific business.

- **EBITDA** is the operating result before charging financial gain or loss, taxes, amortization, depreciation, impairment of both tangible and intangible fixed assets and the right of use depreciation.
- **EBITA** is the operating result before charging financial gain or loss, taxes, 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.

(€ thousands)	Fourth quarter 2023				Fourth quarter 2022				
	Recurring	Non-recurring (*)	Total	% on recurring	Recurring	Non-recurring	Total	% on recurring	Change % on recurring
Revenues from sales and services	615,019	-	615,019	100.0%	579,431	-	579,431	100.0%	6.1%
Operating costs (**)	(462,774)	(1,517)	(464,291)	-75.2%	(429,721)	(903)	(430,624)	-74.2%	-7.7%
Other income and costs (**)	3,535	-	3,535	0.6%	6,052	-	6,052	1.0%	-41.6%
Gross operating profit (loss) (EBITDA)	**155,780**	**(1,517)**	**154,263**	**25.3%**	**155,762**	**(903)**	**154,859**	**26.9%**	**0.0%**
Depreciation, amortization and impairment losses on non-current assets	(31,010)	-	(31,010)	-5.0%	(22,421)	-	(22,421)	-3.9%	-38.3%
Right-of-use depreciation	(31,383)	-	(31,383)	-5.1%	(27,433)	-	(27,433)	-4.7%	-14.4%
Operating result before the amortization and impairment of PPA related assets (EBITA)	**93,387**	**(1,517)**	**91,870**	**15.2%**	**105,908**	**(903)**	**105,005**	**18.3%**	**-11.8%**
PPA related depreciation, amortization and impairment	(12,327)	-	(12,327)	-2.0%	(11,908)	-	(11,908)	-2.1%	-3.5%
Operating profit (loss) (EBIT)	**81,060**	**(1,517)**	**79,543**	**13.2%**	**94,000**	**(903)**	**93,097**	**16.2%**	**-13.8%**
Income, expenses, revaluation and adjustments of financial assets	344	-	344	0.1%	(15)	-	(15)	0.0%	2393.3%
Net financial expenses	(15,101)	-	(15,101)	-2.6%	(8,497)	-	(8,497)	-1.4%	-77.7%
Exchange differences, inflation accounting and Fair value valuation	2,185	-	2,185	0.4%	(848)	-	(848)	-0.1%	357.7%
Profit (loss) before tax	**68,488**	**(1,517)**	**66,971**	**11.1%**	**84,640**	**(903)**	**83,737**	**14.7%**	**-19.1%**
Tax	(15,629)	242	(15,387)	-2.5%	(20,899)	231	(20,668)	-3.7%	25.2%
Net profit (loss)	**52,859**	**(1,275)**	**51,584**	**8.6%**	**63,741**	**(672)**	**63,069**	**11.0%**	**-17.1%**
Profit (loss) of minority interests	(117)	-	(117)	0.0%	29	-	29	0.0%	-503.4%
Net profit (loss) attributable to the Group	**52,976**	**(1,275)**	**51,701**	**8.6%**	**63,712**	**(672)**	**63,040**	**11.0%**	**-16.9%**

(*) See table at page 34 for details of non-recurring transactions
(**) It's specified that, on the comparative period 2022, reclassifications between operating costs and other income and costs have been made in order to better represent financial information.

The non-recurring transactions, included in the previous tables, are summarized below:

- on 5 January 2023 the majority shareholder Ampliter S.r.l. ("Ampliter") issued a plan which provides for the one-off assignment, free of charge, of up to a maximum of 500,000 of the Amplifon shares owned by Ampliter, to the Chief Executive Officer. The shares will be transferred, free of charge, in five tranches, comprising a first tranche of 260,000 shares and subsequent ones of 60,000 shares each. As a result of this assignment, which was made completely autonomously by Ampliter and does not envisage any cash-out by Amplifon, based on IFRS 2 "Share Based Payments" an estimated one-off notional cost of €13.7 million was recognized in the income statement, of which €12.4 million in 2023 and €1.3 million in 2024. The notional cost for the fiscal year (€12,433 thousand) was recognized as a non-recurring expense at 31 December 2023.
- €1,931 thousand were spent on the second phase of the GAES integration in Spain.
- €374 thousand were also spent on the Bay Audio integration in Australia.

(€ thousands)

	FY 2023	FY 2022
Notional cost related to share assignment	(12,433)	-
Bay Audio acquisition and integration costs	(374)	(2,780)
Second phase of GAES integration costs	(1,931)	(2,804)
Charitable donation costs	-	(1,000)
Impact of the non-recurring items on EBITDA	**(14,738)**	**(6,584)**
Impact of the non-recurring items on EBIT	**(14,738)**	**(6,584)**
Impact of the non-recurring items on profit before tax	**(14,738)**	**(6,584)**
Impact of the above items on the tax burden for the period	4,087	1,819
Impact of the non-recurring items on net profit	**(10,651)**	**(4,765)**

(€ thousands)

	Q4 2023	Q4 2022
Notional cost related to share assignment	(819)	-
Bay Audio acquisition and integration costs	(200)	(125)
Second phase of GAES integration costs	(498)	(778)
Charitable donation costs	-	-
Impact of the non-recurring items on EBITDA	**(1,517)**	**(903)**
Impact of the non-recurring items on EBIT	**(1,517)**	**(903)**
Impact of the non-recurring items on profit before tax	**(1,517)**	**(903)**
Impact of the above items on the tax burden for the period	242	231
Impact of the non-recurring items on net profit	**(1,275)**	**(672)**

RECLASSIFIED 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)

	12/31/2023	12/31/2022	Change
Goodwill	1,799,574	1,754,028	45,546
Customer lists, non-compete agreements, trademarks and location rights	255,683	266,125	(10,442)
Software, licenses, other int.ass., wip and advances	160,906	153,973	6,933
Property, plant and equipment	221,516	193,415	28,101
Right of use assets	478,153	451,747	26,406
Fixed financial assets (1)	16,704	13,292	3,412
Other non-current financial assets (1)	43,851	42,402	1,449
Total fixed assets	**2,976,387**	**2,874,982**	**101,405**
Inventories	88,320	76,258	12,062
Trade receivables	231,253	192,066	39,187
Other receivables	107,042	77,891	29,151
Current assets (A)	**426,615**	**346,215**	**80,400**
Total assets	**3,403,002**	**3,221,197**	**181,805**
Trade payables	(358,955)	(325,583)	(33,372)
Other payables (2)	(379,290)	(360,461)	(18,829)
Provisions for risks (current portion)	(1,268)	(1,663)	395
Short term liabilities (B)	**(739,513)**	**(687,707)**	**(51,806)**
Net working capital (A) - (B)	**(312,898)**	**(341,492)**	**28,594**
Derivative instruments (3)	12,933	24,474	(11,541)
Deferred tax assets	82,701	81,780	921
Deferred tax liabilities	(98,451)	(106,683)	8,232
Provisions for risks (non-current portion)	(19,379)	(19,944)	565
Employee benefits (non-current portion)	(12,963)	(8,940)	(4,023)
Loan fees (4)	3,007	4,508	(1,501)
Other long-term payables	(180,098)	(169,736)	(10,362)
NET INVESTED CAPITAL	**2,451,239**	**2,338,949**	**112,290**
Shareholders' equity	1,100,919	1,038,509	62,410
Third parties' equity	759	1,841	(1,082)
Net equity	**1,101,678**	**1,040,350**	**61,328**
Long term net financial debt (4)	719,428	807,907	(88,479)
Short term net financial debt (4)	132,702	22,086	110,616
Total net financial debt	**852,130**	**829,993**	**22,137**
Lease liabilities	497,431	468,606	28,825
Total lease liabilities & net financial debt	**1,349,561**	**1,298,599**	**50,962**
NET EQUITY, LEASE LIABILITIES AND NET FINANCIAL DEBT	**2,451,239**	**2,338,949**	**112,290**

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

CONDENSED RECLASSIFIED CONSOLIDATED CASH FLOW STATEMENT

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

(€ thousands)

	FY 2023	FY 2022
EBIT	**259,212**	**278,669**
Amortization, depreciation and write-downs	267,637	240,040
Provisions, other non-monetary items and gain/losses from disposals	35,871	13,889
Net financial expenses	(49,103)	(31,073)
Taxes paid	(77,679)	(44,857)
Changes in net working capital	(19,711)	3,617
Cash flow provided by (used in) operating activities before repayment of lease liabilities	**416,227**	**460,285**
Repayment of lease liabilities	(116,187)	(107,298)
Cash flow provided by (used in) operating activities (A)	**300,040**	**352,987**
Cash flow provided by (used in) operating investing activities (B)	(139,858)	(106,292)
Free Cash Flow (A+B)	**160,182**	**246,695**
Net cash flow provided by (used in) acquisitions (C)	(108,469)	(84,572)
Cash flow provided by (used in) investing activities (B+C)	**(248,327)**	**(190,864)**
Cash flow provided by (used in) in operating and investing activities	**51,713**	**162,123**
Dividends	(65,361)	(58,237)
Treasury shares	-	(53,093)
Capital increases, third parties' contributions and dividends paid by subsidiaries to third parties	(215)	(608)
Hedging instruments	(1,483)	-
Fees paid on medium/long-term financing	(1,413)	-
Other changes in non-current assets	(773)	(6,172)
Net cash flow from the period	**(17,532)**	**44,013**
Net financial indebtedness at the beginning of the period net of lease liabilities	**(829,993)**	**(871,186)**
Effect of exchange rate fluctuations on net financial indebtedness	(4,605)	(2,820)
Changes in net indebtedness	(17,532)	44,013
Net financial indebtedness at the end of the period net of lease liabilities	**(852,130)**	**(829,993)**

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

(€ thousands)

	FY 2023	FY 2022
Free cash flow	**160,182**	**246,695**
Free cash flow generated by non-recurring transactions (see page 66 for details)	(3,731)	(6,789)
Free cash flow generated by recurring transactions	**163,913**	**253,484**

INDICATORS

	12/31/2023	12/31/2022
Net financial indebtedness net of lease liabilities (€ thousands)	852,130	829,993
Lease liabilities (€ thousands)	497,431	468,606
Total lease liabilities & net financial indebtedness (€ thousands)	1,349,561	1,298,599
Net equity (€ thousands)	1,100,919	1,040,350
Group Net Equity (€ thousands)	1,101,678	1,038,509
Net financial indebtedness/Net Equity	0.77	0.80
Net financial indebtedness/Group Net Equity	0.77	0.80
Net financial indebtedness/EBITDA	1.50	1.52
EBITDA/Net financial expenses	18.03	22.26
Earnings per share (EPS) (€)	0.69285	0.79570
Diluted EPS (€)	0.68809	0.78699
EPS (€) adjusted for non-recurring transactions and amortization/depreciation related to purchase price allocations to tangible and intangible assets	0.91271	0.97738
Group Net Equity per share (€)	4.880	4.625
Dividend per share (DPS) (€)(*)	0.29	0.29
Pay out ratio (%) (*)	41.86%	36.45%
Dividend yield (%) (*)	0.93%	1.04%
Period-end price (€)	31.340	27.820
Highest price in period (€)	36.270	47.044
Lowest price in period (€)	24.490	23.250
Price/earning ratio (P/E)	45.23	34.96
Share price/net equity per share	6.422	6.016
Market capitalization (€ millions)	7,074.89	6,247.18
Number of shares outstanding	225,746,472	224,557,260

(*) Dividend to be proposed by the Board of Directors to the Shareholders' Meeting convened on 24 April 2024.

- **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.
- **Dividend per share (DPS)** is the dividend paid in the following year, decided by the shareholders' meeting following the approval of the financial statements of the reported year. This ratio is not given in the interim reports because it is meaningful only with reference to the full year result.
- **Pay-out ratio (%)** is the ratio of the dividend paid on EPS.
- **Dividend yield (%)** is the ratio of the dividend per share paid in the following year, on the share price determined in December 31st of the reported year.
- **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.
- **Price/Earnings ratio (P/E)** is the ratio of the share price determined during the last stock exchange trading day of the period on earnings per share.
- **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.

INCOME STATEMENT REVIEW

CONSOLIDATED INCOME STATEMENT BY SEGMENT AND GEOGRAPHIC AREA

(€ thousands)	FY 2023				
	EMEA	Americas	Asia Pacific	Corporate	Total
Revenues from sales and services	1,485,278	429,577	344,738	491	2,260,084
Operating costs	(1,072,587)	(318,249)	(255,571)	(95,905)	(1,742,312)
Other income and costs	4,354	3,637	304	782	9,077
Gross operating profit (loss) (EBITDA)	**417,045**	**114,965**	**89,471**	**(94,632)**	**526,849**
Depreciation, amortization and impairment of non-current assets	(42,666)	(15,785)	(14,858)	(26,062)	(99,371)
Right-of-use depreciation	(78,464)	(11,714)	(26,837)	(2,277)	(119,292)
Operating profit (loss) before the depreciation and amortization of PPA related assets (EBITA)	**295,915**	**87,466**	**47,776**	**(122,971)**	**308,186**
PPA related depreciation, amortization and impairment	(33,197)	(4,034)	(11,701)	(42)	(48,974)
Operating profit (loss) (EBIT)	**262,718**	**83,432**	**36,075**	**(123,013)**	**259,212**
Income, expenses, revaluation and adjustments of financial assets					555
Net financial expenses					(48,511)
Exchange differences, inflation accounting and Fair value valuation					(1,509)
Profit (loss) before tax					**209,747**
Tax					(54,722)
Net profit (loss)					**155,025**
Profit (loss) of minority interests					(114)
Net profit (loss) attributable to the Group					**155,139**

(€ thousands)	FY 2023 – Only recurring operations				
	EMEA	Americas	Asia Pacific	Corporate	Total
Revenues from sales and services	1,485,278	429,577	344,738	491	2,260,084
Gross operating profit (loss) (EBITDA)	418,976	114,965	89,845	(82,199)	541,587
Operating profit (loss) before the depreciation and amortization of PPA related assets (EBITA)	297,847	87,466	48,149	(110,538)	322,924
Operating profit (loss) (EBIT)	264,649	83,432	36,448	(110,579)	273,950
Profit (loss) before tax					224,485
Net profit (loss) of Group and minority					165,676
Net profit (loss) attributable to the Group					165,790

(€ thousands)			FY 2022		
	EMEA	Americas	Asia Pacific	Corporate	Total
Revenues from sales and services	1,417,163	381,294	320,146	523	2,119,126
Operating costs (*)	(1,012,216)	(283,805)	(239,229)	(77,006)	(1,612,256)
Other income and costs (*)	7,758	2,885	215	981	11,839
Gross operating profit (loss) (EBITDA)	**412,705**	**100,374**	**81,132**	**(75,502)**	**518,709**
Depreciation, amortization and impairment of non-current assets	(41,172)	(11,665)	(12,634)	(18,976)	(84,447)
Right-of-use depreciation	(75,620)	(8,142)	(22,465)	(2,264)	(108,491)
Operating profit (loss) before the depreciation and amortization of PPA related assets (EBITA)	**295,913**	**80,567**	**46,033**	**(96,742)**	**325,771**
PPA related depreciation, amortization and impairment	(31,274)	(3,550)	(12,195)	(83)	(47,102)
Operating profit (loss) (EBIT)	**264,639**	**77,017**	**33,838**	**(96,825)**	**278,669**
Income, expenses, revaluation and adjustments of financial assets					309
Net financial expenses					(32,481)
Exchange differences, inflation accounting and Fair value valuation					(2,761)
Profit (loss) before tax					**243,736**
Tax					(64,956)
Net profit (loss)					**178,780**
Profit (loss) of minority interests					255
Net profit (loss) attributable to the Group					**178,525**

(*) It's specified that, on the comparative period 2022, reclassifications between operating costs and other income and costs have been made in order to better represent financial information.

(€ thousands)			FY 2022 – Only recurring operations		
	EMEA	Americas	Asia Pacific	Corporate	Total
Revenues from sales and services	1,417,162	381,295	320,146	523	2,119,126
Gross operating profit (loss) (EBITDA)	415,509	100,375	83,911	(74,502)	525,293
Operating profit (loss) before the depreciation and amortization of PPA related assets (EBITA)	298,717	80,569	48,812	(95,743)	332,355
Operating profit (loss) (EBIT)	267,443	77,017	36,617	(95,824)	285,253
Profit (loss) before tax					250,320
Net profit (loss) of Group and minority					183,545
Net profit (loss) attributable to the Group					183,290

(€ thousands) Fourth Quarter 2023

	EMEA	Americas	Asia Pacific	Corporate	Total
Revenues from sales and services	418,046	107,593	89,226	154	615,019
Operating costs	(300,716)	(78,546)	(66,362)	(18,667)	(464,291)
Other income and costs	881	1,969	316	369	3,535
Gross operating profit (loss) (EBITDA)	**118,211**	**31,016**	**23,180**	**(18,144)**	**154,263**
Depreciation, amortization and impairment of non-current assets	(11,897)	(6,865)	(4,528)	(7,720)	(31,010)
Right-of-use depreciation	(20,423)	(3,039)	(7,347)	(574)	(31,383)
Operating profit (loss) before the depreciation and amortization of PPA related assets (EBITA)	**85,891**	**21,112**	**11,305**	**(26,438)**	**91,870**
PPA related depreciation, amortization and impairment	(8,463)	(900)	(2,964)	-	(12,327)
Operating profit (loss) (EBIT)	**77,428**	**20,212**	**8,341**	**(26,438)**	**79,543**
Income, expenses, revaluation and adjustments of financial assets					344
Net financial expenses					(15,101)
Exchange differences, inflation accounting and Fair value valuation					2,185
Profit (loss) before tax					**66,971**
Tax					(15,387)
Net profit (loss)					**51,584**
Profit (loss) of of minority interests					(117)
Net profit (loss) attributable to the Group					**51,701**

(€ thousands) Fourth quarter 2023 – Only recurring operations

	EMEA	Americas	Asia Pacific	Corporate	Total
Revenues from sales and services	418,046	107,593	89,226	154	615,019
Gross operating profit (loss) (EBITDA)	118,710	31,016	23,380	(17,326)	155,780
Operating profit (loss) before the depreciation and amortization of PPA related assets (EBITA)	86,389	21,112	11,506	(25,620)	93,387
Operating profit (loss) (EBIT)	77,926	20,212	8,542	(25,620)	81,060
Profit (loss) before tax					68,488
Net profit (loss) of Group and minority					52,859
Net profit (loss) attributable to the Group					52,976

(€ thousands)			Fourth Quarter 2022		
	EMEA	Americas	Asia Pacific	Corporate	Total
Revenues from sales and services	397,908	99,251	82,160	112	579,431
Operating costs (*)	(278,035)	(75,370)	(61,054)	(16,165)	(430,624)
Other income and costs (*)	2,986	3,037	9	20	6,052
Gross operating profit (loss) (EBITDA)	**122,859**	**26,918**	**21,115**	**(16,033)**	**154,859**
Depreciation, amortization and impairment of non-current assets	(11,155)	(3,238)	(3,043)	(4,985)	(22,421)
Right-of-use depreciation	(19,433)	(2,351)	(5,087)	(562)	(27,433)
Operating profit (loss) before the depreciation and amortization of PPA related assets (EBITA)	**92,271**	**21,329**	**12,985**	**(21,580)**	**105,005**
PPA related depreciation, amortization and impairment	(7,988)	(937)	(2,962)	(21)	(11,908)
Operating profit (loss) (EBIT)	**84,283**	**20,392**	**10,023**	**(21,601)**	**93,097**
Income, expenses, revaluation and adjustments of financial assets					(15)
Net financial expenses					(8,497)
Exchange differences, inflation accounting and Fair value valuation					(848)
Profit (loss) before tax					**83,737**
Tax					(20,668)
Net profit (loss)					**63,069**
Profit (loss) of minority interests					29
Net profit (loss) attributable to the Group					**63,040**

(*) It's specified that, on the comparative period 2022, reclassifications between operating costs and other income and costs have been made in order to better represent financial information.

(€ thousands)			Fourth quarter 2022 – Only recurring operations		
	EMEA	Americas	Asia Pacific	Corporate	Total
Revenues from sales and services	397,908	99,251	82,160	112	579,431
Gross operating profit (loss) (EBITDA)	123,636	26,918	21,241	(16,033)	155,762
Operating profit (loss) before the depreciation and amortization of PPA related assets (EBITA)	93,048	21,329	13,110	(21,579)	105,908
Operating profit (loss) (EBIT)	85,060	20,392	10,149	(21,601)	94,000
Profit (loss) before tax					84,640
Net profit (loss) of Group and minority					63,741
Net profit (loss) attributable to the Group					63,712

REVENUES FROM SALES AND SERVICES

(€ thousands)

	FY 2023	FY 2022	Change	Change %
Revenues from sales and services	**2,260,084**	**2,119,126**	**140,958**	**6.7%**

(€ thousands)

	Fourth quarter 2023	Fourth quarter 2022	Change	Change %
Revenues from sales and services	**615,019**	**579,431**	**35,588**	**6.1%**

Consolidated revenues from sales and services amounted to €2,260,084 thousand in 2023, an increase of €140,958 thousand (+6.7%) compared to the prior year.

The increase against 2022 is explained for €169,450 thousand (+8.0%) by positive organic growth and for €46,337 thousand (+2.2%) by acquisitions. Revenues from the Argentinian subsidiary were impacted by the inflation accounting used in accordance with IAS29, which contributed positively to organic growth (0.8%) and negatively to the foreign exchange effect.

Performance was very positive in all geographic areas: EMEA performed well in terms of revenues despite a softer-than-expected market and one less working day than in the comparison period; AMERICAS had the highest revenue growth, driven by both excellent organic growth and acquisitions; and APAC recorded an excellent performance thanks to double-digit organic growth in all area markets and the recent acquisitions in China.

The foreign exchange effect was negative due mainly to the weakening of the Australian dollar, the New Zealand dollar and, most importantly, the Argentine peso (devalued at the end of the year) against the Euro during the year.

In the fourth quarter alone, consolidated revenues from sales and services rose €35,588 thousand (+6.1%) to €615,019 thousand explained for €51,827 thousand (+8.9%) by organic growth and for €13,467 thousand (+2.3%) by acquisitions. The exchange effect was negative for €29,706 thousand (-5.1%). Revenues from the Argentinian subsidiary were impacted by the inflation accounting used in accordance with IAS29, which contributed positively to organic growth (2.0%) and negatively to the foreign exchange effect.

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

(€ thousands)

	FY 2023	% on total	FY 2022	% on total	Change	Change %	Exchange diff.	Change % in local currency
EMEA	1,485,278	65.7%	1,417,163	66.9%	68,115	4.8%	(1,938)	5.0%
Americas	429,577	19.0%	381,294	18.0%	48,283	12.7%	(48,329)	25.4%
Asia Pacific	344,738	15.3%	320,146	15.1%	24,592	7.7%	(24,562)	15.4%
Corporate	491	0.0%	523	0.0%	(32)	-6.1%	-	-6.1%
Total	**2,260,084**	**100.0%**	**2,119,126**	**100.0%**	**140,958**	**6.7%**	**(74,829)**	**10.2%**

EUROPE, MIDDLE-EAST AND AFRICA

(€ thousands)

Period	FY 2023	FY 2022	Change	Change %
I quarter	359,707	340,171	19,536	5.7%
II quarter	375,775	364,478	11,297	3.1%
I half	**735,482**	**704,649**	**30,833**	**4.4%**
III quarter	331,750	314,606	17,144	5.4%
IV quarter	418,046	397,908	20,138	5.1%
II half	**749,796**	**712,514**	**37,282**	**5.2%**
Total year	**1,485,278**	**1,417,163**	**68,115**	**4.8%**

Revenues from sales and services amounted to €1,485,278 thousand in 2023, an increase of €68,115 thousand (+4.8%) compared to the prior year, of which €56,588 thousand is attributable to organic growth (+4.0%). Acquisitions contributed €13,465 thousand (+1.0%) and the foreign exchange effect was negative for €1,938 thousand (-0.2%).

Even though it was affected by weaker-than-expected market demand, organic growth outperformed the reference market due to increased market share in core countries and a positive pricing effect.

The contribution of acquisitions is attributable mainly to the bolt-on acquisitions made in France and Germany in 2023.

In the fourth quarter alone, consolidated revenues from sales and services amounted to €418,046 thousand, €20,138 thousand (+5.1%) higher than in the comparison period. The difference is explained for €16,124 thousand (+4.1%) by positive organic growth and for €3,950 thousand (+1.0%) by acquisitions. The foreign exchange effect was slightly negative for €64 thousand.

AMERICAS

(€ thousands)

Period	FY 2023	FY 2022	Change	Change %
I quarter	100,865	84,021	16,844	20.0%
II quarter	111,797	96,769	15,028	15.5%
I half	**212,662**	**180,790**	**31,872**	**17.6%**
III quarter	109,322	101,254	8,068	8.0%
IV quarter	107,593	99,251	8,342	8.4%
II half	**216,915**	**200,505**	**16,410**	**8.2%**
Total year	**429,577**	**381,294**	**48,283**	**12.7%**

Consolidated revenues from sales and services amounted to €429,577 thousand in 2023, an increase of €48,283 thousand (+12.7%) compared to 2022. This excellent result is explained for €70,409 thousand (+18.5%) by organic growth fueled by Miracle-Ear and Amplifon Hearing Health Care. Acquisitions contributed €26,203 thousand (+6.9%) stemming from the bolt-on acquisitions made in the US and Canada, while the foreign exchange effect was negative for €48,329 thousand (-12.7%) due mainly to the sizeable devaluation of the Argentine peso in December. Revenues for the Argentinian subsidiary were affected by the inflation accounting used in accordance with IAS29, which contributed positively to organic growth (4.2%) and negatively to the foreign exchange effect

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

In the fourth quarter alone, consolidated revenues from sales and services amounted to €107,593 thousand, an increase of €8,342 thousand (+8.4%) against the comparison period attributable to positive organic growth for €25,912 thousand (+26.1%), acquisitions for €6,757 thousand (+6.8%), while the foreign exchange effect was negative for €24,327 thousand (-24.5%). Revenues of the Argentinian subsidiary were affected by the inflation accounting used in accordance with IAS29, which contributed positively to organic growth (11.6%) and negatively to the foreign exchange effect.

ASIA PACIFIC

(€ thousands)

Period	FY 2023	FY 2022	Change	Change %
I quarter	79,595	71,462	8,133	11.4%
II quarter	85,786	80,031	5,755	7.2%
I half	**165,381**	**151,493**	**13,888**	**9.2%**
III quarter	90,131	86,493	3,637	4.2%
IV quarter	89,226	82,160	7,066	8.6%
II half	**179,357**	**168,653**	**10,704**	**6.3%**
Total year	**344,738**	**320,146**	**24,592**	**7.7%**

Consolidated revenues from sales and services amounted to €344,738 thousand in 2023, an increase of €24,592 thousand (+7.7%) compared to 2022 explained for €42,485 thousand (+13.3%), by excellent organic growth and for €6,669 thousand (+2.1%), by the acquisitions made in China. The foreign exchange effect was negative for €24,562 thousand (-7.7%) due mainly to the weakening of the Australian and New Zealand dollars against the Euro in the year.

In the fourth quarter alone consolidated revenues from sales and services amounted to € 89,226 thousand, an increase of €7,066 thousand (+8.6%) explained for €9,749 thousand (+11.9%) by positive organic growth and for €2,760 thousand (+3.4%) by the acquisitions made in China. The foreign exchange effect was negative for €5,443 thousand (-6.7%).

GROSS OPERATING PROFIT (EBITDA)

(€ thousands)	FY 2023			FY 2022		
	Recurring	Non-recurring	Total	Recurring	Non-recurring	Total
Gross operating profit (loss) (EBITDA)	**541,587**	**(14,738)**	**526,849**	**525,293**	**(6,584)**	**518,709**

(€ thousands)	Fourth quarter 2023			Fourth quarter 2022		
	Recurring	Non-recurring	Total	Recurring	Non-recurring	Total
Gross operating profit (loss) (EBITDA)	**155,780**	**(1,517)**	**154,263**	**155,762**	**(903)**	**154,859**

Gross operating profit (EBITDA) amounted to €526,849 thousand in 2023, an increase of €8,140 thousand (+1.6%) with respect to the comparison period. The EBITDA margin came to 23.3%, 1.2 p.p. lower than in the comparison period due to lower operating leverage in EMEA as a result of the strong investment made to sustain future growth in a softer-than-expected European market.

The result for the reporting period reflects non-recurring expenses of €14,738 thousand explained:

- for €12,433 thousand, by the notional cost of the one-off assignment, free of charge, made by the shareholder Ampliter of 500,000 of its Amplifon shares to the Chief Executive Officer, recognized in the reporting period in accordance with IFRS 2 "Share Based Payments". Further details can be found in Note 35;
- for €1,931 thousand, by the second phase of the GAES integration
- for €374 thousand, by the integration of Bay Audio.

In 2022 non-recurring expenses of €6,584 thousand were also incurred.
Net of these items, EBITDA would have been €16,294 thousand (+3.1%) higher than in 2022 with the EBITDA margin down -0.8 p.p. at 24.0%.
In the fourth quarter alone, the gross operating profit (EBITDA) amounted to €154,263 thousand, an decrease of €596 thousand (-0.4%) with respect to the comparison period. The EBITDA margin came to 25.1%, 1.6 p.p. lower than in the comparison period.

The result for the quarter reflects non-recurring expenses of €1,517 thousand explained:

- for €819 thousand, by the notional cost of the assignment of shares described above;
- for €498 thousand, by the second phase of the GAES integration;
- for €200 thousand, by the integration of Bay Audio.

In the fourth quarter of 2022 non-recurring expenses of €903 thousand were also incurred.

Net of these items, recurring EBITDA would have been largely unchanged with respect to fourth quarter 2022 with the EBITDA margin down -1.6 p.p. at 25.3%.

The breakdown of EBITDA by geographic region is shown below.

(€ thousands)

	FY 2023	EBITDA Margin	FY 2022	EBITDA Margin	Change	Change %
EMEA	417,045	28.1%	412,705	29.1%	4,340	1.1%
Americas	114,965	26.8%	100,374	26.3%	14,591	14.5%
Asia Pacific	89,471	26.0%	81,132	25.3%	8,339	10.3%
Corporate (*)	(94,632)	-4.2%	(75,502)	-3.6%	(19,130)	-25.3%
Total	**526,849**	**23.3%**	**518,709**	**24.5%**	**8,140**	**1.6%**

(€ thousands)

	Fourth quarter 2023	EBITDA Margin	Fourth quarter 2022	EBITDA Margin	Change	Change %
EMEA	118,211	28.3%	122,859	30.9%	(4,648)	-3.8%
Americas	31,016	28.8%	26,918	27.1%	4,098	15.2%
Asia Pacific	23,180	26.0%	21,115	25.7%	2,065	9.8%
Corporate (*)	(18,144)	-3.0%	(16,033)	-2.8%	(2,111)	-13.2%
Total	**154,263**	**25.1%**	**154,859**	**26.7%**	**(596)**	**-0.4%**

(*) 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)

	FY 2023	EBITDA Margin	FY 2022	EBITDA Margin	Change	Change %
EMEA	418,976	28.2%	415,509	29.3%	3,467	0.8%
Americas	114,965	26.8%	100,375	26.3%	14,590	14.5%
Asia Pacific	89,845	26.1%	83,911	26.2%	5,934	7.1%
Corporate (*)	(82,199)	-3.6%	(74,502)	-3.5%	(7,697)	-10.3%
Total	**541,587**	**24.0%**	**525,293**	**24.8%**	**16,294**	**3.1%**

(€ thousands)

	Fourth quarter 2023	EBITDA Margin	Fourth quarter 2022	EBITDA Margin	Change	Change %
EMEA	118,710	28.4%	123,636	31.1%	(4,926)	-4.0%
Americas	31,016	28.8%	26,918	27.1%	4,098	15.2%
Asia Pacific	23,380	26.2%	21,241	25.9%	2,139	10.1%
Corporate (*)	(17,326)	-2.8%	(16,033)	-2.8%	(1,293)	-8.1%
Total	**155,780**	**25.3%**	**155,762**	**26.9%**	**18**	**0.0%**

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

EUROPE, MIDDLE-EAST AND AFRICA

Gross operating profit (EBITDA) amounted to €417,045 thousand in 2023, an increase of €4,340 thousand (+1.1%) with respect to the comparison period.

The EBITDA margin came to 28.1%, 1.0 p.p. lower than in 2022.

The result for the reporting period reflects non-recurring expenses of €1,931 thousand attributable to the second phase of the GAES integration.

In 2022 non-recurring expenses of €2,804 thousand were also incurred.

Net of these items, EBITDA would have been €3,467 thousand (+0.8%) higher than in 2022 with the EBITDA margin down -1.1 p.p. at 28.2%.

In the fourth quarter alone gross operating profit (EBITDA) amounted to €118,211 thousand, a decrease of €4,648 thousand (-3.8%) with respect to the comparison period. The EBITDA margin was -2.6 p.p. lower than in the comparison period, coming in at 28.3%.

The result for the reporting period reflects non-recurring expenses of €498 thousand attributable to the second phase of the GAES integration.

In the fourth quarter of 2022 non-recurring expenses of €778 thousand were also incurred.

Net of these items, recurring EBITDA would have been €4,926 thousand (-4.0%) lower than in the fourth quarter of 2022 with the EBITDA margin down -2.7 p.p. against fourth quarter 2022 at 28.4%.

AMERICAS

Gross operating profit (EBITDA) amounted to €114,965 thousand in 2023, an increase of €14,590 thousand (+14.5%) with respect to the comparison period. The EBITDA margin came to 26.8%, 0.5 p.p. higher than in 2022.

In the fourth quarter alone, the gross operating profit (EBITDA) amounted to €31,016 thousand, an increase of €4,098 thousand (+15.2%) compared to the comparison period.

The EBITDA margin came to 28.8%, an increase of 1.7 p.p. against the comparison period.

ASIA PACIFIC

Gross operating profit (EBITDA) amounted to €89,471 thousand in 2023, an increase of €8,339 thousand (+10.3%) with respect to the comparison period. The EBITDA margin came to 26.0%, 0.7 p.p. higher than in 2022.

The result reflects non-recurring costs of €374 thousand linked to the Bay Audio integration.

Net of this item, recurring EBITDA would have been €5,934 thousand higher (+7.1%) with the EBITDA margin down -0.1 p.p. against 2022 at 26.1%.

In the fourth quarter alone gross operating profit (EBITDA) amounted to €23,180 thousand, an increase of €2,065 thousand (+9.8%) with respect to the comparison period.

The EBITDA margin was +0.3 p.p. higher than in the comparison period, coming in at 26.0%.

In the fourth quarter of 2023 non-recurring expenses of €200 thousand were incurred linked to the Bay Audio integration.

In the fourth quarter of 2022 non-recurring expenses of €125 thousand were incurred.

Net of these items, recurring EBITDA would have been €2,139 thousand higher (+10.1%) with the EBITDA margin up 0.3 p.p. against fourth quarter 2022 at 26.2%.

CONSOLIDATED FINANCIAL STATEMENTS
CONSOLIDATED NON-FINANCIAL STATEMENT
REPORT ON OPERATIONS
AMPLIFON AT A GLANCE

CORPORATE

In 2023 the net cost of centralized corporate functions (corporate bodies, general management, business development, procurement, treasury, legal affairs, human resources, IT systems, global marketing and internal audit) which do not qualify as operating segments under IFRS 8 amounted to €94,632 thousand (-4.2% of the revenues generated by the Group's sales and services), an increase of €19,130 thousand (+25.3%) with respect to 2022.

The result for the reporting period reflects the non-recurring expenses of €12,433 thousand stemming from the notional cost of the one-off assignment, free of charge, made by the shareholder Ampliter of 500,000 of its Amplifon shares to the Chief Executive Officer recognized in the reporting period in accordance with IFRS 2 "Share Based Payments". Further details can be found in Note 35.

In 2022 non-recurring expenses of €1,000 thousand were also recognized.

Net of these items, costs would have been €7,697 thousand (10.3%) higher than in 2022, with the margin down -0.1 p.p.

In the fourth quarter of 2023 the cost of centralized corporate functions was €18,144 thousand (-3.0% of the revenues generated by the Group's sales and services), €2,111 thousand (+13.2%) higher than in fourth quarter 2022.

The result for the fourth quarter reflects the non-recurring expenses of €819 thousand stemming from the assignment of shares described above.

Net of this item, costs would have been €1,293 thousand (+8.1%) higher than in the fourth quarter of 2022 and the margin would have been in line with the comparison period.

OPERATING PROFIT (EBIT)

(€ thousands)	FY 2023			FY 2022		
	Recurring	Non-recurring	Total	Recurring	Non-recurring	Total
Operating profit (loss) (EBIT)	273,950	(14,738)	259,212	285,253	(6,584)	278,669

(€ thousands)	Fourth quarter 2023			Fourth quarter 2022		
	Recurring	Non-recurring	Total	Recurring	Non-recurring	Total
Operating profit (loss) (EBIT)	81,060	(1,517)	79,543	94,000	(903)	93,097

Operating profit (EBIT) amounted to €259,212 thousand in 2023, a decrease of €19,457 thousand (-7.0%) with respect to the comparison period.

The EBIT margin came to 11.5%, a decrease of 1.7 p.p. against the comparison period.

The reporting period was impacted for €14,738 thousand by the same non-recurring expenses described in the section on EBITDA.

FY 2022 were also impacted by non-recurring expenses of €6,584 thousand. Net of these items, EBIT would have been €11,303 thousand (-4.0%) lower than in 2022, with the EBIT margin down 1.4 p.p. at 12.1%.

With respect to the gross operating profit (EBITDA), EBIT was also impacted by an increase in depreciation and amortization as a result of the strong increase in investments made over the last few years in network stores, digitalization, IT systems, and in acquisitions resulting in the temporary allocation of the price paid to intangible assets, as well as higher amortization for right-of-use assets.

In the fourth quarter alone operating profit (EBIT) amounted to €79,543 thousand, a decrease of €13,554 thousand (-14.6%) against the comparison period. The EBIT margin was 3.2 p.p. lower than in 2022, coming in at 12.9%.

The fourth quarter was impacted for €1,517 thousand by the same non-recurring expenses described in the section on EBITDA. The fourth quarter of 2022 was also impacted by non-recurring expenses of €903 thousand. Net of these items, recurring EBIT would have been €12,940 thousand (-13.8%) lower than in the fourth quarter of 2022 with the margin down -3.0 p.p. at 13.2%.

The breakdown of EBIT by segment is shown below.

(€ thousands)

	FY 2023	EBIT Margin	FY 2022	EBIT Margin	Change	Change %
EMEA	262,718	17.7%	264,639	18.7%	(1,921)	-0.7%
Americas	83,432	19.4%	77,017	20.2%	6,415	8.3%
Asia Pacific	36,075	10.5%	33,838	10.6%	2,237	6.6%
Corporate (*)	(123,013)	-5.4%	(96,825)	-4.6%	(26,188)	-27.0%
Total	**259,212**	**11.5%**	**278,669**	**13.2%**	**(19,457)**	**-7.0%**

(€ thousands)

	Fourth quarter 2023	EBIT Margin	Fourth quarter 2022	EBIT Margin	Change	Change %
EMEA	77,428	18.5%	84,283	21.2%	(6,855)	-8.1%
Americas	20,212	18.8%	20,392	20.5%	(180)	-0.9%
Asia Pacific	8,341	9.3%	10,023	12.2%	(1,682)	-16.8%
Corporate (*)	(26,438)	-4.3%	(21,601)	-3.7%	(4,837)	-22.4%
Total	**79,543**	**12.9%**	**93,097**	**16.1%**	**(13,554)**	**-14.6%**

(*) 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)

	FY 2023	EBIT Margin	FY 2022	EBIT Margin	Change	Change %
EMEA	264,649	17.8%	267,443	18.9%	(2,794)	-1.0%
Americas	83,432	19.4%	77,017	20.2%	6,415	8.3%
Asia Pacific	36,448	10.6%	36,617	11.4%	(169)	-0.5%
Corporate (*)	(110,579)	-4.9%	(95,824)	-4.5%	(14,755)	-15.4%
Total	**273,950**	**12.1%**	**285,253**	**13.5%**	**(11,303)**	**-4.0%**

(€ thousands)

	Fourth quarter 2023	EBIT Margin	Fourth quarter 2022	EBIT Margin	Change	Change %
EMEA	77,926	18.6%	85,060	21.4%	(7,134)	-8.4%
Americas	20,212	18.8%	20,392	20.5%	(180)	-0.9%
Asia Pacific	8,542	9.6%	10,149	12.4%	(1,607)	-15.8%
Corporate (*)	(25,620)	-4.2%	(21,601)	-3.7%	(4,019)	-18.6%
Total	**81,060**	**13.2%**	**94,000**	**16.2%**	**(12,940)**	**-13.8%**

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

EUROPE, MIDDLE-EAST AND AFRICA

Operating profit (EBIT) amounted to €262,718 thousand in 2023, a decrease of €1,921 thousand (-0.7%) with respect to 2022. The EBIT margin came to 17.7% (-1.0 p.p. compared to 2022).

The result was impacted for €1,931 thousand by the same non-recurring expenses described in the section on EBITDA. FY 2022 was also impacted for €2,804 thousand by the same non-recurring expenses described in the section on EBITDA.

Net of these items, recurring EBIT would have been €2,794 thousand lower (-1.0%) than in 2022, with the EBIT margin down -1.1 p.p. at 17.8%.

In the fourth quarter alone operating profit (EBIT) amounted to €77,428 thousand, a decrease of €6,855 thousand (-8.1%) against the comparison period with the EBIT margin down 2.7 p.p. against the comparison period at 18.5%.

The result for the quarter was impacted for €498 thousand by the same non-recurring expenses described in the section on EBITDA. The fourth quarter of 2022 was also affected by non-recurring expenses of €778 thousand.

Net of these items, recurring EBIT would have been €7,134 thousand lower (-8.4%) than in the fourth quarter of 2022, with the EBIT margin down -2.8 p.p. against fourth quarter 2022 at 18.6%.

AMERICAS

Operating profit (EBIT) amounted to €83,432 thousand in 2023, an increase of €6,415 thousand (+8.3%) with respect to the comparison period. The EBIT margin came to 19.4%, 0.8 p.p. lower than 2022.

In the fourth quarter alone operating profit (EBIT) amounted to €20,212 thousand, a decrease of €180 thousand (-0.9%) with respect to the comparison period. The EBIT margin was 1.7 p.p. lower, coming in at 18.8%.

ASIA PACIFIC

Operating profit (EBIT) amounted to €36,075 thousand in 2023, an increase of €2,237 thousand (+6.6%) with respect to the comparison period. The EBIT margin came to 10.5%, 0.1 p.p. lower than in 2022.

The result for the quarter was impacted for €374 thousand by the same non-recurring expenses described in the section on EBITDA.

In 2022 non-recurring expenses of €2,780 thousand were recorded.

Net of these items, recurring EBIT would have been €169 thousand higher (-0.5% against 2022) with the EBIT margin down -0.8 p.p. against 2022 at 10.6%.

In the fourth quarter alone operating profit (EBIT) amounted to €8,341 thousand, a decrease of €1,682 thousand (-16.8%) against the comparison period with the EBIT margin down -2.9 p.p. against the comparison period at 9.3%.

The result for the quarter was impacted for €200 thousand by the same non-recurring expenses described in the section on EBITDA. FY 2022 was also affected by non-recurring expenses of €125 thousand. Net of these items, recurring EBIT would have been €1,607 thousand lower (-15.8%) than in the fourth quarter 2022, with the EBIT margin down -2.8 p.p. against fourth quarter 2022 at 9.6%.

CORPORATE

The net Corporate costs at the EBIT level amounted to €123,013 thousand in 2023 (-5.4% of the revenues generated by the Group's sales and services), an increase of €26,188 thousand compared to 2022.

The result was impacted for €12,433 thousand by the non-recurring expenses described in the section on EBITDA. FY 2022 was also impacted by non-recurring expenses which amounted to €1,000 thousand.

Net of these items, the costs would have been €14,755 thousand (+15.4%) higher on a recurring basis compared to 2022 with the margin down -0.4 p.p.at -4.9%.

In the fourth quarter alone the net Corporate costs at the EBIT level amounted to €26,438 thousand (-4.3% of the revenues generated by the Group's sales and services), an increase of €4,837 thousand (+22.4%) compared to the fourth quarter of 2022.

The fourth quarter of 2023 was impacted for €819 thousand by the non-recurring expenses relating to the notional costs of the share assignment described above.

Net of this item, the costs would have been €4,019 thousand (+18.6%) higher with the margin up by +0.5 p.p.

PROFIT BEFORE TAX

(€ thousands)	FY 2023			FY 2022		
	Recurring	Non-recurring	Total	Recurring	Non-recurring	Total
Profit (loss) before tax	224,485	(14,738)	209,747	250,320	(6,584)	243,736

(€ thousands)	Fourth quarter 2023			Fourth quarter 2022		
	Recurring	Non-recurring	Total	Recurring	Non-recurring	Total
Profit (loss) before tax	68,488	(1,517)	66,971	84,640	(903)	83,737

Profit before tax amounted to €209,747 thousand in 2023, a decrease of €33,989 thousand (-13.9%) against the comparison period, with a gross profit margin of 9.3% (-2.2 p.p. with respect to the comparison period).

The 2023 result was impacted for €14,738 thousand by the same non-recurring expenses described in the section on EBITDA. In 2022 non-recurring expenses of €6,584 thousand were also incurred.

Net of these items, the profit before tax would have been €25,835 thousand (-10.3%) lower on a recurring basis compared to 2022.

In addition to the change in EBIT described above, the profit before tax, was also impacted by an increase in financial expenses of €14,532 thousand. The increase in market rates resulted in a higher cost of (i) €7,431 thousand on floating rate debt, net the higher interest received on liquidity investments; (ii) €3,442 thousand on interest recognized based on lease accounting; and (iii) €2,643 thousand on factoring and other working capital management transactions. The impact of inflation accounting on the Argentinian subsidiary and currency management resulted in higher expenses for a total of €1,016 thousand.

In the fourth quarter alone profit before tax amounted to €66,971 thousand, a decrease of €16,766 thousand (-20.0%) against the comparison period, with a gross profit margin of 10.9% (-3.6 p.p. against the comparison period).

The result recorded in the fourth quarter of 2023 was impacted for €1,517 thousand by the same non-recurring expenses described in the section on EBITDA. The fourth quarter of 2022 was also impacted by non-recurring expenses of €903 thousand. Net of these items, profit before tax would have been €16,152 thousand (-19.1%) lower than in the fourth quarter of 2022.

GROUP NET RESULT

(€ thousands)	FY 2023			FY 2022		
	Recurring	Non-recurring	Total	Recurring	Non-recurring	Total
Group net result	**165,790**	**(10,651)**	**155,139**	**183,290**	**(4,765)**	**178,525**

(€ thousands)	Fourth quarter 2023			Fourth quarter 2022		
	Recurring	Non-recurring	Total	Recurring	Non-recurring	Total
Group net result	**52,976**	**(1,275)**	**51,701**	**63,712**	**(672)**	**63,040**

The Group's net profit came to €155,139 thousand in 2023, a decrease of €23,386 thousand (-13.1%) against the comparison period, with a profit margin of 6.9% (-1.5 p.p. against the comparison period).

The result for the reporting period was impacted for €10,651 thousand by the same non-recurring expenses described in the section on EBITDA, net of the tax effect. In 2022 non-recurring expenses amounted to €4,765 thousand.

On a recurring basis, there would have been a decrease of €17,500 thousand (-9.5%) with respect to 2022, with the profit margin down -1.3 p.p.

The tax rate was 26.1% in the reporting period compared to 26.7% in 2022.

In the fourth quarter alone the Group's net profit came to €51,701 thousand (8.4% of revenues from sales and services), a decrease of €11,339 thousand (-18.0%) against the comparison period with the profit margin down -2.5 p.p. Net of the non-recurring expenses, the Group's net profit would have been €10,736 thousand lower, with the profit margin down -2.4 p.p.

BALANCE SHEET REVIEW

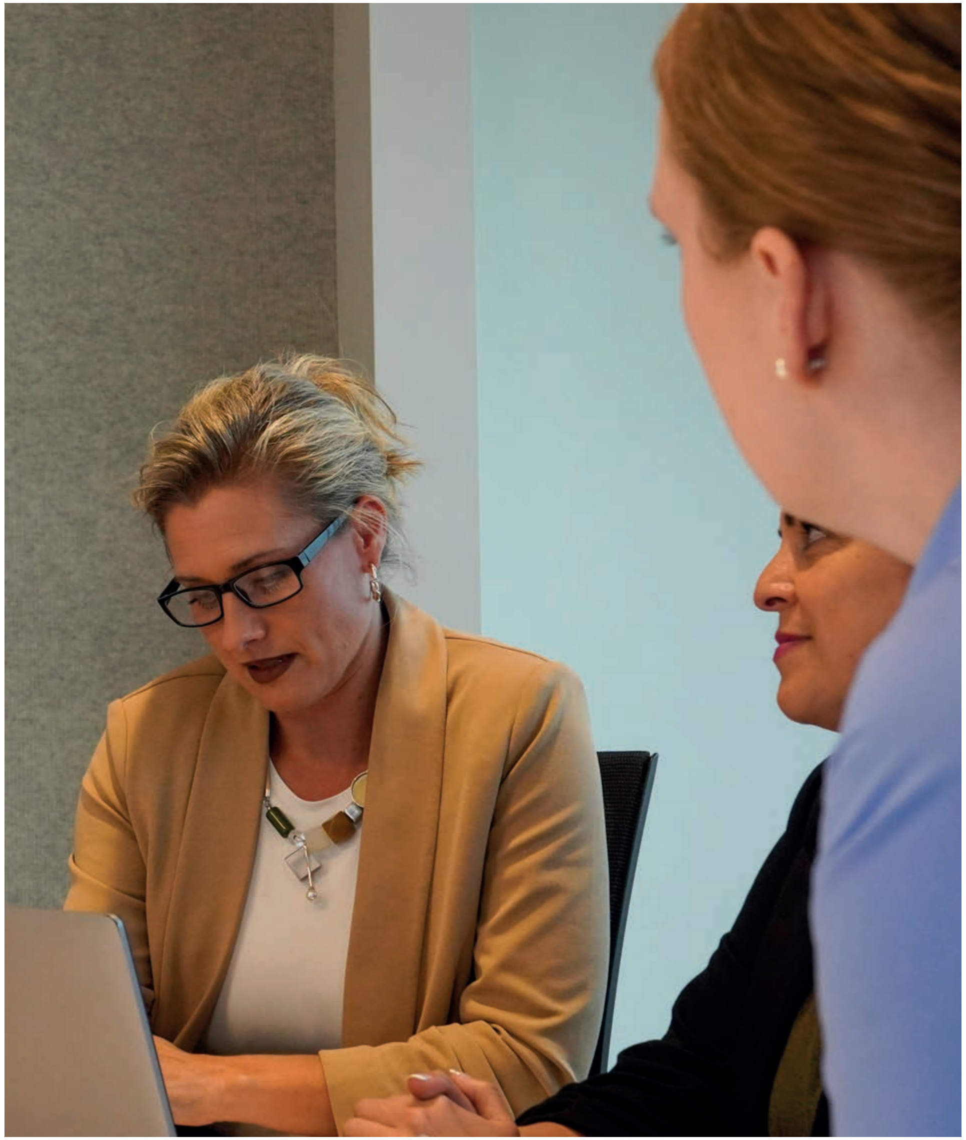
CONSOLIDATED BALANCE SHEET BY GEOGRAPHICAL AREA(*)

(€ thousands) 12/31/2023

	EMEA	Americas	Asia Pacific	Eliminations	Total
Goodwill	955,383	237,178	607,013	-	1,799,574
Non-competition agreements, trademarks, customer lists and lease rights	176,887	21,126	57,670	-	255,683
Software, licenses, other intangible fixed assets, fixed assets in progress and advances	123,344	29,520	8,042	-	160,906
Property, plant and equipment	148,081	29,929	43,506	-	221,516
Right-of-use assets	373,293	44,949	59,911	-	478,153
Financial fixed assets	3,629	12,841	234	-	16,704
Other non-current financial assets	39,701	2,440	1,710	-	43,851
Non-current assets	**1,820,318**	**377,983**	**778,086**	**-**	**2,976,387**
Inventories	70,314	8,729	9,277	-	88,320
Trade receivables	231,870	56,961	27,187	(84,765)	231,253
Other receivables	85,597	14,464	7,176	(195)	107,042
Current assets (A)	**387,781**	**80,154**	**43,640**	**(84,960)**	**426,615**
Operating assets	**2,208,099**	**458,137**	**821,726**	**(84,960)**	**3,403,002**
Trade payables	(327,768)	(70,879)	(45,073)	84,765	(358,955)
Other payables	(293,855)	(43,725)	(41,905)	195	(379,290)
Provisions for risks and charges (current portion)	(586)	(682)	-	-	(1,268)
Current liabilities (B)	**(622,209)**	**(115,286)**	**(86,978)**	**84,960**	**(739,513)**
Net working capital (A) - (B)	**(234,428)**	**(35,132)**	**(43,338)**	**-**	**(312,898)**
Derivative instruments	12,933	-	-	-	12,933
Deferred tax assets	63,112	7,307	12,282	-	82,701
Deferred tax liabilities	(62,023)	(19,725)	(16,703)	-	(98,451)
Provisions for risks and charges (non-current portion)	(17,668)	(896)	(815)	-	(19,379)
Liabilities for employees' benefits (non-current portion)	(12,119)	(143)	(701)	-	(12,963)
Loan fees	3,007	-	-	-	3,007
Other non-current liabilities	(160,811)	(12,853)	(6,434)	-	(180,098)
NET INVESTED CAPITAL	**1,412,321**	**316,541**	**722,377**	**-**	**2,451,239**
Group net equity					1,100,919
Minority interests					759
Total net equity					**1,101,678**
Net medium and long-term financial indebtedness					719,428
Net short-term financial indebtedness					132,702
Total net financial indebtedness					**852,130**
Lease liabilities	387,130	48,433	61,868	-	497,431
Total lease liabilities & net financial indebtedness					**1,349,561**
NET EQUITY, LEASE LIABILITIES AND NET FINANCIAL INDEBTEDNESS					**2,451,239**

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

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



INVESTMENTS

In 2023 Amplifon Group continued with its growth strategy and invested more than €141 million.

The investments in digital technology and information technology, the constant focus on the customer, and the desire to increase control of operations fueled the significant work done on both technological infrastructures through the Symphony project, focused on providing customers with a highly hyper-personalized experience, as well as on the optimization of in-store systems and tools to support the Amplifon Product Experience, which has redefined Amplifon's entire customer journey. At the same time substantial work was also done on the operating and back-office processes. There has been a roll-out process with the gradual launch of a new ERP system based on the new integrated and interdependent solutions "Software as a Service" and "Platform as a Service" which provide the Amplifon Group with a customized cloud environment. Significant investments were also made in systems designed to streamline Group procurement and centralize purchasing. The investments made totaled more than €66 million.

In addition, the Group continued and accelerated development of the distribution network by opening new stores, as well as renewing others, and relocating existing points of sale for a total investment of almost €61 million.

NON-CURRENT ASSETS

Non-current assets amounted to €2,976,387 thousand at 31 December 2023, an increase of €101,405 thousand respect to the €2,874,982 thousand recorded at 31 December 2022.

The changes in the period are explained (i) for €141,653 thousand by capital expenditure; (ii) for €146,552 thousand by the recognition of right-of-use assets acquired in the period; (iii) for €122,941 thousand by acquisitions made in the reporting period; (iv) for €267,637 thousand by depreciation, amortization and impairment which includes the amortization of the above right-of-use assets and the depreciation and amortization of PPA related assets; (v) for €42,104 thousand by other net decreases relating primarily to negative foreign exchange differences.

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

(€ thousands)

		12/31/2023	12/31/2022	Change
EMEA (*)	Goodwill	955,383	921,163	34,220
	Non-competition agreements, trademarks, customer lists and lease rights	176,887	185,759	(8,872)
	Software, licenses, other intangible fixed assets, fixed assets in progress and advances	123,344	112,883	10,461
	Tangible assets	148,081	136,721	11,360
	Right-of-use assets	373,293	366,243	7,050
	Financial fixed assets	3,629	3,706	(77)
	Other non-current financial assets	39,701	38,589	1,112
	Non-current assets	**1,820,318**	**1,765,064**	**55,254**
America	Goodwill	237,178	213,816	23,362
	Non-competition agreements, trademarks, customer lists and lease rights	21,126	22,022	(896)
	Software, licenses, other intangible fixed assets, fixed assets in progress and advances	29,520	31,881	(2,361)
	Tangible assets	29,929	21,006	8,923
	Right-of-use assets	44,949	34,242	10,707
	Financial fixed assets	12,841	9,378	3,463
	Other non-current financial assets	2,440	2,322	118
	Non-current assets	**377,983**	**334,667**	**43,316**
Asia Pacific	Goodwill	607,013	619,049	(12,036)
	Non-competition agreements, trademarks, customer lists and lease rights	57,670	58,344	(674)
	Software, licenses, other intangible fixed assets, fixed assets in progress and advances	8,042	9,209	(1,167)
	Tangible assets	43,506	35,688	7,818
	Right-of-use assets	59,911	51,262	8,649
	Financial fixed assets	234	208	26
	Other non-current financial assets	1,710	1,491	219
	Non-current assets	**778,086**	**775,251**	**2,835**
Total		**2,976,387**	**2,874,982**	**101,405**

(*) 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.

EUROPE, MIDDLE-EAST AND AFRICA

Non-current assets amounted to €1,820,318 thousand at 31 December 2023, an increase of €55,254 thousand against the €1,765,064 thousand recorded at 31 December 2022.

This increase is explained:

- for €85,455 thousand, by right-of-use assets acquired in the year as a result of the renewal of existing leases, and network expansion.
- for €50,954 thousand, by acquisitions made in the reporting period;
- for €44,451 thousand, by investments in plant, property and equipment, relating primarily to the opening of new stores and the renewal of existing ones, as well as the purchase of hardware needed to implement Group Information Technology projects detailed below;
- for €53,978 thousand, by investments in intangible assets, relating to new front office solutions for the hyper-personalization of customer experiences and continuous implementation and standardization of the Group ERP cloud system for back-office functions (Human Resources, Procurement, Administration and Finance);
- for €182,708 thousand, by amortization and depreciation, including amortization of the right-of-use assets referred to above and the depreciation and amortization of PPA related assets;
- for €3,124 thousand, by other increases.

AMERICAS

Non-current assets amounted to €377,983 thousand at 31 December 2023, an increase of €43,316 thousand against the €334,667 thousand recorded at 31 December 2022.

This increase is explained:

- for €42,003 thousand, by acquisitions made in the reporting period;
- for €23,362 thousand, by right-of-use assets acquired during the year as a result of the renewal of existing leases and network expansion;
- for €14,019 thousand, by investments in plant, property and equipment, relating primarily to the opening of new stores and the renewal of existing ones.
- for €10,147 thousand, by investments in intangible assets relating mainly to the development of front office IT systems at the US subsidiaries;
- for €31,533 thousand, by amortization and depreciation, including amortization of the right-of-use assets referred to above and the depreciation and amortization of PPA related assets;
- for €14,682 thousand by negative foreign exchange differences primarily related to the Argentinian subsidiary

ASIA PACIFIC

Non-current assets amounted to €778,086 thousand at 31 December 2023, an increase of €2,835 thousand against the €775,251 thousand recorded at 31 December 2022.

This increase is explained:

- for €37,735 thousand, by an increase in right-of-use assets acquired during the year as a result of the renewal of existing leases and network expansion;
- for €29,984 thousand, by acquisitions made in the reporting period;
- for €16,870 thousand, by investments in property, plant and equipment, relating mainly to the opening of stores and the renewal of existing ones, as well as the purchase of the hardware needed to implement IT projects;
- for €2,188 thousand, by investments in intangible assets relating primarily to the development of IT systems;
- for €53,396 thousand, by amortization and depreciation, including amortization of the right-of-use assets referred to above and the depreciation and amortization of PPA related assets;
- for €30,546 thousand, by other decreases relating to foreign exchange differences which mainly affected goodwill.

NET INVESTED CAPITAL

Net invested capital came to €2,451,239 thousand at 31 December 2023, an increase of €112,290 thousand against the €2,338,949 thousand recorded at 31 December 2022.

This increase is attributable mainly to the change in non-current assets described above, as well as an increase in working capital which was partially offset by a decrease in derivatives and an increase in other long-term debt.

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

(€ thousands)

	12/31/2023	12/31/2022	Change
EMEA (*)	1,412,321	1,355,737	56,584
Americas	316,541	258,101	58,440
Asia Pacific	722,377	725,111	(2,734)
Total	**2,451,239**	**2,338,949**	**112,290**

(*) 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.

EUROPE, MIDDLE EAST AND AFRICA

Net invested capital came to €1,412,321 thousand at 31 December 2023, an increase of €56,584 thousand against the €1,355,737 thousand recorded at 31 December 2022.

This increase is attributable to the change in non-current assets described above, as well as an increase in working capital which was partially offset by a decrease in derivatives and an increase in other long-term debt.

Factoring without recourse in the period involved trade receivables with a face value of €232,575 thousand (€179,105 thousand in the same period of the prior year) and VAT credits with a face value of €23,755 thousand (€9,560 thousand in the prior). As of this year, factoring without recourse includes the receivables payable to German subsidiaries by insurance companies which are included in the current period and in the comparison period for the sake of better disclosure.

AMERICAS

Net invested capital is €316,541 thousand at 31 December 2023, an increase of €58,440 thousand against the €258,101 thousand recorded at 31 December 2022.

This increase is attributable mainly to the change in non-current assets, as well as an increase in working capital and a decrease in deferred tax liabilities.

Factoring without recourse in the period involved trade receivables with a face value of €1,543 thousand (€1,373 thousand in the same period of the prior year).

ASIA PACIFIC

Net invested capital came to €722,377 thousand at 31 December 2023, a decrease of €2,734 thousand against the €725,111 thousand recorded at 31 December 2022.

The increase in non-current assets described above was more than offset by a decrease in working capital.

Factoring without recourse in the period involved trade receivables with a face value of €5,679 thousand (€1,285 thousand in the same period of the prior year). There were no factoring transactions involving tax credits (versus €2,302 thousand in the prior year).

NET FINANCIAL POSITION

(€ thousands)

	12/31/2023	12/31/2022	Change
Net medium and long-term financial indebtedness	719,428	807,907	(88,479)
Net short-term financial indebtedness	326,733	251,708	75,025
Cash and cash equivalents	(194,031)	(229,622)	35,591
Net financial indebtedness (A)	**852,130**	**829,993**	**22,137**
Lease liabilities – current portion	113,523	99,716	13,807
Lease liabilities – non-current portion	383,908	368,890	15,018
Lease liabilities (B)	**497,431**	**468,606**	**28,825**
Total lease liabilities & net financial indebtedness (A+B) (C)	**1,349,561**	**1,298,599**	**50,962**
Group net equity (D)	1,100,919	1,038,509	62,410
Minority interests	759	1,841	(1,082)
Net Equity (E)	**1,101,678**	**1,040,350**	**61,328**
Financial indebtedness/Group net equity (A/D)	**0.77**	**0.80**	
Financial indebtedness/Net equity (A/E)	**0.77**	**0.80**	
Financial indebtedness/EBITDA (*)	**1.50**	**1.52**	

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

Excluding lease liabilities net financial debt amounted to €852,130 thousand at 31 December 2023, an increase of €22,137 thousand compared to 31 December 2022.

In 2023 free cash flow reached a positive €160,182 thousand (compared to €246.695 thousand in the priorl year), down due to higher capital expenditure (€139,858 thousand compared to €106,292 thousand), higher tax payments (€77,679 thousand compared to €44,857 thousand), higher financial expenses (€49,103 thousand compared to €31,073 thousand), and higher rents for stores and offices. The net cash-out for acquisitions (€108,469 thousand versus €84,572 thousand in 2022), along with the dividends paid (€65,361 thousand versus €58,237 thousand in the comparison period) and the outlays for other financial assets (€3,884 thousand) bring cash flow for the reporting period to a negative €17,532 thousand versus positive €44,013 thousand in 2022.

The financial structure was strengthened by a few important transactions:

- at the end of January 2023 early repayment was made, in addition to the tranche falling due, of the remainder of the US Private Placement 2013-2025 (€85,371 at the hedging rate). The early repayment of the USPP and the subsequent elimination of the related financial covenants allowed the Amplifon Group to further improve financial flexibility;
- at the end of May 2023, a new €300 million sustainability-linked revolving line of credit was obtained from a pool of banks. This new facility, with a 3-year term and an extension option for 2 additional years at the Company's discretion, provides Amplifon with greater financial flexibility, further strengthening its solid liquidity position, diversifying the sources of funding and extending the average debt maturity;
- in July 2023 Amplifon signed a €300 million loan agreement with the European Investment Bank (EIB) to finance its innovation and digitalization process (out of a total of €350 million in financing approved by the EIB). At the end of December 2023, €75 million of the loan, available for a period of 24 months, was utilized. These resources will contribute to the further innovation of Amplifon's products and services, providing an excellent and highly personalized hearing care experience thanks to the use of a full ecosystem built around the customer, in which the quantity and quality of the Company's services, data owned by the company, as well as digital technologies, play a key role.

At 31 December 2023, the Group had cash and cash equivalents, as well as other liquid investments, of €194,031 thousand compared to financial indebtedness of €1,046 million, net of lease liabilities.

Long-term debt amounts to €719,428 thousand, €7,229 thousand of which refers to the long- term portion of deferred payments for acquisitions. The decrease in the period of €88,479 thousand is attributable mainly to the reclassification of portions of long-term bank debt, expiring in the next 12 months, from long-to short-term, net the increases attributable to the BEI loan (for €75 million) and the utilization of an irrevocable revolving credit line with Banca Intesa for €60 million.

Short-term debt amounts to €326,734 thousand, an increase of €75,026 thousand compared to 31 December 2022. The short-term portion refers primarily to the short-term portion of long-term bank debt (€164,978 thousand), the hot money accounts used to support treasury activities and other short-term credit lines (€146,299 thousand), the interest payable on the Eurobond (€3,463 thousand) and on other bank loans (€1,252 thousand) and, lastly, the best estimate of the deferred payments for acquisitions (€9,554 thousand).

The chart below shows the debt maturities compared to:

- the €194 million in cash and cash equivalents;
- the unutilized portions of irrevocable credit lines which amount to €480 million;
- the unutilized portion of the loan received from EIB to support investments in innovation and digitalization which amounts to €225 million.

The other uncommitted lines of credit amount to €232 million, of which €101 million unutilized.

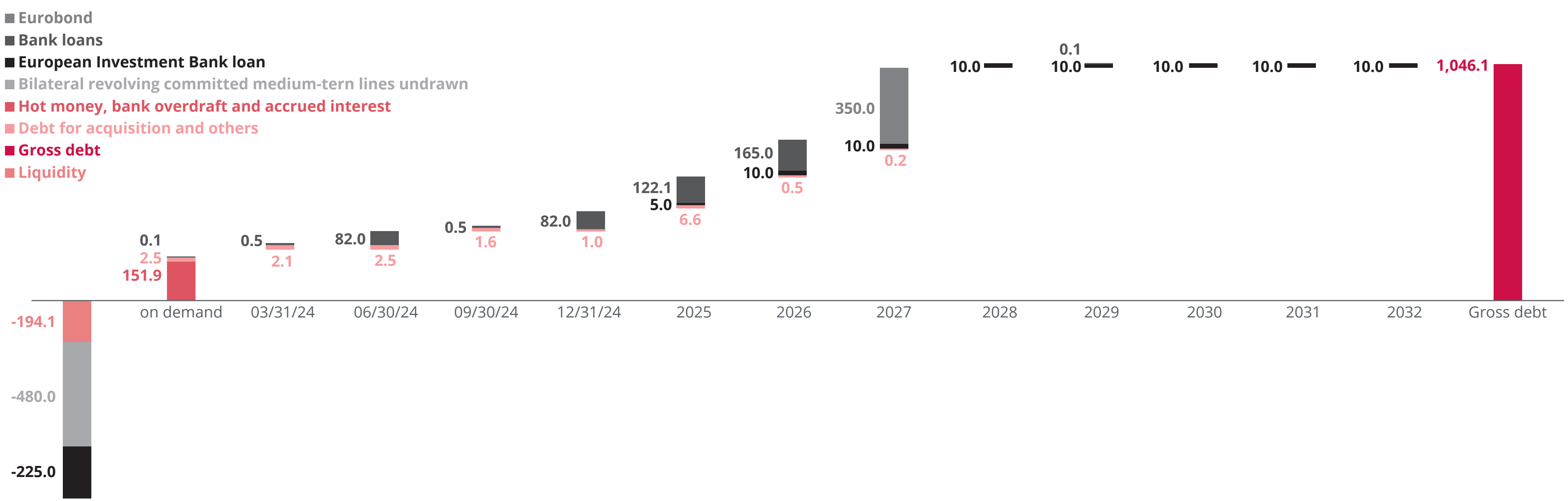
Interest payable on financial indebtedness amounted to €29,814 thousand at 31 December 2023, €19,322 thousand at 31 December 2022.

Interest payable on leases recognized in accordance with IFRS 16 amounted to €14,808 thousand versus €11,366 thousand at 31 December 2022.

Interest receivable on bank deposits are €2,077 thousand at 31 December 2023 versus €598 thousand at 31 December 2022.

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

Debt Maturity & Cash Equivalents at 12.31.2023



CASH FLOW STATEMENT

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

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

(€ thousands)

	FY 2023	FY 2022
OPERATING ACTIVITIES:		
Net profit (loss) attributable to the Group	155,139	178,525
Minority interests	(114)	255
Amortization, depreciation and impairment:		
- Intangible fixed assets	*93,506*	*80,110*
- Tangible fixed assets	*54,839*	*51,440*
- Right-of-use assets	*119,292*	*108,490*
Total amortization, depreciation and impairment	267,637	240,040
Provisions, other non-monetary items and gain/losses from disposals	35,871	13,889
Group's share of the result of associated companies	(550)	(306)
Financial income and charges	50,017	35,239
Current and deferred income taxes	54,720	64,956
Change in assets and liabilities:		
- Utilization of provisions	*(10,871)*	*(9,074)*
- (Increase) decrease in inventories	*(11,361)*	*(16,212)*
- Decrease (increase) in trade receivables	*(49,121)*	*(22,507)*
- Increase (decrease) in trade payables	*24,152*	*80,235*
- Changes in other receivables and other payables	*27,490*	*(28,825)*
Total change in assets and liabilities	(19,711)	3,617
Dividends received	198	342
Net interest charges	(49,301)	(31,416)
Taxes paid	(77,679)	(44,856)
Cash flow provided by (used in) operating activities before repayment of lease liabilities	**416,227**	**460,285**
Repayment of lease liabilities	(116,187)	(107,298)
Cash flow generated from (absorbed) by operating activities	**300,040**	**352,987**
INVESTING ACTIVITIES:		
Purchase of intangible fixed assets	(66,313)	(58,788)
Purchase of property, plant and equipment	(75,340)	(56,846)
Consideration from sale of tangible fixed assets and businesses	1,795	9,342
Cash flow generated from (absorbed) by investing activities	**(139,858)**	**(106,292)**
Cash flow generated from operating and investing activities (Free cash flow)	**160,182**	**246,695**
Business combinations (*)	(108,469)	(84,572)
Net cash flow generated from acquisitions	**(108,469)**	**(84,572)**
Cash flow generated from (absorbed) by investing activities and acquisitions	**(248,327)**	**(190,864)**

(€ thousands)

	FY 2023	FY 2022
FINANCING ACTIVITIES:		
Dividends	(65,361)	(58,237)
Treasury shares	-	(53,093)
Capital increases, third parties contributions and dividends paid by subsidiaries to third parties	(215)	(608)
Fees paid on medium/long-term financing	(1,413)	-
Hedging instruments	(1,483)	-
Other non-current assets	(773)	(6,172)
Cash flow generated from (absorbed) by financing activities	**(69,245)**	**(118,110)**
Changes in net financial indebtedness net of lease liabilities	**(17,532)**	**44,013**
Net financial indebtedness at the beginning of the period	(829,993)	(871,186)
Effect of exchange rate fluctuations on net financial indebtedness	(4,605)	(2,820)
Changes in net indebtedness	(17,532)	44,013
Net financial indebtedness at the end of the period net of lease liabilities	**(852,130)**	**(829,993)**

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

The change in net financial indebtedness of €17,532 thousand is attributable to:

(i) investing activities:
- capital expenditure on property, plant and equipment and intangible assets of €141,653 thousand relating primarily to the ongoing implementation and standardization of the Group cloud based ERP system, new investments made described in the “Net Invested Capital” section and network expansion.
- acquisitions amounting to €108,469 thousand, including the impact of the acquired companies debt and the best estimate of the earn-out linked to sales and profitability targets payable over the next few years;
- net proceeds from the disposal of assets of €1,795 thousand.

(ii) operating activities:
- interest payable on financial indebtedness and other net financial expenses of €49,301 thousand;
- payment of taxes amounting to €77,679 thousand;
- payment of principle on lease obligations of €116,187 thousand;
- cash flow generated by current operations of €543,207 thousand.

(iii) financing activities:
- dividends distribution of €65,361 thousand;
- payment of hedging instruments for €1,483 thousand;
- payment of commissions on medium/long term financing of €1,413 thousand;
- €215 thousand in dividends paid to third parties.

(iv) Net debt was also impacted by exchange losses of €4,605 thousand.

Non-recurring transactions had a negative impact on cash flow of €3,731 thousand in 2023 attributable for €2,639 thousand to the costs incurred for the second part of the GAES Integration, and €1,092 thousand to the integration of Bay Audio.

ACQUISITION OF COMPANIES AND BUSINESSES

The Group continued with external growth in 2023 and acquired 343 points of sale for a total investment of €108,469 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 2023:

- 189 points of sale were acquired in China;
- 49 points of sale were acquired in Canada;
- 45 points of sale were acquired in Germany;
- 25 points of sale were acquired in France;
- 23 points of sale were acquired in the United States;
- 6 points of sale were acquired in Poland;
- 3 points of sale were acquired in Spain;
- 2 points of sale were acquired in Mexico;
- 1 point of sale was acquired in Italy.

STATEMENT OF CHANGES BETWEEN THE NET EQUITY AND THE RESULTS OF THE PARENT COMPANY AMPLIFON S.P.A. AND THE NET EQUITY AND THE RESULTS OF THE GROUP FOR THE PERIOD AS AT DECEMBER 31st, 2023

(€ thousands)

	Net equity	Net result
Net equity and year-end result as reported in the Parent company's financial statements	**748,861**	**90,627**
Elimination of carrying amount of consolidated investments:		
· difference between carrying amount and the pro-quota value of net equity	203,093	-
· pro-quota results reported by the subsidiaries	179,074	179,074
· pro-quota results reported by investments valued at equity	2,200	550
Elimination of the effects of intercompany transactions:		
· *elimination of impairment net of reversals of investments and intercompany receivables*	-	500
· intercompany dividends	-	(104,535)
· intercompany profits included in the year-end value of inventories net of fiscal effect	(31,220)	(10,210)
· exchange differences and other changes	(350)	(981)
Net equity and year-end result as stated in the consolidated financial statements	**1,101,678**	**155,025**
Minority equity and result for the year	759	(114)
Group net equity and result for the year	**1,100,919**	**155,139**

RISK MANAGEMENT

Aware of how important creating sustainable value is for the stakeholders, we ensure that the way we carry out our business is consistent with our mission and our strategic, operational and compliance goals, by promoting an adequate risk management process as part of our business management. Correct risk management allows for better informed business decisions, reduces the gaps between actual results and targets, and can create a competitive advantage.

In 2023 the Group continued its evolutionary journey, foreseeing a further update to its Enterprise Risk Management (ERM) model. This model is in line with the best practices and international standards (e.g., *Committee of Sponsoring Organization of Treadway Commission*), and recommendations of the Corporate Governance Code, and is aimed at the effective management of the Group's main risks, as well as providing adequate information to the stakeholders involved. The methodology is formalized within the company regulations through specific policies and procedures ("*Enterprise Risk Management Policy*" approved by the Board of Directors).

The methodology also involves integrating, within the ERM model, risks related to the main relevant sustainability topics, including those associated with climate change; the goal is to provide a complete overview of the organization supporting its resilience and ESG (Environmental, Social and Governance) performance.

Amplifon's Enterprise Risk Management model has six components:

- Risk Governance: structure through which the organization leads, conducts, and report its risk management activities by defining the roles and responsibilities of the divisions and bodies involved.
- Risk Culture: values and attitude consistent with the organization's risk management culture.
- Risk Appetite: the guidelines and indicators intended to support the achievement of the Group's targets.
- Risk Assessment and Measurement: the process of identifying and assessing the Group's main risks.
- Risk Management and Monitoring: the activities aimed at mitigating, managing, monitoring or accepting risks.
- Risk Reporting: reporting risks and related information to the main stakeholders, including the Chief Executive Officer, the Risk Control and Sustainability Committee, and the Board of Directors.

The risk management activities are coordinated and facilitated by the Group Internal Audit and Risk Management Function, which supports the involved stakeholders (Countries, Regional Executive Vice Presidents, Corporate Executive Officers) in the identification, assessment, management and monitoring of the Group's main risks.

The Enterprise Risk Assessment process, outlined in the Enterprise Risk Management framework, is carried out annually, taking into account the Group's strategic guidelines, along with a review during the year to incorporate any updates.

The evolution of the Enterprise Risk Management involves integrating medium/long-term analyses (3-5 years and 10-years) into the Enterprise Risk Assessment activities. The Group pays careful attention to monitoring possible trends and changes in the reference context which could potentially impact the business or the industry.

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CLIMATE CHANGE RISK ASSESSMENT

The ERM process also integrates the results of specific analyses carried out by other company functions. In particular, during 2023, the Investor Relations & Sustainability Function deepened the Climate Change Risk Assessment[1]; the main climate risks identified have been integrated into the Enterprise Risk Assessment process, along with the ESG risks related to the main material sustainability topics. Given Amplifon's retail business model, the Group does not entail significant exposure to ESG and to climate risks in the short, medium and long term. For a more detailed analysis of ESG and climate risks please refer to the 2023 Consolidated Non-Financial Statement prepared by Amplifon in accordance with Legislative Decree 254/2016 (Section "Potential risks connected to climate change").

The Group's main risks, classified by relevance within the categories defined by the Risk Model, as well as any relevance for the purposes of ESG[2], are described below.

CONTEXTUAL BACKDROP

During the year Amplifon continued to carefully monitor the developments related to the macroeconomic situation and geopolitical instability, with regard particularly to the generalized increase in inflation and the subsequent impact on the labor cost, interest rates, as well as the overall slowdown in global market economic activities.

With regard to the geopolitical context, Amplifon has a limited number of stores in Israel and does not have any business in either Ukraine or Russia. As for global macroeconomic context, characterized by volatility, uncertainty and high inflation[3], the importance and nondiscretionary nature of hearing care, as well as the presence of reimbursement systems, have historically led to, albeit in different contexts, a noticeably resilient reference market, including in times of economic crisis.

As for climate change, the Group's business model is based on providing retail hearing solutions. Therefore, goals related to the transition to alternative sources of energy and the actions needed to address climate change, are pursued through the Group's efforts to ensure improved energy efficiency in its business activities. Additionally, the major greenhouse gas emissions along the value chain are reported.

1 In accordance with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) and in light of the new regulations on sustainability reporting.

2 For further information on Amplifon's material sustainability topics, refer to Amplifon's Consolidated Non-Financial Statement at 31 December 2023. No significant risks were identified as a result of the ERM process relative to Amplifon's material sustainability topics reported on in this disclosure.

3 The Argentinian subsidiary operates in a high inflation environment; its size, however, is not significant with respect to the Group's overall size.

EXTERNAL RISKS

External risks derive from factors exogenous to the Group.

RISKS CONNECTED TO THE MACROECONOMIC AND GEOPOLITICAL CONTEXT	**Details**	The current macroeconomic and geopolitical context continues to be characterized by uncertainty and volatility, as well as high inflation and high interest rates which could impact various cost categories (e.g., labor cost, debt cost). The hearing aid market has always proven to be resilient even in times of economic crisis. Hearing solutions are non-discretional products which benefit significantly people's physical, emotional and relational health. Customers are also assisted by public and private insurances, as well as consumer loans. The persistent inflation, however, could impact consumer confidence, potentially leading to the postponement of the purchase of a device that would still be necessary in the medium term.
	Treatment Measures	Although Amplifon operates in a market segment that has historically proven to be less sensitive than others to fluctuations in the general economic cycle, albeit in not directly comparable contexts, the Group continues to monitor the evolution of the macroeconomic and geopolitical environment and the relative impact on the business. Regarding the possible direct impact of inflation on different cost categories, in addition to Amplifon's considerable negotiation power in direct and indirect procurement, various efficiency and productivity improvement actions are underway, for example, in terms of labor cost and marketing expenses. Lastly, with regard to the ongoing conflicts, Amplifon Group has around 25 stores in Israel which generate sales equal to approximately 1% of annual consolidated revenues and has no business in Ukraine and Russia.
COMPETITION	**Details**	The retail hearing care market is expected to grow over the medium/long-term, considering the increasing average age of the population, the rising penetration of hearing solutions in the market, as well as greater consumers healthcare awareness. The market, while still fragmented, is showing a trend of consolidation due to both vertical integration of hearing aid manufacturers, as well as growth of market players (including Amplifon). For these reasons, in light also of the current macroeconomic context, the market may experience increased competition in the coming years. The Group's main competitors are the specialty retailers, which include the manufacturers of hearing aids, and non-specialty retailers (like optical chains, pharmacies and big box stores) which are generally low-cost providers[4]. It's possible, therefore, that these players may continue to pursue an expansion strategy, with a potential impact on market share, sales margins, as well as competition in the recruitment and retention of hearing aid professionals and qualified store personnel.
	Treatment Measures	Amplifon's strategy continues to focus on strong brands recognition, high quality service, as well as on the deep understanding of the consumer. The high quantity and quality of data available allows, in fact, to ensure that customers are provided with a very unique and innovative customer experience. Toward this end, the Group uses sales protocols aimed at excellence in customer service (e.g., Amplifon 360, Ampli-Care) and an increasingly customer-centric approach that values the Amplifon Product Experience (APE), comprising Amplifon-branded products and a multichannel ecosystem with the APP as the first point of contact. Amplifon also continues to strengthen its leadership in core markets by consolidating its role or by becoming market leader.
	ESG Topic	Long-term resiliency and profitability.

4 Currently found mainly in Australia, the Netherlands, USA, France and New Zealand.

STRATEGIC RISKS		
Strategic risks are typical of any given business. If managed correctly they can be the source of a competitive advantage or, conversely, they can compromise the ability to reach targets.		
MARKETING INVESTMENTS	**Details**	Consistent with its strategy, Amplifon continues to make significant investment in marketing in order to strengthen its brands and increase the penetration rate of hearing aids for organic growth. These goals, in the face of a volatile macroeconomic environment and a conceivable evolution in competition, require activities increasingly focused on positive return on investment leveraging on both cost containment and the effectiveness of the initiative. Marketing investments focus on offline media advertising (e.g., television campaigns) and digital channels (e.g., Paid Advertising, Search Engine Optimization, Social Media). The Group also invests in advanced Customer Relationship Management (CRM) campaigns to ensure unique and personalized experiences for its customers, as well as in the technological innovation program which comprises Amplifon-branded products and the multi-channel eco-system (the "Amplifon Product Experience") to provide a complete value proposition, comprising product, service and experience.
	Treatment Measures	In the face of the current context, in addition to being able to count on a position of market leadership, Amplifon works to ensure that the global marketing investments are efficient, as well as effective, and carefully monitors the costs and returns, assessing the different strategies, as well as the media mix selected to ensure that the organic growth targets are achievable.
TECHNOLOGICAL CHANGES IN PRODUCTS AND/OR THE OPERATING MODEL	**Details**	The development of innovative technologies, specifically an alternative to the hearing aid (e.g., surgical techniques, new technologies or pharmaceutical products), would have a very significant impact, but it is considered remote. Amplifon is characterized mainly by the quality of its service, during the purchase process and the after sales care provided over the life of the hearing aid. The customization of the hearing aid itself is done through the analysis of the specific needs of each customer, combining technical and relational aspects to provide the best service possible and, at the same time, constitute a strong element of differentiation.
	Treatment Measures	The Group continues along its path, investing resources in finding the best ways to develop new technologies, in order to both anticipate and better respond to any change in the business. With a view to monitoring and increasing the service and customer satisfaction, the Group invests significant resources in developing its own line of products and digital technologies, like the Amplifon App, and in redefining its customers audiological experience through Ampli-Care. These investments enable to maintain an ongoing relationship and provide the best customer experience both inside and outside the Group's stores. An omnichannel approach is also used to enrich the customer experience through experiments with self and remote care solutions.
	ESG Topic	Innovation, digitalization and personalization of the customer experience.

OPERATIONAL RISKS		
Operational risks are those inherent in the business's organization, processes and systems, which could impact the efficiency and effectiveness of the Group's operations.		
CYBER SECURITY	**Details**	The continuous increase in the use of technology, the gradual acceleration toward digitalization, as well as the consolidated use of remote working, continue to expose the Group to different types of internal and external IT risks, including third party vulnerabilities. The cyber-attacks, which have become more widespread globally, including as a result of changes in the geopolitical scenario, pose a constant threat from which Amplifon must protect itself.
	Management Measures	Amplifon constantly monitors potential threats and any changes with a view to preventing, as well as minimizing, the impact that these attacks could have on the Group. The continuous monitoring carried out aims to guarantee business continuity, as well as prevent the loss of data/information or financial resources, through activities focused on the security of processes, people and systems (i.e., training, phishing simulation, multi-factor authentication, business impact analysis, data cryptography, specific insurance policies).
	ESG Topic	Cybersecurity and data protection.
IMPLEMENTATION OF NEW IT SYSTEMS	**Details**	In 2023 the Group, consistent with its development goals, continued to work on the implementation and release of new IT systems: • the centralization of purchasing activities and the release of the new ERP system within Group companies which began in 2020; • the implementation of the new front-end system for stores initiated in 2021. These projects continue to be highly complex, particularly with respect to the management of unique, local characteristics, the roll-out phases and change management.
	Management Measures	Amplifon, also considering the experience and the lessons learned, dedicates the necessary resources to these projects, with a particular focus on increasing the know-how of internal resources, and including a robust training program in order to train system users, as well as assist with change management.
HUMAN RESOURCES AND THE GROUP'S SUSTAINABLE MEDIUM/LONG-TERM GROWTH	**Details**	Consistent with the goal of sustainable growth in the medium/long term and to address the organizational needs and complexity of the business, the Group reaffirms its commitment to attracting, developing and retaining the best talents, above all with respect to key managerial positions and qualified store personnel, including internationally. With the aim of being the "employer of choice", Amplifon, is investing significantly in both the development of a unique and innovative Employer Branding, as well as in talents through specific recruiting initiatives and professional development programs designed to ensure the access to rapidly changing core competencies. The Group has also developed and maintains structured channels which facilitate the recruiting of talents who possess specific sector and innovation expertise (e.g., digital). The current context of high inflation and growing competition could have an impact on the recruitment and retention of qualified store personnel, resulting also in higher labor costs.
	Management Measures	Amplifon maintains productive partnerships with universities and dedicates great attention to providing continuous training and professional development. Performances are also assessed based on "ad hoc" compensation mechanisms and incentives. In order to guarantee success in the medium/long-term, global, local and divisional talent mapping and succession planning are carried out regularly. Amplifon is also committed to analyzing and anticipating future needs for key roles, including with a view to the growth of the business and changes in core markets. The level of efficiency achieved by the Group in relation to these elements is monitored constantly by evaluating KPIs related to succession planning, recruiting and retention. Amplifon pays particular attention to the workplace environment, its people and the organization. This commitment is recognized through the international certifications received for human resources management (i.e., Top Employer[5]).
	ESG Topic	Attraction and development of key resources.

5 In Europe (Italy, Spain, the Netherlands, Portugal, Germany and France), North America (United States, Canada and Panama), Colombia and New Zealand.

REGULATORY RISKS

Regulatory risk stems from compliance with the laws and regulations within the different markets in which the Company operates.

INDUSTRY REGULATIONS	**Details**	Amplifon operates in a medical sector which is regulated differently in the countries where it is present. The main areas of interest for the Group relate to: i) reimbursement conditions from national healthcare systems or third parties, such as insurance companies; ii) sale and distribution of hearing aids and, more specifically, the requisites and qualifications of the professionals authorized to select, apply and sell hearing solutions; iii) technical aspects of the hearing aids. A change in regulations (e.g., in reimbursement conditions, their amount, or accessibility to the national healthcare service, in the role of otolaryngologists and, above all, the qualifications of the hearing aid specialists needed to sell hearing aids and related services) could have a direct, even significant, impact on the market (considering possible pressures from local authorities/health insurance companies) and, consequently, on performance. Changes in the sale of "Over the Counter (OTC)", as well as "Direct to Consumer (DTC)" devices reflect this dynamic. More specifically, the OTC regulations, issued in August 2022 in the United States by the Food and Drug Administration (FDA) and effective as from October 17th of the same year, governs the sale of OTC devices. Based on the new law, only adults over the age of 18 with mild to moderate hearing loss may purchase hearing aids without first consulting a hearing aid specialist. The law defines the technical characteristics, labeling requirements (internal and external), any inherent risk and the consumer protection policy. Currently it is estimated that the introduction of the OTC devices, given the importance of the service provided and the consumers involved (with mild to moderate hearing loss versus the Group's current core customers which suffer from moderate to severe hearing loss) is having a limited impact on the business, thanks also to the uniqueness of Amplifon's products and services.
	Management Measures	Amplifon continues to monitor the evolution of the global regulatory landscape, including with the respect to the sale of OTC and DTC hearing aids. The Group monitors the US market to detect any potential changes in the current scenario in terms of increasing competition (e.g., possible new entries, the role of large retail players), while also considering the potential benefits in terms of hearing aids penetration, as the a greater number of potential customers become interested in the sector. Overall, considering the current macroeconomic context, Amplifon monitors regulatory issues in the countries in which operates and implements possible actions needed to quickly react to potential changes in the regulatory landscape.
	ESG Topic	Regulatory Framework.
PRIVACY & DATA PROTECTION	**Details**	Given the nature of its business, Amplifon manages sensitive data of customers, employees and job candidates. The possibility that the processing of personal data does not comply with the relevant regulations, including potential data breaches and incidents, could lead to possible sanctions by Privacy Authorities.
	Management Measures	The Group is committed to maintaining adequate security standards, duly protecting data and other proprietary information, in order to guarantee compliance with privacy and confidentiality laws. Toward this end, Amplifon continuously monitors potential legislative changes and amendments that could materialize over the next few years, takes the necessary measures (e.g., appointing a Data Protection Officer) and provides training activities.
	ESG Topic	Cybersecurity and data protection.

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FINANCIAL RISK MANAGEMENT

With a view to structured management of treasury activities and financial risks, the Group had already adopted a Treasury Policy in 2012 which contains guidelines for the management of:

- currency risk
- interest rate risk
- credit risk
- price risk
- liquidity risk.

This policy is updated periodically in order to guarantee proactive risk management.

Currency Risk

Currency Risk includes the following types of risk:

- foreign exchange transaction risk, that is the risk that the value of a financial asset or liability, a forecasted transaction or a firm commitment, fluctuates due to changes in exchange rates;
- foreign exchange translation risk, that is the risk that the translation of the assets, liabilities, costs and revenues relating to net investment in a foreign operation into the reporting currency gives rise to an exchange gain or loss.

The Amplifon Group's foreign exchange transaction risk relates to:

- the currency risk stemming from the Procurement and Supply Chain activities carried out by the parent company which involves the the direct management of the purchase of hearing aids and accessories, along with the resale to the subsidiaries. The purchases from suppliers are generally made in the same currency used in the subsidiaries' invoices with payment terms that are similar to those negotiated with the suppliers which limits the exchange risk. This risk is, therefore, limited to the intercompany transactions linked to the supply of products to subsidiaries located in the places where a currency other than the Euro is used;
- other transactions in which the purchase costs or sales revenue are denominated in currencies other than the local currency as is the case in a few countries of lesser importance (Israel, Canada and the Central and Latin American subsidiaries), where the purchasing costs are incurred in Euros and US dollars;
- other intercompany transactions (medium/long-term and short-term loans, charge backs based on intercompany service agreements, other centralized, intercompany dividends, etc.) which result in currency risk for the companies operating in currencies other than that of the intercompany transaction;
- the period between the signing and closing of any commitments to purchase equity interests.

Foreign exchange translation risk arises from investments in the United States and Canada, the United Kingdom, Switzerland, Hungary, Poland, Israel, Australia, New Zealand, India, China, Chile, Argentina, Ecuador, Colombia, Panama, Mexico and Egypt.

Group Strategy:

Foreign Exchange Transaction Risk

The Group's strategy aims to minimize the impact of currency volatility on the income statement and calls for risks stemming from significant positions in currencies other than the currency used in the financial statements of each company to be hedged.

With regard to operational transactions, including those stemming from the Parent Company's Global Procurement activities, the intercompany services provided and cash-pooling, the risk is covered, when possible, by using a natural hedge which aims to balance active and passive positions for each company by maintaining currency deposits which can be used to cover any differences. Any risk exposure linked to differences in assets and liabilities that cannot be managed using bank deposits in foreign currency will be adequately hedged using instruments deemed adequate. These include, for example, currency forwards.

Any exposures to exchange risks stemming from financial transactions are hedged using derivatives. These derivatives are typically used to hedge exchange risk relative to: (i) bonds issued in US dollars by Amplifon S.p.A. and subscribed by Amplifon USA Inc, and (ii) an intercompany loan granted by Amplifon S.p.A. to the Australian subsidiary Bay Audio Pty Ltd.

With regard to exposures derived from financial transaction, the foreign exchange risk is hedged using derivatives. More in detail, in the past these derivatives have been used to hedge exchange risk related to: (i) bonds issued in US dollars by Amplifon S.p.A. and subscribed by Amplifon USA Inc, and (ii) an intercompany loan granted by Amplifon S.p.A. to the Australian subsidiary Bay Audio Pty Ltd. Both of these were repaid in full at the beginning of 2023.

The loans between the Australian and New Zealand companies and between the American and Canadian companies are considered equity investments insofar as the loans are non-interest-bearing and not expected to be repaid. The impact of exchange differences is recognized directly in the translation reserve at equity without passing through the income statement.

The risks arising from other intercompany transactions worth less than €1 million (or the equivalent if denominated in another currency) are not hedged as the amounts are not material.

Foreign Exchange translation risk
The foreign exchange translation risk, in accordance with the Group Treasury Policy, is not hedged.

Overall, the impact of the foreign exchange translation risk can be seen in the Group's Euro denominated EBITDA which was around €17 million lower than the Group's total EBITDA.

Approximately €8 million of this difference is attributable to the Argentinian subsidiary. The latter operates in a high-inflation country but, as the size of the subsidiary is immaterial, the impact on the Group is not significant.

Interest rate risk
Interest rate risk involves the following situations:

- fair value risk, namely the risk that the value of a fixed rate financial asset or liability changes due to fluctuations in market interest rates;
- cash flow risk, namely the risk that the future cash flows of a floating rate financial asset or liability fluctuate due to changes in market interest rates.

In the Amplifon Group fair value risk arises on the issue of €350 million in Eurobonds and the €75 million EIB loan which are fixed rate.

The cash flow risk stems from floating rate bank loans. The Group's strategy is to minimize cash flow risk, especially with respect to long-term exposures, through a balanced mix of fixed- and floating-rate loans and assessing whether to switch floating-rate borrowings to fixed-rate when each loan is taken out, as well as over the life of the loans including in light of the current market rates. In any event, at least 50% of the debt must be hedged against interest rate risk. At 31 December 2023, the Group's medium/long- term debt amounted to €877 million; €725 million of which fixed rate or had been swapped to fixed rate debt; €110 of which million will be maturing in the next 12 months. The unutilized irrevocable lines of credit total €480 million. The unutilized portion of the IEB loan amounts to € 225 million.

Credit risk
Credit risk is the risk that the issuer of a financial instrument defaults on its obligations resulting in a financial loss for the investor.

In the Amplifon Group credit risk arises from:

(i) sales made as part of ordinary business operations;
(ii) the use of financial instruments that require settlement of positions with other counterparties;
(iii) the loans granted to members of the indirect channel and commercial partners in the United States for investments and business development

With regard to the risk (i) above, the only positions with a high unit value are amounts due from Italian public-sector entities for which the risk of insolvency, while it exists, is remote and further mitigated by the fact that each quarter they are factored without recourse by specialized factoring companies. Conversely, there is credit risk associated with the sales to private individuals based on instalment payment plans and arising from sales to US indirect channel operators (franchisees). This credit risk, however, is spread out over a number of partners and the amount owed by any single individual is limited. The largest of these amounts does not exceed a few million US dollars. Due to typical business risks, some may not be able to honor their debts. This would result in higher working capital and credit losses. While each subsidiary is responsible for collection of receivables, the Group, through its Corporate functions, has set up a centralized system of monthly reporting relative to trade receivables in order to monitor the composition and due dates for each country, and shares credit recovery initiatives and commercial policies with local management. Payment options like installment plans or loans (with terms limited to a few months) are offered to private customers, the majority of which do, however, use cash. These are managed by external finance companies which advance the whole amount of the sale to Amplifon, while the situation of the indirect channel in the US is closely monitored by local management.

The risk referred to in (ii) above, notwithstanding the inevitable uncertainties linked to sudden and unforeseeable counterparty default, is managed by making diversified investments with the main national and international investment grade financial institutions and through the use of specific counterparty limits with regard to both liquidity invested and/or deposited and to the notional amount of the derivatives. The counterparty limits are determined based on the short-term ratings of each counterparty or, if a public rating is not available, on capital ratios (Tier 1).

The risk referred to in (iii) above refers to receivables that are typically guaranteed personally by the loan beneficiaries and repayments are generally made when the invoices for the purchases of hearing aids are paid.

Price Risk

This arises from the possibility that the value of a financial asset or liability may change due to fluctuations in market prices (other than those caused by currency or interest-rate fluctuations) due to both characteristics specific to the financial asset or liability or the issuer of the financial liability, as well as changes related to market factors. This risk is typical of financial assets not listed on an active market, which may not be easy to liquidate quickly at a level close to their fair value. The Amplifon Group does not have investments in these kinds of instruments and, therefore, this risk currently does not exist.

Liquidity Risk

Liquidity Risk typically arises when an entity is experiencing difficulty finding sufficient funds to meet its obligations and includes the risk that the counterparties that have granted loans and/or lines of credit may request repayment.

The current environment of rising interest rates can impact refinancing costs. In this situation, it's possible that costs could be higher with respect to debt currently being refinanced. A

At the end of the year, available short-term credit lines amounted to €232 of which €131 million utilized, while the irrevocable credit lines amounted to €555 million of which €75 million utilized. Out of the €300 million loaned by EIB, only €75 million have been utilized. The debt is primarily long-term.

Hedging instruments

In accordance with company strategy, hedging instruments are used by the Group exclusively to mitigate interest rate and currency risk and consist solely in financial derivatives. In order to maximize the effectiveness of these hedges the Group's strategy calls for:

- large counterparties with excellent credit standing and transactions which fall within the limits determined in the treasury policy in order to minimize counterparty risk;
- the use of instruments which match, to the extent possible, the characteristics of the risk hedged;
- monitoring of the adequacy of the instruments used in order to check and, possibly, optimize the structure of the instruments used to achieve the purposes of the hedge.

The Group's Treasury Policy also defines the rigorous criteria to be used when selecting counterparties.

The derivatives used by the Group are generally plain vanilla financial instruments. More in detail, the types of derivatives used include:

- cross currency swaps;
- foreign exchange forwards.

On initial recognition these instruments are measured at fair value. At subsequent reporting dates the fair value of derivatives must be re-measured and:

(i) if these instruments fail to qualify for hedge accounting, any changes in fair value that occur after initial recognition are taken to profit and loss;
(ii) if these instruments subsequently qualify as fair value hedges, from that date any changes in the fair value of the derivative are taken to profit and loss; at the same time, any fair value changes due to the hedged risk are recorded as an adjustment to the book value of the hedged item and the same amount is recorded in profit and loss; any ineffectiveness of the hedge is taken to profit and loss;
(iii) if these instruments qualify as cash flow hedges, from that date any changes in the fair value of the derivative are taken to net equity; changes in the fair value of the derivative that are recognized in net equity are subsequently reclassified in the income statement in the period in which the hedged transaction affects profit and loss; when the object of the hedge is the purchase of a non-financial asset, changes to the fair value of the derivative taken to net equity are reclassified to adjust the purchase cost of the asset hedged (basis adjustment); any ineffectiveness of the hedge is recognized in profit and loss.

The Group's hedging strategy is reflected in the accounts as described above as of the moment the following conditions are satisfied:

- the hedging relationship, its purpose and the overall strategy are formally defined and documented; the documentation includes the identification of the hedging instrument, the hedged item, the nature of the risk to be neutralized and the procedures whereby the entity will assess the effectiveness of the hedge;
- the effectiveness of the hedge may be reliably assessed and there is a reasonable expectation, confirmed by evidence, that the hedge will be highly effective for the period in which the hedged risk exists;
- the hedged risk relates to changes in cash flow connected to a future transaction, the

latter is highly probable and entails exposure to changes in cash flow which could affect profit and loss.

Derivatives are recognized as assets if their fair value is positive and as liabilities if their fair value is negative. These balances are shown under current assets or liabilities if related to derivatives which do not qualify for hedge accounting, conversely, they are classified consistently with the hedged item.

In detail, if the hedged item is classified as a current asset or liability, the positive or negative fair value of the hedging instrument is included under current assets or liabilities; if the hedged item is classified as a non-current asset or liability, the positive or negative fair value of the hedging instrument is included under non-current assets or liabilities.

The Group does not have any net investment hedges.

TREASURY SHARES

At 31 December 2023 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 2022.

A total of 1,189,212 of the performance stock grant rights were exercised in the period, as a result of which the company transferred the same number of treasury shares to the beneficiaries.

During the reporting period, any treasury shares were not purchased.

A total of 642,148 treasury shares, or 0.284% of the parent's share capital, were held at 31 December 2023.

The details related to treasury shares are provided in the following table.

	N. of shares	Average purchase price (Euro)/ FV of transferred rights (Euro)	Total amount (€ thousand)
Held at 12/31/2022	**1,831,360**	**27.244**	**49,895**
Transfer due to exercise of performance stock grant	(1,189,212)	27.245	(32,400)
Total at 12/31/2023	**642,148**	**27.245**	**17,495**

RESEARCH AND DEVELOPMENT

While the Group does not typically carry out any research and development in relation to hearing aids (insofar as this is carried out by the manufacturers), it does invest important resources in both innovation and technology through the" Amplifon Product Experience", as well as other innovative digital marketing solutions and front-office systems and processes, in order to provide its customers with an excellent "Customer Experience".

Moreover in 2023 Group continued in roll-out of project "Otopad" that will give the opportunity to increase in efficiency of hearing-test process and in its operation phase, progressively replacing traditional devices.

TRANSACTIONS WITHIN THE GROUP AND WITH RELATED PARTIES

Pursuant to and in accordance with the Consob Regulation n. 17221 issued on 12 March 2010 and after having received a favorable opinion from the Independent Directors' Committee for Related Parties transactions, on 3 November 2010 Amplifon S.p.A.'s Board of Directors adopted a new version of the regulations of procedures and fulfillments for related party transactions which has been updated several times. The regulation currently in force was approved by the Board of Directors on 29 April 2021 with entry into force on 1 July 2021.

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 managed at arm's-length, given the nature of the goods and of the services provided.

Information on transactions with related parties is provided in Note 39 of the consolidated financial statements and in Note 37 of the separate financial statements.

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 19 and 25. There are currently underway usual tax audits. These audits are presently in the preliminary phase and no findings have been reported so far. The Group is confident in the correctness of its actions.

ATYPICAL/UNUSUAL TRANSACTIONS

Please note that in 2023 the Group carried out no atypical and/or unusual transactions as defined in the Consob Bulletin of 28 July 2006.

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OUTLOOK

In 2023, in a global macroeconomic and geopolitical environment characterized by uncertainty and volatility, especially in Europe, the Group continued along its strong growth path, outpacing the reference market and strengthening its competitive positioning in core countries. In response to the slightly negative and softer-than-expected European market in 2023, the Group introduced several measures to improve the productivity of its network.

In 2024 the Group expects the hearing care market demand to continue to grow healthily in the United States and to substantially normalize in Europe, thanks also to the expected improvement in France and Germany.

In the first two months of 2024, the Group reported strong revenue growth, in line with plan.

In light of the above and assuming that there is no further slowdowns in global economic activity due to, among others, the well-known inflation related issues and the geopolitical situation, Amplifon expects strong growth in the 2024 results. More in detail:

- Consolidated revenues are expected to grow high-single-digit at constant exchange rates (expect for exchange rate EUR/ARS expected at 1,100 as at 31 December 2024), supported by market share gains and bolt-on acquisitions, the latter contributing to revenue growth for at least 2%;
- Recurring EBITDA margin above 24.6% thanks also the productivity measures initiated in the second part of 2023, which will benefit the Group already from the first quarter.

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

YEARLY REPORT ON CORPORATE GOVERNANCE AND OWNERSHIP STRUCTURE AS AT DECEMBER 31st 2023 (pursuant to art. 123-bis TUF)

The report on Corporate Governance and Ownership Structure is available on the company's website at https://corporate.amplifon.com/en/governance/governance-system/corporate-governance-reports

CONSOLIDATED NON-FINANCIAL STATEMENT AS AT DECEMBER 31st 2023

The Consolidated Non-Financial Statement is reported in this Annual Report, in the specific section named "Consolidated Non-Financial Statement" at page 90.

COMMENTS ON THE ECONOMIC-FINANCIAL RESULTS OF AMPLIFON S.P.A.

RECLASSIFIED INCOME STATEMENT

(€ thousands)	FY 2023				FY 2022			
	Recurring	Non-recurring	Total	% on recurring revenues	Recurring	Non-recurring	Total	% on recurring revenues
Total revenues	**480,539**	**-**	**480,539**	**100.0%**	**416,203**	**-**	**416,203**	**100.0%**
Operating costs	(329,415)	(12,433)	(341,848)	-68.6%	(275,649)	(1,000)	(276,649)	-66.2%
Other income and costs	(70,537)	-	(70,537)	-14.7%	(48,681)	-	(48,681)	-11.7%
Gross operating profit (loss) (EBITDA)	**80,587**	**(12,433)**	**68,154**	**16.8%**	**91,873**	**(1,000)**	**90,873**	**22.1%**
Depreciation, amortization and impairment losses on non-current assets	(27,598)	-	(27,598)	-5.7%	(20,429)	-	(20,429)	-4.9%
Right-of-use depreciation	(3,153)	-	(3,153)	-0.7%	(3,172)	-	(3,172)	-0.8%
Operating profit (loss) (EBIT)	**49,836**	**(12,433)**	**37,403**	**10.0%**	**68,272**	**(1,000)**	**67,272**	**16.4%**
Income, expenses, valuation and adjustments of financial assets	86,472	-	86,472	18.0%	85,037	-	85,037	20.4%
Net financial expenses	(28,693)	-	(28,693)	-6.0%	(19,111)	-	(19,111)	-4.6%
Exchange differences and FV adjustments	(822)	-	(822)	-0.2%	1,144	-	1,144	0.3%
Profit (loss) before tax	**106,793**	**(12,433)**	**94,360**	**22.2%**	**135,342**	**(1,000)**	**134,342**	**32.5%**
Tax	(7,225)	3,492	(3,733)	-1.5%	(16,935)	295	(16,640)	-4.1%
Net profit (loss)	**99,568**	**(8,941)**	**90,627**	**20.7%**	**118,407**	**(705)**	**117,702**	**28.4%**

EBITDA: operating result before interest, taxes, depreciation and write-down of tangible and intangible fixed assets and usage rights on lease agreements.

EBIT: operating result before financial income and charges and taxes.

The table below shows the impact of the non-recurring transactions referred to in the statements above, for the periods 2023 and 2022:

(€ thousands)

	FY 2023	FY 2022
Imputed cost of assignment by Ampliter shareholder of Amplifon shares to the CEO	(12,433)	-
Donation to UNHCR	-	(1,000)
Impact of the non-recurring items on EBITDA	**(12,433)**	(1,000)
Impact of the non-recurring items on EBIT	**(12,433)**	(1,000)
Impact of the non-recurring items on profit before tax	**(12,433)**	(1,000)
Impact of the above items on the tax burden of the period	3,492	295
Impact of the non-recurring items on net profit	**(8,941)**	(705)

On 5th January 2023 the majority shareholder Ampliter S.r.l. ("Ampliter") issued a plan which provides for the one-off assignment, free of charge, of up to a maximum of 500,000 of the Amplifon shares owned by Ampliter, to the Chief Executive Officer.

The shares will be transferred, free of charge, in five tranches, comprising a first tranche of 260,000 shares and subsequent ones of 60,000 shares each.

As a result of this assignment, which was made completely autonomously by Ampliter and does not envisage any cash-out by Amplifon, based on IFRS 2 "Share Based Payments" an estimated one-off notional cost of €13.7 million was recognized in the income statement, of which €12.4 million in 2023 and €1.3 million in 2024.

RECLASSIFIED CONDENSED BALANCE SHEET

The reclassified Condensed 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)

	12/31/2023	12/31/2022	Change
Goodwill	8,025	8,025	-
Other intangible fixed assets	80,712	73,644	7,068
Buildings, plants and machinery	6,133	7,261	(1,128)
Right-of-use assets	18,540	13,893	4,647
Fixed financial assets	1,837,302	1,773,398	63,904
Other non-current financial assets	3,519	4,089	(570)
Total fixed assets	**1,954,231**	**1,880,310**	**73,921**
Inventories	520	181	339
Trade receivables (1)	231,647	244,476	(12,829)
Other receivables (2)	33,099	41,327	(8,228)
Current assets (A)	**265,266**	**285,984**	**(20,718)**
Total assets	**2,219,497**	**2,166,294**	**53,203**
Trade payables (3)	(269,671)	(243,642)	(26,029)
Other payables (4)	(35,750)	(49,510)	13,760
Short term liabilities (B)	**(305,421)**	**(293,152)**	**(12,269)**
Net working capital (A)+(B)	**(40,155)**	**(7,168)**	**(32,987)**
Derivative instruments (5)	12,933	24,474	(11,541)
Deferred tax assets	16,711	16,709	2
Provisions for risks (non-current portion)	(92)	(95)	3
Employee benefits (non-current portion)	(773)	(718)	(55)
Loan fees (6)	3,006	4,508	(1,502)
Other long-term payables	(5,221)	(110)	(5,111)
NET INVESTED CAPITAL	**1,940,640**	**1,917,909**	**22,731**
Net equity	**748,861**	**702,300**	**46,561**
Short term net financial debt	453,842	395,531	58,311
Long term net financial debt	716,805	804,659	(87,854)
Total net financial debt	**1,170,647**	**1,200,190**	**(29,543)**
Lease liabilities	21,132	15,419	5,713
Total lease liabilities & net financial debt	**1,191,779**	**1,215,609**	**(23,830)**
NET EQUITY, LEASE LIABILITIES AND NET FINANCIAL DEBT	**1,940,640**	**1,917,909**	**22,731**

(1) The item “Trade receivables” includes “Receivables from suppliers of acoustic solutions for chargebacks” and “Receivables from subsidiaries and parent company deriving from the sale of goods and services”.
(2) The item “Other receivables” includes “Other receivables” and “Other receivables from subsidiaries and parent company”.
(3) The item “Trade payables” includes “Trade payables from suppliers” and “Payables to subsidiaries and parent company”.
(4) “Other payables” includes other liabilities, accrued liabilities and deferred income, current portion of liabilities for employees’ benefits and tax liabilities.
(5) “Derivatives instruments” includes cash flow hedging instruments not included in the item “Net medium and long-term financial indebtedness”.
(6) 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 CASH FLOW STATEMENT

The condensed reclassified cash flow statement, starting from the operating result, presents an indication of the monetary flows generated or absorbed by the operating, investment and financing functions.

(€ thousands)

	FY 2023	FY 2022
Operating profit (loss) (EBIT)	**37,403**	**67,272**
Amortization, depreciation and write-down	30,751	23,601
Provisions, other non-monetary items and gain/losses from disposals	24,627	8,759
Net financial expenses	(30,780)	(17,482)
Dividends collected	88,524	109,424
Taxes paid	(10,038)	(1,240)
Changes in net working capital	60,284	52,341
Cash flow provided by (used in) operating activities before repayment of lease liabilities	**200,771**	**242,676**
Repayment of lease liabilities	(2,086)	(2,782)
Cash flow provided by (used in) operating activities (A)	**198,685**	**239,894**
Cash flow provided by (used in) operating investing activities (B)	(34,772)	(27,064)
Free Cash Flow (A+B)	**163,913**	**212,831**
Net cash flow provided by (used in) acquisitions equity investments/ capital increases in related parties (C)	(75,426)	(105,184)
(Purchase) sale of other investment and securities, liquidation of subsidiary (D)	9,331	-
Cash flow provided by (used in) investing activities (B+C+D)	**(100,867)**	**(132,248)**
Cash flow provided by (used in) operating activities and investing activities	**97,818**	**107,647**
Other non-current assets	(18)	-
Hedging instruments	(1,483)	-
Fees paid on medium/long-term financing	(1,413)	-
Dividends distribution	(65,361)	(58,237)
Purchases of treasury shares	-	(53,093)
Capital increases	-	-
Net cash flow from the period	**29,543**	**(3,684)**
Net financial indebtedness at the beginning of the period net of lease liabilities	**(1,200,190)**	**(1,196,093)**
Change in net financial position	29,543	(3,684)
Net financial indebtedness merged company 2022	-	(412)
Net financial indebtedness at the end of the period net of lease liabilities	**(1,170,647)**	**(1,200,190)**

REVENUES FROM SALES AND SERVICES

(€ thousands)	FY 2023	FY 2022	Change	Change %
Revenues from sales and services to subsidiaries	480,539	416,203	64,336	15.5%
Total	**480,539**	**416,203**	**64,336**	**15.5%**

Revenues for services rendered to subsidiaries include:

- the revenues realized by Amplifon S.p.A. for the Group's centralized procurement which went from €326,741 thousands at 31st December 2022 to €388,797 thousands at 31st December 2023. The increase is attributable to the gradual expansion of the activity with the contribution of the Italian and French subsidiaries (added in the first half of 2022), as well as the German and Swiss subsidiaries (added in the second half of 2022), for a full 12 months in 2023 and the entry of Belgium in 2023;
- the revenues for services rendered to subsidiaries based on intercompany service agreements amounted to €91,742 thousands at 31st December 2023 (€89,461 thousands at 31st December 2022) and relate to centralized services provided including human resources management, marketing, implementation of shared IT systems. The increase reflects the increasing centralization of functions in Amplifon S.p.A.

In May 2021, as a result of the corporate redefinition project, the Parent Company Amplifon S.p.A. is focused on the Group's direction and management, as well as the centralized purchasing for the entire Group. As of the same date Amplifon Italia S.p.A. is responsible for the Italian market operations.Consequently, Amplifon S.p.A. no longer generates revenue from sales and services provided to Italian market end customers.

GROSS OPERATING PROFIT (EBITDA)

(€ thousands)	FY 2023			FY 2022		
	Recurring	Non-recurring	Total	Recurring	Non-recurring	Total
Gross operating profit (loss) (EBITDA)	**80,587**	**(12,433)**	**68,154**	**91,873**	**(1,000)**	**90,873**

Gross operating profit (EBITDA) amounted to €68,154 thousands (14.2% of the revenues generated by sales and services) compared to €90,873 thousands at 31st December 2022.

EBITDA was impacted for €12,433 thousands by non-recurring costs stemming from the portion of the notional cost recognized in the year in accordance with IFRS 2 *"Share Based Payments"* for the one-off assignment, free of charge, of 500,000 of the Amplifon shares owned by Ampliter, to the Chief Executive Officer.

The net change reflects the allocations of transfer pricing adjustments to the subsidiaries, in accordance with the Group's transfer policy, as well as tax regulations and applicable accounting standards.

OPERATING PROFIT (EBIT)

(€ thousands)	FY 2023			FY 2022		
	Recurring	Non-recurring	Total	Recurring	Non-recurring	Total
Operating profit (loss) (EBIT)	**49,836**	**(12,433)**	**37,403**	**68,272**	**(1,000)**	**67,272**

Operating profit (EBIT), amounted to €37,403 thousands (7.8% of revenues from sales and services) and reflects the change in EBITDA described above, as well as the increase in amortization stemming from the investments in digitalization and the IT systems which became operative in 2023, relating to front-office solutions for the hyper-presonalization of customer experiences and the continuous implementation and standardization of the Group's ERP cloud system for back-office functions (Human Resources, Procurement, Administration and Finance).

PROFIT BEFORE TAX

(€ thousands)	FY 2023			FY 2022		
	Recurring	Non-recurring	Total	Recurring	Non-recurring	Total
Profit (loss) before tax	**106,793**	**(12,434)**	**94,359**	**135,342**	**(1,000)**	**134,342**

Profit before tax amounted to €94,359 thousands in 2023 compared to €134,342 thousands in 2022, a drop of €39,983 thousands explained by an increase in financial expenses due to higher interest rates which impacted utilization of short-term credit lines and the floating rate portion of long-term facilities.

NET PROFIT ATTRIBUTABLE TO THE GROUP

(€ thousands)	FY 2023			FY 2022		
	Recurring	Non-recurring	Total	Recurring	Non-recurring	Total
Net profit (loss)	**99,568**	**(8,941)**	**90,627**	**118,407**	**(705)**	**117,702**

Net profit reached €90,627 thousands in 2023, compared to €117,702 thousands in 2022, as a result of the changes referred to above. The tax rate impacted for 3.9%. Excluding the impact of the dividends, which are taxed at only 5% of their total, the tax rate would have reached 36%.

NON-CURRENT ASSETS

(€ thousands)

	12/31/2023	12/31/2022	Change
Goodwill	8,025	8,025	-
Other intangible fixed assets	80,712	73,644	7,068
Tangible assets	6,133	7,261	(1,128)
Right-of-use assets	18,540	13,893	4,647
Financial fixed assets	1,837,302	1,773,398	63,904
Other non-current financial assets	3,519	4,089	(570)
Non-current assets	**1,954,231**	**1,880,310**	**73,921**

Non-current assets amounted to €1,954,231 thousands at 31st December 2023 versus €1,880,310 thousands at 31st December 2022, an increase of €73,921 thousands mainly attributable to:

- the capital increases and other cash contributions made related to investments in the Chinese, Polish and American subsidiaries for a total of €75,090 thousands partially offset, for €8,359 thousands, by the liquidation and subsequent extinction of Audibel S.r.l. on 19th December 2023;
- an increase in intangible assets attributable mainly to investments in digitalization and IT as a result of the continuous customer focus and the desire to increase control of operations which fueled the significant work done on technological infrastructure and store systems, with the development of tools and technologies which innovate the customer experience, support extensive understanding of the customer, including through artificial intelligence, as well as investments in operating processes and back office functions (ongoing implementation and standardization of the Group's ERP cloud system for Human Resources, Procurement, Administration and Finance).

NET INVESTED CAPITAL

Net invested capital came to €1,940,640 thousands at 31st December 2023, an increase of €22,731 thousands against the €1,917,909 thousands recorded at 31st December 2022.

This increase is attributable mainly to the change in non-current assets described above, which was partially offset by a decrease in derivatives and an increase in other long-term debt.

NET FINANCIAL POSITION

(€ thousands)

	12/31/2023	12/31/2022	Change
Net medium and long-term financial indebtedness	716,805	804,659	(87,854)
Net short-term financial indebtedness	566,775	511,333	55,442
Cash and cash equivalents, other financial activities and short-term financial receivables	(112.933)	(115.802)	2.869
Net financial indebtedness (A)	**1,170,647**	**1,200,190**	**(29,543)**
Lease liabilities – current portion	2,993	2,850	143
Lease liabilities – non-current portion	18,139	12,568	5,571
Lease liabilities (B)	**21,132**	**15,419**	**5,713**
Total lease liabilities & net financial indebtedness (A+B) (C)	**1,191,779**	**1,215,609**	**(23,830)**

Excluding lease liabilities, net financial debt amounted to €1,170,647 thousands at 31st December 2023 versus €1,200,190 thousands at 31st December 2022.

Long-term net financial debt amounted to €716,805 thousands at 31st December 2023 and includes the Eurobond (€350 million), long-term debt (€362,090 thousands) and the deferred payments for acquisitions (€4,699 thousands). The change in the reporting period is attributable mainly to the reclassification of portions of long-term bank debt, expiring in the next 12 months, from long-to short-term, net the increases stemming from the EIB loan (for €75 million), and the utilization of an irrevocable revolving credit line of €60 million with Banca Intesa.

The short-term debt amounted to €566,775 thousands, an increase of €55,442 thousands. Short-term debt comprises mainly the short-term portion of long-term bank loans (€164,917 thousands), other bank debt including hot money used to support treasury activities and other short-term credit lines (€134,263 thousands), the amounts owed for intercompany cash pooling (€246,643 thousands), and interest payable on the Eurobond (€3,463 thousands), as well as on other bank borrowings.

The change in short term debt, excluding lease liabilities, reflects the use of cash and cash equivalents to pay a dividend to shareholders (€65,360 thousands) and capital expenditure (€34,711 thousands), as well as the subscription of subsidiaries' capital increases (€83,449 thousands), net the operating cash flow generated.

Gross debt, excluding lease liabilities, amounted to €1,170,647 thousands at 31st December 2023, €716,805 thousands of which long-term. The short-term portion amounted to €566,775 thousands which is offset by cash and cash equivalents and other current financial assets of €112,933 thousands. The latter, along with the €480 million in unutilized irrevocable credit lines, the unutilized portion of the loan signed with the European Investment Bank amounting to €225 million and €101 million in other available uncommitted credit lines, provide ample headroom and ensure the flexibility needed to take advantage of any opportunities to consolidate and develop business that might materialize.

In 2023 the financial structure was strengthened by a few important transactions:

- at the end of January 2023, when Amplifon USA repaid the US Private Placement 2013-2025, both the tranche expiring and the residual amount of the intercompany bond loan subscribed by Amplifon USA (€85,371 thousands at the hedging rate) were repaid. The elimination of the financial covenants of the private placement allowed the Amplifon Group to further improve financial flexibility;
- at the end of May 2023, a new €300 million sustainability-linked revolving line of credit was obtained from a pool of banks. This new facility, with a 3-year term and an extension option for 2 additional years at the Company's discretion, provides Amplifon with greater financial flexibility, further strengthening its solid liquidity position, diversifying the sources of funding and extending the average debt maturity;
- in July 2023 Amplifon signed a €300 million loan agreement with the European Investment Bank (EIB) to finance its innovation and digitalization process (out of a total of €350 million in financing approved by the EIB). At the end of December 2023 €75 million of the loan, available for a period of 24 months, was utilized. These resources will contribute to the further innovation of Amplifon's products and services, providing an excellent and highly personalized hearing care experience thanks to the use of a full ecosystem built around the customer, in which the quantity and quality of the Company's services, as well as digital technologies, play a key role.

Net financial debt including the lease liabilities amounted to €1,191,779 thousands versus €1,215,609 thousands in the comparison period.

NET EQUITY

(€ thousands)

	12/31/2023	12/31/2022	Change
Net Equity	**748,861**	**702,300**	**46,561**

Net equity amounted to €748,861 thousands at 31st December 2023 versus €702,300 thousands at 31st December 2022, an increase of €46,561 thousands, explained by the net profit for the year and the recognition of Stock Grant plans net of the decrease explained by the payment of dividends.

RECLASSIFIED CONDENSED CASH FLOW STATEMENT

(€ thousands)

	FY 2023	FY 2022
Operating profit (loss) (EBIT)	**37,403**	**67,272**
Amortization, depreciation and write-down	30,751	23,601
Provisions, other non-monetary items and gain/losses from disposals	24,627	8,759
Net financial expenses	(30,780)	(17,482)
Dividends collected	88,524	109,424
Taxes paid	(10,038)	(1,240)
Changes in net working capital	60,284	52,341
Cash flow provided by (used in) operating activities before repayment of lease liabilities	**200,771**	**242,676**
Repayment of lease liabilities	(2,086)	(2,782)
Cash flow provided by (used in) operating activities (A)	**198,685**	**239,894**
Cash flow provided by (used in) operating investing activities (B)	**(34,772)**	**(27,064)**
***Free Cash Flow* (A+B)**	**163,913**	**212,831**
Net cash flow provided by (used in) equity investments/ capital increases in related parties (C)	(75,426)	(105,184)
(Purchase) sale of other investment and securities, liquidation of subsidiary (D)	9,331	-
Cash flow provided by (used in) investing activities (B+C+D)	**(100,867)**	**(132,248)**
Cash flow provided by (used in) operating activities and investing activities	**97,818**	**107,647**
Other non-current assets	(18)	-
Hedging instruments and other changes in non-current assets	(1,483)	-
Fees paid on medium/long-term financing	(1,413)	-
Dividends distribution	(65,361)	(58,237)
Purchases of treasury shares	-	(53,093)
Capital increases	-	-
Net cash flow from the period	**29,543**	**(3,684)**
Net financial indebtedness at the beginning of the period net of lease liabilities	**(1,200,190)**	**(1,196,093)**
Change in net financial position	29,543	(3,684)
Net financial indebtedness merged company 2022	-	(412)
Net financial indebtedness at the end of the period net of lease liabilities	**(1,170,647)**	**(1,200,190)**

The change in net financial debt of €29,543 thousands is attributable mainly to:

- the net increase in property, plant and equipment and intangible assets of €34,772 thousands relating largely to investments in digitalization and information technology, as a result of the continuous customer focus and the desire to increase control of operations which fueled the significant work done on technological infrastructure and store systems which innovate the customer experience, the store activities and support an extensive understanding of the customer, including through the use of artificial intelligence;
- increase in the value of equity investments for €336 thousands.
- capital increases of subsidiaries for €75,090 thousands;
- capital reimbursement following the liquidation of Audibel S.r.l for €9,331 thousands.

a) operating activities:
   - interest expense on financial indebtedness and other net financial charges of €30,780 thousands, of which €790 thousands relative to imputed interest on leases;
   - payment of taxes which amounted to €10,038 thousands;
   - dividends received from subsidiaries amounting to €88,524 thousands;

b) financing activities:
   - payment of €65,361 thousands in dividends.

DATA CONTROLLER

The Board of Directors, held on May 7th, 2019, appointed the Chief Executive Officer as representative of "Data Controller" for all processing of personal data relating to the purposes of Amplifon S.p.A., as well as for data processing of personal data deriving from the management of the world market and from the governance of the Group.

SUBSIDIARIES

Amplifon S.p.A. detains a branch office, Amplifon Succursale de Paris, with offices in Créteil, Avenue du Général de Gaulle, France.

OUTLOOK

In 2024 Amplifon S.p.A. will also continue with the direction and management of the Group, as well as its role in centralizing procurement for the whole Group. The operating performance of the Company is connected to the Group expectations which, assuming that there are no more slowdowns in global economic activities due to, among other things, the well-known inflation related issues and the geopolitical situation, expects to see strong growth in the year.

Milan, March 7th 2024

CEO
Enrico Vita

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

CONSOLIDATED NON-FINANCIAL STATEMENT AS AT DECEMBER 31st 2023

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CONSOLIDATED NON-FINANCIAL STATEMENT AS AT DECEMBER 31st 2023

SUSTAINABILITY STRATEGY

JOURNEY AND AREAS OF ENGAGEMENT

Since our foundation in 1950, we have been working every day to improve people's lives by offering them unique experiences and highly customized hearing care products and services. We make the most of our talent, support the communities in which we operate and raise awareness of the value of hearing wellbeing among the next generation, always acting in accordance with the highest ethical and moral standards in relations with all stakeholders and the environment.

These are all fundamental elements for us, which have always guided our way of doing business and are set out in this Sustainability Statement. Now in its eighth edition, this Statement is a direct expression of the organic sustainability journey that we began in 2016 and constitutes our Non-Financial Statement prepared in accordance with Legislative Decree No. 254/2016. In addition, starting this year, it is integrated with the Group's Annual Report, bearing witness to the progressive integration of ESG issues into the business strategy.

WE SUPPORT UN GLOBAL COMPACT

As Amplifon is a signatory of the United Nations Global Compact, this Statement includes the activities it has carried out and the progress it has made in complying with, applying and promoting the Ten Principles of the Global Compact with regard to the respect for human and labour rights, environmental protection and the fight against corruption.

OUR PATH TO SUSTAINABILITY

2016

First voluntary Sustainability Report

2017

First Non-Financial Statement pursuant to Legislative Decree No. 254/2016

Control, Risks and Sustainability Committee set up

2018

Product & service stewardship
People empowerment
Community impact
Ethical behavior

Sustainability Policy and its four areas of commitment adopted

2019

We Care and Listen Responsibly programmes launched

Listen Responsibly
we care Our Citizenship Program

2020

LISTENING AHEAD
amplifon foundation THE SOUND OF INCLUSION.

First Listening Ahead Sustainability Plan launched

Amplifon Foundation set up

2021

UN Global Compact joined

First two ESG-linked credit lines contracted

Improvements in ESG ratings and indices continue

WE SUPPORT UN GLOBAL COMPACT
EURONEXT
S&P Global

2022

CDP

Supplier Code of Conduct and DEIB Policy adopted

CDP Climate Change questionnaire completed

First indirect (Scope 3) emissions map

2023

New Sustainability Plan prepared

SBTi commitment and climate risk assessment

New Environmental Policy adopted

Third ESG-linked credit line

SCIENCE BASED TARGETS

SUSTAINABILITY POLICY AND AREAS OF COMMITMENT

Since 2018, our **Sustainability Policy** has included **four areas of our commitment** to sustainability, through which we enhance existing activities and define new initiatives. After being approved by the Board of Directors, the Policy was published and shared with all Group employees, so that everyone can comply with its guiding principles in conducting their daily business responsibly.

PRODUCT & SERVICE STEWARDSHIP

Aware of the central role we play in the hearing care sector, we offer our customers top-quality solutions and services, ensuring that they are effective, personalized and safe, and thus offering an exceptional customer experience that meets everyone's needs.

PEOPLE EMPOWERMENT

We believe that our people are the most important asset in offering high value-added hearing solutions and services, which is why we are determined to attract, develop and retain the best talent, as well as to ensure a safe, inclusive and innovative working environment.

COMMUNITY IMPACT

In the light of the high social impact of our products and services, we are committed to promoting social inclusion and raising awareness related to hearing wellbeing in order to reduce the serious consequences of hearing loss and maximize the benefits of prevention.

ETHICAL BEHAVIOR

In order to operate responsibly throughout the value chain towards everyone and the environment, we are strongly committed to conducting our business in compliance with the regulatory environment and the highest ethical and moral standards, actively preventing unethical practices of any kind.

LEARN MORE
SUSTAINABILITY POLICY

ESG INDICES AND RATINGS		SCORE
EURONEXT	Since 2021, Amplifon has been included in the MIB ESG index launched by Euronext and Borsa Italiana, the first index dedicated to the 40 Italian blue-chips that implement the best environmental, social and corporate governance (ESG) practices.	
S&P Global	In 2023, Amplifon continued to participate in the Corporate Sustainability Assessment (CSA) by S&P, obtaining a total score of 60 on a scale of 0-100 and scores above the sector averages in all areas (Governance & Economic, Environmental, Social), thus placing in the top ten of the global rankings of Health Care Providers & Services Industry. In view of these results, this year Amplifon was again included in the S&P Global Sustainability Yearbook 2024, which includes a rankings of the 759 top performers among the more than 9,400 companies evaluated by the CSA.	Score: 60
CDP DISCLOSER 2023	After first participating in 2022, this year Amplifon again took part in the Climate Change questionnaire by CDP, a non-profit organization that has managed the largest database of greenhouse gas (GHG) emissions at global level since 2000, obtaining a B score (Full Management) on a scale from A to D, an improvement on the score of C in 2022.	Score: B
MSCI	In 2023, MSCI – whose ESG ratings measure the resilience of companies to ESG risks and trends – maintained Amplifon's ESG rating of AA on a scale from CCC to AAA, with scores above the average for the sector in all key areas of the assessment.	Score: AA
SUSTAINALYTICS a Morningstar company	Sustainalytics' ESG risk rating evaluates companies based on their exposure to key ESG risks. Due to the limited exposure to these types of risks, as well as the proper management of residual and potential risks, Amplifon was assigned an ESG risk rating of 15.7/100 (Low risk) in 2023.	Score: Low Risk
ISS ESG	The ISS ESG Corporate Rating provides investors with a comprehensive assessment of companies' ESG performance and opportunities. In 2023, Amplifon's rating increased from D+ to C (on a scale from D- to A+), and the transparency level was set as very high.	Score: C
FTSE Russell	The FTSE4Good Index Series are equity indices launched by the FTSE Group that measure the performance of companies in the ESG arena. In 2023, Amplifon increased its ESG Rating to 3.1 (on a scale of 0-5), above the average for the Health Care industry (2.4).	Score: 3.1
V.E	In 2023, Vigeo Eiris maintained Amplifon's ESG Overall Score at 48 on a scale of 0-100, assigning an ESG performance above or in line with the industry average for the three ESG pillars.	Score: 48
standard ethics	Standard Ethics, which assesses companies' commitment to international directives and guidelines (e.g. UN, OECD, EU), gave Amplifon a Standard Ethics Rating of E+ in 2023, on a scale from F to EEE.	Score: E+

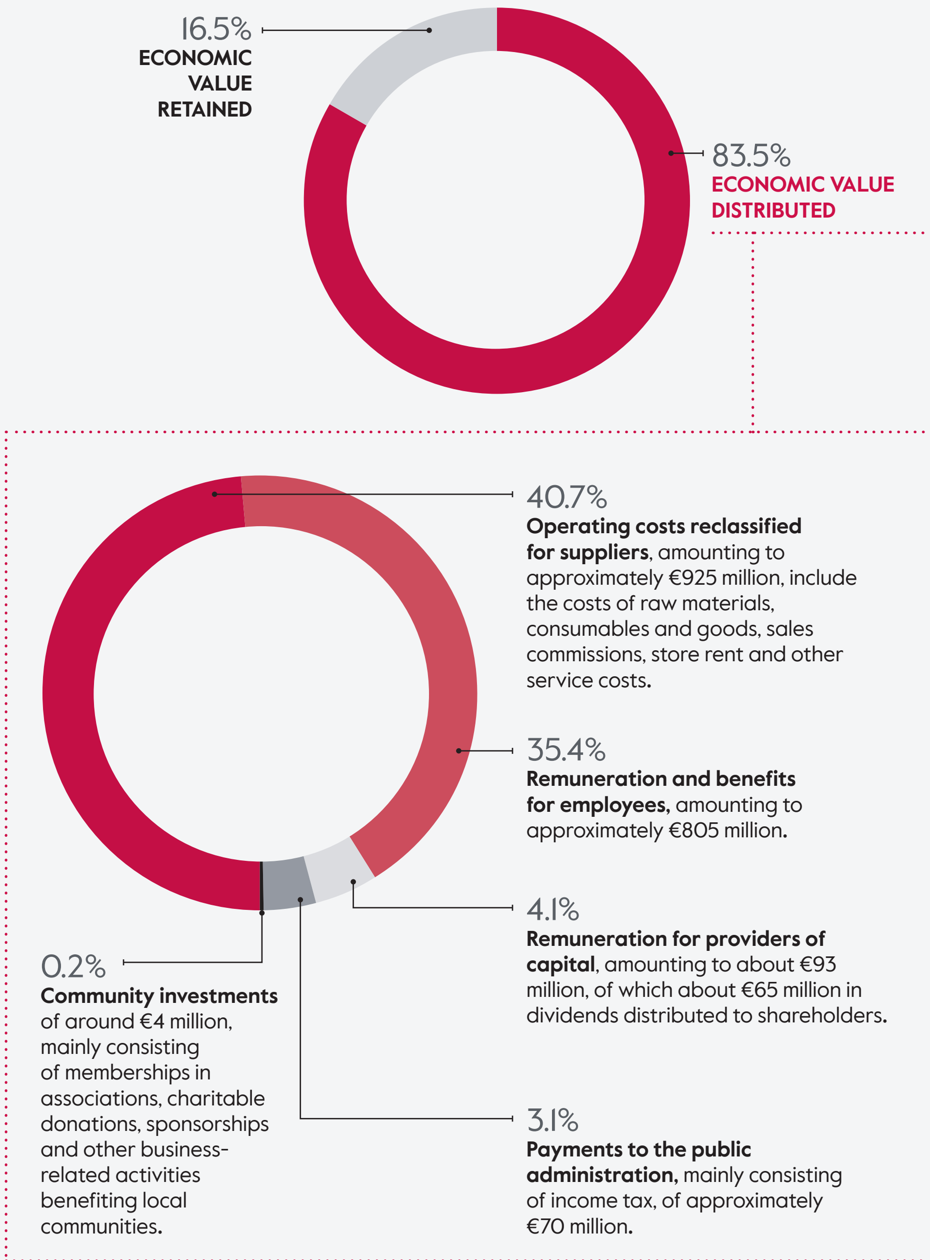
ECONOMIC VALUE GENERATED

Through our work, we generate shared economic value, thus contributing to the growth of the socio-economic environment in which we operate. This is made possible through close relations with stakeholders and careful management of financial, productive, intellectual, human, social and relational assets.

Through our business activities, we create value for our main stakeholders with a direct interest in the Company's financial performance (shareholders, employees, public administration and the community), as well as for anyone else who has business relations with Amplifon (suppliers and providers of capital). The economic value generated by the Company, net of the value distributed to stakeholders, represents economic value retained, consisting mainly of the portion of net profit not distributed to shareholders for the purpose of financing future investments.

In 2023, of the economic value generated by Amplifon (approximately **€2,272 million**), approximately 16.5% was retained (approximately €375 million), while approximately 83.5% (approximately €1,897 million) was distributed to all stakeholders.

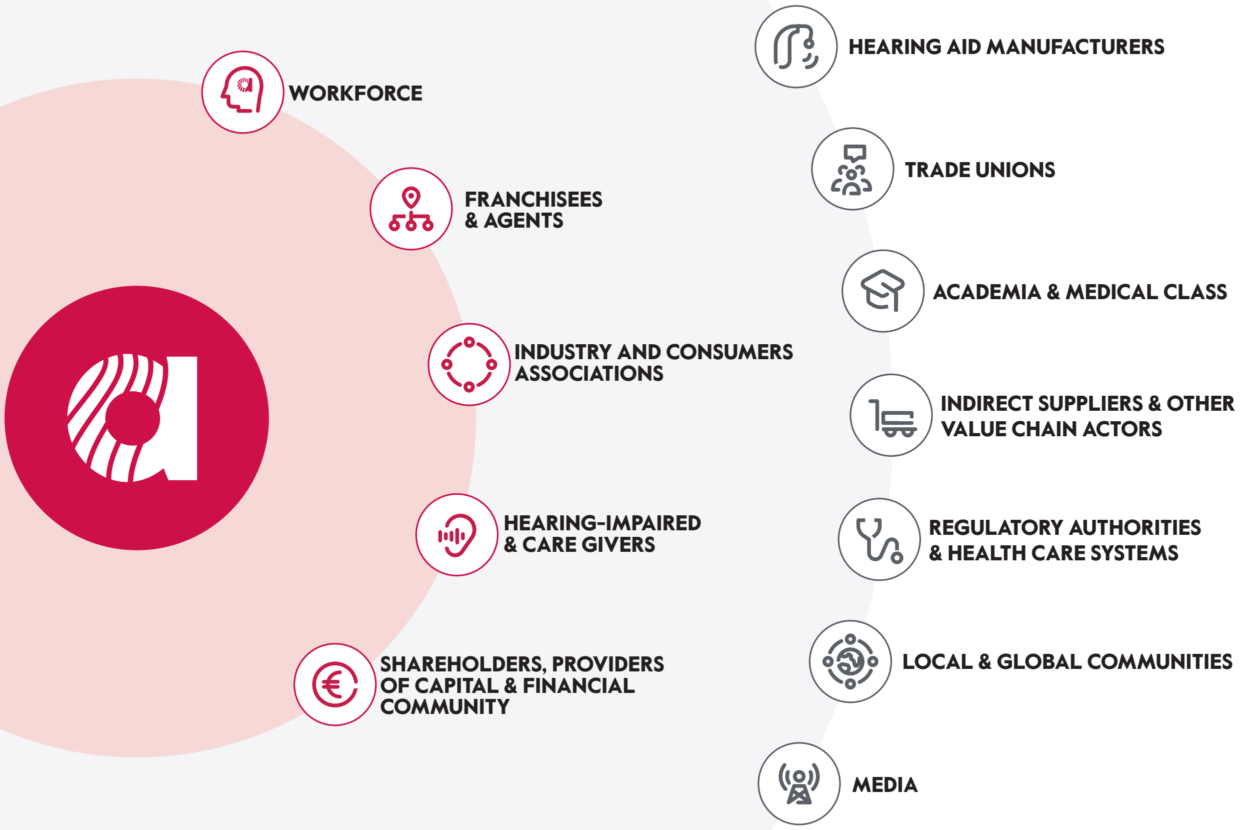
DISTRIBUTION OF THE ECONOMIC VALUE GENERATED IN 2023



STAKEHOLDERS AND PRIORITIES

We operate in a dynamic international environment, where engagement and open dialogue with stakeholders is fundamental to pursuing our goal of generating shared economic and social value. In 2022 we updated our **stakeholder map** by identifying, with the support of our top management, the main categories of stakeholders and assessing their relevance based on the types of relationships and their roles. We thus defined a **Stakeholder Engagement Plan**, i.e. a structured, multi-year process of dialogue, which is enabling us to engage most of our stakeholders in different interactive ways. As envisaged in the Plan, during 2023 we promoted an open discussion on specific emerging issues with a number of specific stakeholders, both internal and external. In particular, we engaged most of our direct global suppliers and a sample of our employees in workshops dedicated to the topics of decarbonization along the value chain, Diversity and Inclusion and the Community Impact pillar, respectively. In addition, through an online survey, we gathered further feedback from consumer associations, academia and the media. These activities will also continue in the course of 2024 in view of the comprehensive update of the materiality analysis, which will also take into account the insights gained during the engagement activities.

Since 2021 we have been assessing the main ESG issues according to the principle of **double materiality**, i.e. by assessing both Amplifon's impact on the individual issues *(impact materiality*[1]*)* and to what extent the same issues may impact our organization's ability to create value and financial performance (*financial materiality*[2]*)* by looking at the main macro-trends with the awareness that issues that are less material today may become more relevant tomorrow. The sustainability issues included in our universe[3] were assessed by top management and discussed during stakeholder engagement activities. The **materiality analysis** that emerged, which this year was revised in structure to emphasize ESG and financial significance, as well as ESG impacts, was subsequently validated by the Risk, Control & Sustainability Committee and the Board of Directors in December 2023.



1 In line with GRI reporting standards, impact materiality means the analysis of current and potential impacts, both positive and negative, on the economy, the environment and people in the context of Amplifon's activities and its business relationships.

2 The independent auditors' opinion and related verification activities did not extend to the disclosure of the *financial materiality* determination process and related outputs, which was carried out in advance of the requirements of the Corporate Sustainability Reporting Directive.

3 Amplifon's universe of sustainability topics was updated in 2021 by means of specific induction sessions with top management and key corporate functions. Of the issues considered, water management and logistics and distribution process efficiency were not material in light of the nature of Amplifon's business.

2023 MATERIALITY ANALYSIS		IMPACT MATERIALITY					FINANCIAL MATERIALITY
Pillar	**Material Topic**	**Positive impact**	**Actual/ Potential**	**Negative impact**	**Actual/ Potential**	**Relevance (1,2,3)***	**Relevance (1,2,3)***
AMPLIFON BUSINESS 17 PARTNERSHIPS FOR THE GOALS	**Long-term resilience and profitability**	Generating shared economic value, ensuring resilience, sustainable economic growth and responsible, forward-looking management of financial, physical, intellectual, human, social and relational assets	Actual	Potential reduction in shared economic value generation and sustainable economic growth, with loss of resilience to global macro-trends	Potential	●●●	●●●
	Sustainability strategic approach and governance	Strengthening sustainability principles and areas of commitment in the Group's strategy, governance and risk management	Actual	Potential weakening of sustainability issues within the Group's strategy with possible strategic and non-compliance risks	Potential	●●●	●●○
PRODUCT AND SERVICE STEWARDSHIP 3 GOOD HEALTH AND WELL-BEING 8 DECENT WORK AND ECONOMIC GROWTH	**Availability and accessibility to hearing care**	Enhancing the accessibility of hearing care by expanding the distribution network and offering innovative services that facilitate the overcoming of physical and social barriers	Actual	Difficulties for clients and people with hearing loss to access and use hearing care products and services due to physical, social and digital barriers	Potential	●●●	●●○
	Innovation, digitalization and personalization of the customer experience	Improvement and personalization of the customer experience, from the first point of contact to after-sales services, through investment in technology and increasingly innovative, engaging and digital hearing services	Actual	Potential difficulty for customers in using and benefiting from innovative, engaging, digital, and customized hearing care services	Potential	●●●	●●●
	Quality, reliability and safety of products and services	Maintaining quality standards and the reliability and safety of the products and services offered, relying on the expertise and professionalism of hearing care professionals, in full compliance with current regulations	Actual	Potential non-conformity of products and services in terms of quality and reliability, or in safety measures for customers	Potential	●●●	●●●
	Cybersecurity and data privacy	Consolidation of practices and policies aimed at safeguarding IT security and protecting personal and sensitive data provided by customers and all stakeholders	Actual	Potential breaches in cybersecurity and data privacy systems resulting in loss of personal data and customer information	Potential	●●●	●●●
	Responsible marketing and sales practices	Strengthening responsible marketing and sales practices, ensuring transparent and reliable interactions with customers and stakeholders	Actual	Potential loss of credibility due to inaccurate and/or not fully transparent information for customers	Potential	●●○	●●○
PEOPLE EMPOWERMENT 5 GENDER EQUALITY 8 DECENT WORK AND ECONOMIC GROWTH	**Attraction and development of key resources**	Positioning as an employer of choice by attracting top talent, enhancing their potential and incentivising their professional development	Actual	Potential difficulties in attracting, retaining and training qualified talent and key personnel to maintain effective business conduct	Potential	●●●	●●●
	Employees' health and safety	Consolidation of policies, practices and management systems to ensure a healthy and safe workplace for people involved in company activities	Actual	Potential risks of non-compliance with health and safety regulations for shop and back-office employees	Potential	●●○	●●○
	Diversity, equity and inclusion	Ensuring an inclusive and fair working environment for all people by promoting equal opportunities, protecting diversity and minorities and combating all forms of discrimination	Actual	Potential discrimination against certain categories of employees in the workplace, psychological violence and/or unequal treatment of employees	Potential	●●○	●●○
	People's welfare and engagement	Establishing an engaging and stimulating working environment that offers the best working conditions and guarantees workers' rights and well-being	Actual	Potential loss of talent and low retention due to limited internal welfare and involvement activities	Potential	●●●	●●○

Actual   Potential

*1 = low, 2 = medium, 3 = high

2023 MATERIALITY ANALYSIS		IMPACT MATERIALITY					FINANCIAL MATERIALITY
Pillar	**Material Topic**	**Positive impact**	**Actual/ Potential**	**Negative impact**	**Actual/ Potential**	**Relevance (1,2,3)***	**Relevance (1,2,3)***
COMMUNITY IMPACT 3 GOOD HEALTH AND WELL-BEING 10 REDUCED INEQUALITIES	**Awareness-raising and education on hearing well-being**	Raising awareness and consciousness of the importance of hearing well-being and responsible listening, encouraging noise pollution prevention	Actual	Potential reduction in collective awareness of the importance of hearing well-being and responsible listening	Potential	●●●	●●○
	Supporting the local communities	Supporting local areas through local development initiatives and philanthropic activities aimed at engaging communities, especially the most vulnerable ones	Actual	Potential mismatch between the activities promoted and the expectations of local communities, resulting in reduced positive impacts on society	Potential	●○○	●○○
ETHICAL BEHAVIOR 12 RESPONSIBLE CONSUMPTION AND PRODUCTION 13 CLIMATE ACTION	**Regulatory framework**	Effective monitoring of regulations concerning the technical aspects of hearing aids, as well as their sale, distribution and reimbursement conditions	Actual	Potential non-compliance of business activities with the evolving legal and regulatory environment	Potential	●●●	●●●
	Ethical and responsible business conduct	Consolidation of business activity in accordance with the highest ethical and moral standards, actively preventing any kind of unethical, corrupt and anti-competitive practices	Actual	Potential instances of non-compliance in terms of corruption, unfair competition, and unethical business practices	Potential	●●●	●●●
	Waste management and circular economy	Strengthening circular economy and material recovery practices, including through proper waste collection and disposal	Potential	Potential instances of non-compliance regarding proper waste treatment and missed opportunities in terms of the circular economy	Potential	●○○	●○○
	Energy efficiency and climate action	Contribution to climate change mitigation and adaptation, including by promoting energy efficiency initiatives and encouraging the use of renewable energies	Actual	Potential insufficient contribution to global climate change mitigation and adaptation efforts due to limited initiatives and investments	Potential	●●○	●○○
	Responsible management of the supply chain	Strengthening ESG criteria in responsible management of the supply chain, including with respect to supplier evaluation and traceability of procurement	Potential	Potential non-compliance with minimum standards of ethical conduct along the supply chain, as well as missed opportunities in terms of responsible sourcing	Potential	●●○	●●○

Actual   Potential

*1 = low, 2 = medium, 3 = high

SUSTAINABILITY GOVERNANCE

BOARD OF DIRECTORS COMPOSED OF A **MAJORITY OF WOMEN**

LEARN MORE
COMPOSITION OF THE BOARD OF DIRECTORS

The Board of Directors (BoD), currently composed of nine members with a good mix of expertise, from the hearing care sector to the ESG area, approves the Non-Financial Statement, verifying that it is drawn up and published in accordance with the provisions of Legislative Decree No. 254/16, the Sustainability Policy (which formalizes the four areas of commitment for the Group) and the strategic guidelines in the ESG area (including the Sustainability Plan), thus maintaining constant Group oversight in all areas of sustainability, including climate change issues. In support of the Board of Directors, the Risk, Control & Sustainability Committee oversees internal control and risk management issues, including those concerning ESG areas related to the company's operations and interactions with stakeholders, while monitoring the adequacy and appropriateness of the internal control system and reporting any critical issues. In order to strengthen awareness of ESG issues and risks, during their regular meetings the BoD and Risk, Control & Sustainability Committee are updated on the various sustainability initiatives promoted, including those related to climate change mitigation and adaptation, and in 2023 the BoD members participated in a specific **induction session on ESG issues** with the participation of external experts. From time to time, these government bodies are presented with the activities carried out for sustainability reporting (e.g. with regard to the materiality analysis, also validated in 2023 by the Board of Directors), new projects and the main milestones achieved with respect to the objectives of the Sustainability Plan, as well as communication and engagement activities, including those with the financial community, ESG rating companies and all stakeholders. In connection with the definition of the new Sustainability Plan, the Global Investor Relations & Sustainability function also involved top management in open discussion sessions on the main ESG opportunities, including those related to climate action, and assessed the priorities for the organization. As part of the Enterprise Risk Management (ERM) process, all material ESG issues – including those related to environmental aspects and climate change – were assessed with top management in terms of potential risks, impacts and opportunities and how to manage them, which were also presented to the Risk, Control & Sustainability Committee and Board of Directors.

THE INTERNAL CONTROL SYSTEM AND ESG RISK ASSESSMENT

The Internal Control and Risk Management System (ICRMS) constitutes the set of rules, procedures and organizational structures designed to ensure sound management of the company through an adequate process of identification and management of the main risks, in order to take full advantage of any opportunities. Through the adoption of the **Enterprise Risk Management (ERM)** model, we promote a structured and systematic process of risk assessment, monitoring and reporting, identifying potential risks for the Group for their proper management. This activity is conducted on a six-monthly basis by the Group Internal Audit & Risk Management function, which, with the involvement of the Group's top management, the heads of the three geographic areas, the general managers of the countries and their respective local management teams, gathers information for a complete understanding of the underlying dynamics and potential impacts, and prompts the proposal of response and mitigation actions. The Group Top Risks map resulting from this process is then periodically presented to the Risk, Control & Sustainability Committee and the Board of Directors.

In order to ensure that the main ESG risks, including those related to climate change, are adequately monitored, the ERM process formally integrates the identification and assessment of the main risks related to material sustainability issues starting with the annual update of the *Risk Universe* to ensure that both previously identified risks and any new risk factors (e.g., those related to emerging ESG issues, new trends, etc.) are considered in the process. Starting with the *Risk Universe*, the main ESG risks applicable and/or considered potentially relevant for the Group are submitted for assessment by the main *Risk Owners* through specific meetings. The final rating, derived from estimates of likelihood of occurrence and impact, provides an indication of the organization's share of residual risk from existing mitigation and control activities aimed at reducing possible impacts.

LEARN MORE
THE INTERNAL CONTROL AND RISK MANAGEMENT SYSTEM

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- MAIN ESG RISKS
- POTENTIAL CLIMATE-RELATED RISKS

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RISK MANAGEMENT

CONSOLIDATED FINANCIAL STATEMENTS
CONSOLIDATED NON-FINANCIAL STATEMENT
REPORT ON OPERATIONS
AMPLIFON AT A GLANCE

NEW SUSTAINABILITY PLAN

LISTENING AHEAD
SUSTAINABILITY PLAN

In 2020, we gave concrete implementation to our commitment areas by launching our first "Listening Ahead" Sustainability Plan, which included targets aligned to our business strategy for the three-year period 2021-2023, as well as related to the variable remuneration of top management and our first three ESG-linked credit lines.

Three years on, we have rethought our targets so that they are even more integrated within our business strategy, looking at global mega-trends in ESG and key emerging regulatory drivers, and proposing new targets that can best reflect our commitment, e.g. on climate change, as well as used as parameters for performance appraisal and variable incentive systems for top management. In fact, the **new Sustainability Plan** has been revised to take into account the priorities and requests of our stakeholders, such as employees, communities, suppliers, investors and ESG rating agencies, always consistent with our corporate culture, and highlighting our contribution to the United Nations 2030 Agenda for Sustainable Development as well as to the main Sustainable Development Goals (SDGs) most relevant to our business. Following review and validation by the Risk, Control & Sustainability Committee and the BoD, the Plan will be periodically monitored and shared internally by means of specific moments of updates and presentation of the progress achieved. With the active involvement of the main functions involved, specific action plans dedicated to individual objectives are being launched and rolled out, for which performance will be monitored, thus providing a periodic update to top management and governance bodies.

OUR SUSTAINABILITY STRATEGY

PRODUCT AND SERVICE STEWARDSHIP

Target completed | Target continuing | New target

2021-2023 SUSTAINABILITY PLAN

Goal	Target	KPI	Baseline	2021	2022	2023	Status
Promote awareness of the importance of hearing, breaking down barriers and stigmatization	Raise awareness about hearing care among **more than 160 million people over the age of 55** every year until 2023 through TV campaigns and telemarketing	Number of people over the age of 55 reached by awareness-raising campaigns per year (millions of people)	151 million (2020)	177 million	156 million	138 million[4]	✓
Facilitate access to hearing care and improve the life of as many people as possible	Offer free hearing tests, generating a total saving of **more than €700 million** for customers and prospects in the three-year period 2021-2023	Annual financial saving for customers and prospects[5] (millions of €)	€142 million (2020)	€200 million	€289 million	€295 million	€784 million (2021-2023) →
Promote increasingly innovative, engaging and digital solutions	Achieve **at least 85% global penetration** of the Amplifon Product Experience (APE) in the addressable market of the various Countries by 2023[6]	APE penetration rate (in terms of units sold) in the addressable market (%)	79% (2020)	89%	95%	96%	✓

NEW SUSTAINABILITY PLAN

Goal	Target	KPI	Baseline (2023)
Facilitate access to hearing care and improve the lives of as many people as possible	Offer free complete hearing tests[7], generating a total saving of more than **€600 million** for prospects and customers in the period 2024-2026	Clients and prospects' annual economic savings (millions €)	€184 million →
Promote increasingly innovative and engaging hearing experience	Implement the New Store Protocol in **at least one-third of countries** by 2026	Percentage of countries adopting the New Store Protocol (%)	4% ⊕
Support students and professionals in joining the hearing care sector	Globally invest in future audiologists and hearing care professionals by offering adult professional programs and licensing support involving **at least 800 people** in the period 2024-2026	Number of students, professionals and, junior professionals supported (nr.)	365 ⊕
Improve the sustainability characteristics of the Amplifon branded products' packaging	**Define and launch** a new Amplifon-branded product re-usable packaging with revised material, by 2025	Launch of the new re-usable packaging (y/n)	- ⊕

4 The planning of TV campaigns in selected countries, including Germany, was revised in 2023, in part to benefit from increased investment in other channels, particularly digital.
5 Financial saving is estimated on the basis of the average cost of hearing tests that are offered free of charge to customers in most countries.
6 The addressable market refers to the market segment where the sale of APE products is applicable.
7 Compared to the target included in the previous Plan, this target is calculated on the only individuals who received a complete test (i.e., on four frequencies) for a selection of countries (10 out of 26) for which data is available in the new front office systems; the two targets are therefore not comparable. Savings are estimated on the basis of the average cost of hearing tests offered free of charge to customers.

PEOPLE EMPOWERMENT

Target completed | Target continuing | New target

2021-2023 SUSTAINABILITY PLAN

Goal	Target	KPI	Baseline	2021	2022	2023	Status
Strengthen the leadership and functional skills of all employees globally	Provide **at least 3 days** on average of training per year per capita for both back-office staff and the global field force (excluding specific plans), with unlimited access to the e-learning training platform until 2023	Average number of training days per person per year – back-office (days/year)	1.6 (2020)	3.0	3.6	3.6	Target continuing
		Average number of training days per person per year – field force[8] (days/year)	2.8 (2020)	3.5	3.7	3.7	
Ensure a solid succession pipeline for key roles	Ensure that **at least 40%** of the back-office population is assessed as talents & high performers to access the succession pipeline by 2023	Percentage of talents & high performers per year in the back-office population (%)	36% (2020)	36%	39%	43%	Target continuing
Ensure a healthy and inclusive winning workplace driven by communication and engagement	Ensure a participation rate of **at least 85%** in the global engagement survey, with **at least 90%** of respondents stating that they feel engaged (rating >=3) until 2023[9]	Global engagement survey participation rate (%)	81% (2019)	80%	NA	87%	Target completed
		Percentage of respondents giving a rating >=3 on a scale from 1 to 5 (%)	92% (2019)	88%	NA	88%	
Promote equal opportunities at all levels of the organization	Maintain an appropriate level of gender representation in the global back-office population (always **above 50%**) and the global leadership population (always **above 25%**) until 2023	Percentage of female employees in the global back-office population (%)	57% (2020)	55%	52%	53%	Target continuing
		Percentage of female employees in the global leadership population (%)	27% (2020)	30%	29%	27%	

NEW SUSTAINABILITY PLAN

Goal	Target	KPI	Baseline (2023)
Strengthen the leadership and functional skills of all employees globally	Provide at least **3 days on average of training** per year per capita for back-office employees (of which at least **2 hours on average of training on sustainability-related topics**) and field force employees, up to 2026	Average number of days of training per back-office employee per year (days/year)	3.6 Target continuing
		Average number of hours of training per back-office employee per year (hours/year)	0.41 New target
		Average number of days of training per field force[10] employee per year (days/year)	3.7 Target continuing
Ensure a solid succession pipeline for key roles	Ensure that **at least 40% of the back-office population** is assessed as talents & high performers every year up to 2026	Percentage of talents & high performers per year in the back-office population (%)	43% Target continuing
	Ensure that **at least 30% of the field force** is assessed as talents & high performers by 2026 in the countries where the new assessment system for the field force is implemented	Percentage of talents & high performers per year in the field force population according to the new assessment system (%)	27% New target
Ensure a healthy, engaging, and inclusive winning workplace	Obtain the **Top Employer Global Certification** by 2026	Global Top Employer certification obtainment (y/n)	Certification for EU, NA, Colombia, NZ New target
Promote equal opportunities at all levels of the organization	Maintain an appropriate level of gender representation in the global back-office population (**at least above 50%**) every year up to 2028, and increase it in the global leadership population (**at least up to 35%**) by 2028	Percentage of female employees in the global back-office population (%)	53% Target continuing
		Percentage of female employees in the global leadership population (%)	27% Target continuing
	Launch a new Global DEIB Action Plan by 2024, including bias-free workshops for the DEIB committee & core team, and all global leaders, by 2024	Launch of the DEIB Action Plan with bias-free workshops (y/n)	- New target

8 Including non-employee field force personnel, excluding franchisees. The 2021 and 2022 figures for average training days for the field force have been corrected following an alignment in the calculation methodology and are in any case above the target set.

9 Performance in the global engagement survey, which is conducted every two years, was affected by the large number of acquisitions of stores and new companies during 2023, for which the integration process is still on-going. In fact, although the number of respondents who expressed a positive opinion of the company is slightly lower than the target (88% vs. 90%), the figure remains stable compared to 2021 (88%), while there is a strong increase in the response rate (87%), which exceeds the target set for the three-year period (85%).

10 Including non-employee field force personnel, excluding franchisees.

COMMUNITY IMPACT

✓ Target completed → Target continuing ⊕ New target

2021-2023 SUSTAINABILITY PLAN

Goal	Target	KPI	Baseline	2021	2022	2023	Status
Support the Group Foundations' activities to spread the "sound of inclusion"	Contribute to the ramp-up of the Amplifon Foundation with **approximately €3** million by 2023	Amplifon's financial contribution to the Amplifon Foundation (€ millions)	€0.7 million (2020)	€1.3 million	€1.5 million	€1.5 million	€4.3 million (2021-2023) →
Promote awareness about responsible listening among the younger generation	Extend the "Listen Responsibly" program to new countries and involve a total of **at least 40,000 students** and **1,600 schools** by 2023	Number of students enlisted (total no. of students)	20,000 (2020)	24,500 (2020-2021)	32,000 (2020-2022)	48,763 (2020-2023)	→
		Number of schools involved (total no. of schools)	800 (2020)	1,000 (2020-2021)	1,530 (2020-2022)	1,709 (2020-2023)	
Increase awareness about the importance of hearing wellbeing and the impacts of noise pollution among communities	Map **at least 20,000 noise measurements** from **6,000 people** through the noise tracker of the "Listen Responsibly" app by 2023	Number of noise measurements mapped (no. of total measurements)	4,000 (2020)	9,000 (2020-2021)	12,500 (2020-2022)	22,779 (2020-2023)	→
		Number of users of the "Listen Responsibly" app (total no. of users)	2,700 (2020)	5,700 (2020-2021)	13,200 (2020-2022)	15,716 (2020-2023)	

NEW SUSTAINABILITY PLAN

Goal	Target	KPI	Baseline (2023)
Promote awareness about responsible listening and increase awareness about hearing care well-being	Extend the "Listen Responsibly" program to involve a total of **at least 10 million people under 35** (including students) through digital communication campaigns and events by 2028	Number of people under 35 reached via the Listen Responsibly program (nr.)	48,763[11] →
	Reach at least **50,000 total noise measurements** via the noise tracker of the "Listen Responsibly" app by 2026	Number of noise measurements mapped (no. of total measurements)	22,779 →
Support employee volunteering, ambassadorship, and engagement initiatives	Reach at least **5,000 employees' participations** in Foundations' volunteering initiatives and Social Ambassadorship initiatives in the period 2024-2026	Number of participations (no.)	1,553 ⊕
Support the Group Foundations' activities to spread the "sound of inclusion"	Contribute to the development of Amplifon Foundation's activities, also to expand its activities in other countries outside Italy, with at least **€5 million** donated in the three years 2024-2026	Amplifon's financial contribution to the Amplifon Foundation (€ millions)	€4.3 million (2021-2023) →

11 The 2023 baseline only includes students involved in Listen Responsibly initiatives in schools, excluding digital campaigns that will be included from 2024.

ETHICAL BEHAVIOR

Target completed | Target continuing | New target

2021-2023 SUSTAINABILITY PLAN

Goal	Target	KPI	Baseline	2021	2022	2023	Status
Integrate sustainability criteria into the responsible management of the supply chain	**Define** a global supplier evaluation framework based on ESG risks by 2021, and **implement** this framework in a pilot country by 2023	Definition and pilot implementation of the supplier ESG global evaluation framework	NA (2020)	Framework defined	Integration of the Supplier Code of Conduct into the qualification process	Pilot implementation of the framework in Italy	→
Increase the use of renewable energy to limit the environmental impact of the business activities	Increase the use of certified renewable electricity to **at least 70%** of the electricity consumption of offices and direct stores by 2023, avoiding the related CO_{2e} emissions	Share of green electricity supply for HQs and direct stores (%)	28% (2020)	30%	52%	74%	→
		Quantity of CO_{2e} avoided, Scope 2 – Market-based Market-based approach – (tons of CO_{2e})	3,763 (2020)	4,397	5,701	8,621	
Promote the use of rechargeable hearing aids to reduce the use and disposal of batteries	Increase the penetration and use of rechargeable hearing aids avoiding the use of **more than 200 million** batteries per year by 2023	Total number of batteries "saved" per year (millions of batteries)	74 million (2020)	131 million	194 million	254 million	→

NEW SUSTAINABILITY PLAN

Goal	Target	KPI	Baseline (2023)
Integrate sustainability criteria into the responsible management of the supply chain	Achieve Supplier Code of Conduct (SCoC) acceptance and assess ESG practices of **100% of the main direct suppliers and at least 50% of key indirect suppliers**, by spend, by 2026[12]	Direct suppliers' SCoC acceptance rate (%, by spend)	79% →
		Direct suppliers' ESG assessment rate (%, by spend)	0% →
		Key indirect suppliers' SCoC acceptance rate (%, by spend)	20% →
		Key indirect suppliers ESG assessment rate (%, by spend)	0% →
Increase the supply of green electricity and reduce GHG emissions to limit Amplifon's carbon footprint	Reach **100% of green electricity supply** for HQs and direct stores by 2030	Share of green electricity supply for HQs and direct stores (%)	74% →
	Reach **more than 60% hybrid or fully electric** global car fleet by 2030	Share of hybrid/fully electric cars within the global fleet (%)	13% ⊕
	Set and submit near-term decarbonization Science-based Targets by 2025	SBTi submission (y/n)	Commitment to SBTi ⊕
Promote the use of rechargeable hearing aids to reduce the use of disposable batteries and properly dispose end-of-life batteries	Increase the penetration and use of rechargeable hearing aids avoiding the use of **more than 320 million batteries** per year by 2028	Number of batteries "saved"[13] each year (millions of batteries)	254 million →
	Install in **at least 50% of direct stores** end-of-life battery collectors for a new centralized collection and recycling process by 2026	Share of direct stores provided with the new battery collectors (%)	- ⊕

12 The suppliers already evaluated in the pilot implementation of the framework in Italy are not included in this target and its baseline as they will be officially included in the roll-out programme of the evaluation framework starting in 2024. In addition, key direct suppliers are defined as global and regional, while key indirect suppliers are defined as strategic/critical.

13 The amount of batteries "saved" per year is estimated based on the number of rechargeable devices sold and in circulation, the average amount of batteries used annually by a non-rechargeable device, and an average device life of five years.

SUSTAINABLE FINANCE: WE CONTRACTED THREE SUSTAINABILITY-LINKED LOANS

With a view to **progressively integrating our financial and sustainability strategy**, from 2021 we have three credit lines linked to certain sustainability targets:

- A "sustainability-linked" revolving credit line contracted in September 2021 with Intesa Sanpaolo (IMI Corporate & Investment Banking Division), of €100 million, with a term of five years, linked to certain indicators of the Sustainability Plan, which is part of the plan to refinance and expand existing revolving credit facilities.
- The refinancing of the facility agreement signed following the acquisition of GAES, for a total of €210 million and a duration of 5 years, signed in December 2021 with a pool of banks consisting of Unicredit, Mediobanca and BNPP-BNL, which includes some indicators of our Sustainability Plan.
- A "sustainability-linked" revolving credit line contracted in June 2023 from a syndicate of banks (BNP Paribas, Caixa Bank, Crédit Agricole Corporate and Investment Branch, Unicredit and Banca Nazionale del Lavoro) for a total of €300 million, with a term of three years, with the option to extend for a further two years at the Company's discretion. Like its predecessors, this credit line is also linked to specific targets of the Sustainability Plan, the achievement of which will activate a margin adjustment mechanism applied to the credit line.

INTERNAL ENGAGEMENT TO ACHIEVE OBJECTIVES

Internal engagement is essential to an effective sustainability strategy. We are therefore committed to organising and promoting internal activities aimed at sharing, raising awareness and updating the entire corporate population on key sustainability issues.

In line with the first edition, the new Sustainability Plan was designed and developed through the direct involvement of various corporate functions and top management, and then validated by the Risk, Control & Sustainability Committee and the Board of Directors. Following in the footsteps of the previous Plan, new global and local projects will be launched, with the involvement of cross-functional and country teams, for the implementation of activities, as well as specific refresher events with respect to the gradual achievement of objectives.

The internal events dedicated to our employees, the Town Halls, held both in the Corporate and in major countries, involve regular sharing of our Sustainability Plan. The HR teams are also responsible for organising specific in-depth sessions on sustainability at Amplifon, during the various induction and onboarding programmes (e.g. the DaGO Global Onboarding Programme and the induction sessions of the Graduate Programme).

The Good Morning Amplifon internal press review informs the entire company population of the main macro-trends and news in the ESG area. Furthermore, December 2023 marks one year since the launch of the monthly Sustainable Waves column, which promoted the spread of the Group's sustainability activities, providing each employee with the necessary tools to contribute directly to Amplifon's sustainability strategy. Finally, with the update to the 2023 materiality analysis, and in line with the Stakeholder Engagement Plan, a representative sample of the corporate population of some of the Group's countries was involved in two workshops to identify the ESG issues most relevant to Amplifon.

ENVIRONMENTAL INFORMATION

COMMITMENT TO THE ENVIRONMENT

LEARN MORE
ENVIRONMENTAL POLICY

In line with our Code of Ethics and Sustainability Policy, we are increasingly aware of environmental issues and the challenges posed by climate change, and we monitor our performance and carbon footprint not only at office and shop level, but with respect to the entire value chain. To further strengthen this commitment, **during 2023 we adopted our new Environmental Policy**, which is valid at a global level and formalizes the Group's areas of commitment in terms of monitoring environmental performance, promoting best practices, awareness and training, compliance with applicable regulations, transparency towards stakeholders, and monitoring and management of environmental and climate risks.

Although our business model is based on retail and providing hearing care services, and does not involve any industrial or manufacturing activities, we are aware that a well-rounded view of our environmental footprint is fundamental to making our business increasingly sustainable, fostering the efficiency and dematerialization processes inherent to the business, in full compliance with current environmental regulations. This commitment is implemented through specific initiatives to promote environmental responsibility, also in order to raise employee awareness of these issues, both globally and with a specific focus at the local level.

During 2023, the roll-out of the **new store format** continued with a new architectural design featuring LED lighting, the installation of efficient heating/cooling systems, and specific modules for the collection of used batteries from customers. To support this, local facility teams, responsible for environmental issues in offices and stores, are constantly involved in energy efficiency and optimization initiatives. Internally, we launched the monthly Sustainable Waves column on our company intranet in January 2023, aimed at making employees aware of sustainability issues and how these are handled within the framework of our Sustainability Plan. Among the activities developed locally are initiatives dedicated to circularity and proper waste management, including the collection of used batteries, the regeneration of audiometers to perform hearing tests, new global initiatives to reduce printing, and in-store challenges to streamline the supply chain and improve its impact on the environment. Finally, since 2022 our Spanish subsidiary (*Amplifon Ibèrica*) has achieved environmental certification **ISO 14001** for its headquarters and warehouse.

ENERGY AND CLIMATE ACTION

~74% OF ELECTRICITY PURCHASED COMES FROM RENEWABLE SOURCES

~8,621 tons CO_{2e} AVOIDED BY PURCHASING RENEWABLE ELECTRICITY

RENEWABLE ENERGY SOURCES AND CONSUMPTION MONITORING

In line with our Sustainability Plan, by 2023 the share of electricity purchased and certified as coming from renewable sources has **increased to around 74%,** with **13 countries involved** in this best practice (Corporate, Italy, Germany, the Netherlands, Portugal, France, Spain, and partially Belgium, New Zealand, Australia, the United Kingdom, Switzerland and the United States). This avoided the emission of approximately 8,621 tons of CO_{2e} (calculated according to the market-based approach). This practice, in line with our new Sustainability Plan, will be progressively extended to other countries of the Group, thus contributing to an increasing share of indirect CO_{2e} avoided and to reaching our new target of 100% by the end of 2030.

In 2023, we continued to monitor the energy consumption of our headquarters and direct store network, with the aim of providing our stakeholders with as complete and transparent an overview of our performance as possible, and also to support the completion of our carbon footprint. In 2023, heating, air conditioning and lighting in our offices and stores again accounted for the largest share of the Group's energy consumption. Specifically, about 35.7 GWh of electricity was consumed during the year, divided between consumption for direct stores (about 31.0 GWh, of which about 72% came from renewable sources) and central offices (about 4.7 GWh, of which about 83% came from renewable sources). The remaining consumption arises from the heating of offices and stores, and is mainly related to the consumption of natural gas and, to a lesser extent, fuel oil and district heating, as well as fuel consumption related to the company car fleet.

~92% OF OUR CARBON FOOTPRINT COMES FROM SCOPE 3 INDIRECT EMISSIONS

LEARN MORE COMMITMENT TO SCIENCE-BASED TARGETS INITIATIVE

CLIMATE STRATEGY AND MAJOR INDIRECT EMISSIONS

With a view to maximum transparency towards our stakeholders, since 2022 we have been carrying out an analysis of our carbon footprint which, in addition to the usual calculation of direct emissions caused by the Group's activity (Scope 1), deriving from the heating of offices and direct stores, fuel consumption for company vehicles and the use of refrigerant gases, and indirect emissions deriving from the consumption of purchased electrical and thermal energy (Scope 2), also includes all other indirect emissions identified by the GHG Protocol[14] throughout the value chain (Scope 3)[15]. Of the 15 Scope 3 emission sub-categories identified by the GHG Protocol, in the light of the nature of Amplifon's business and the absence of manufacturing activities, twelve were found to be relevant and applicable to the Group, accounting for approximately 92% of the total carbon footprint in 2023. This overview provides a solid quantitative basis for the development of our climate strategy: in fact, in July 2023, we formalized our **commitment to the Science-Based Target Initiative,** thereby undertaking to define and submit our near-term decarbonization targets in line with the Paris Agreement, as well as implementing emission reduction activities to achieve these goals.

14 The GHG Protocol sets standards for measuring and managing emissions and provides detailed instructions and guides that have been globally applied and tested in various sectors.

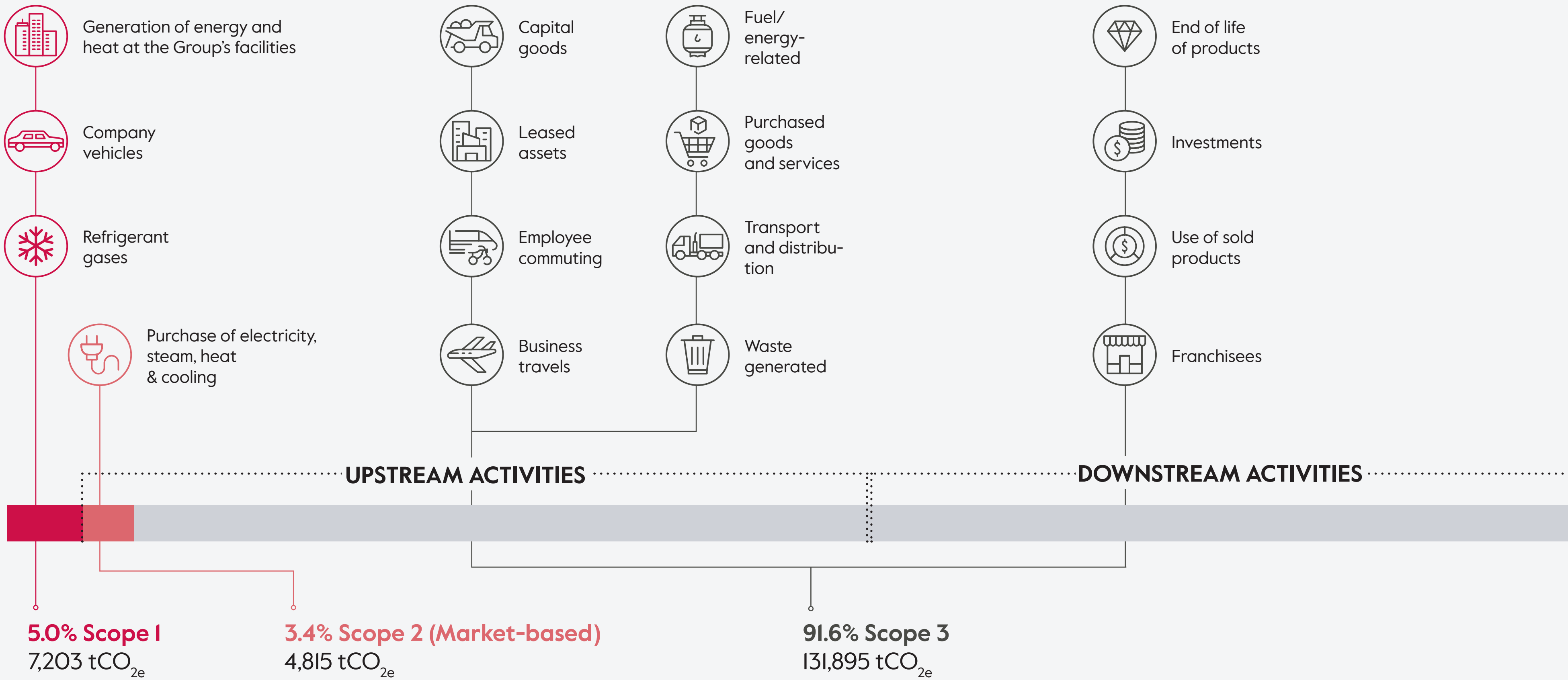
15 Until 2021, analyses of Scope 3 emissions were focused solely on emissions related to subcategory 3.6, concerning employee business travel.

For the analysis of Scope 3 emissions, an initial screening phase was conducted in 2022 to identify the emission subcategories, of the 15 identified by the GHG Protocol, that were applicable to our organizational structure and business activities. For each of them, a **specific calculation methodology** was constructed, which also depended on the type and granularity of the available data[16]: where available, primary activity data were used; otherwise hybrid models were used, combining primary and expenditure data, or completely based on expenditure data (i.e., the spend-based method[17]). Although the spend-based method, due to the complexity of calculating these emissions, provided an initial starting point for calculating certain sub-categories, for the 2023 analysis we have committed – and will remain committed – to **integrating more primary data into the calculation models**, in order to have more and more control over the data and emissions and to be able to identify more effective and specific reduction measures.

16 More details and information on the calculation methodologies used to estimate each emission subcategory can be found in the Methodological Note.

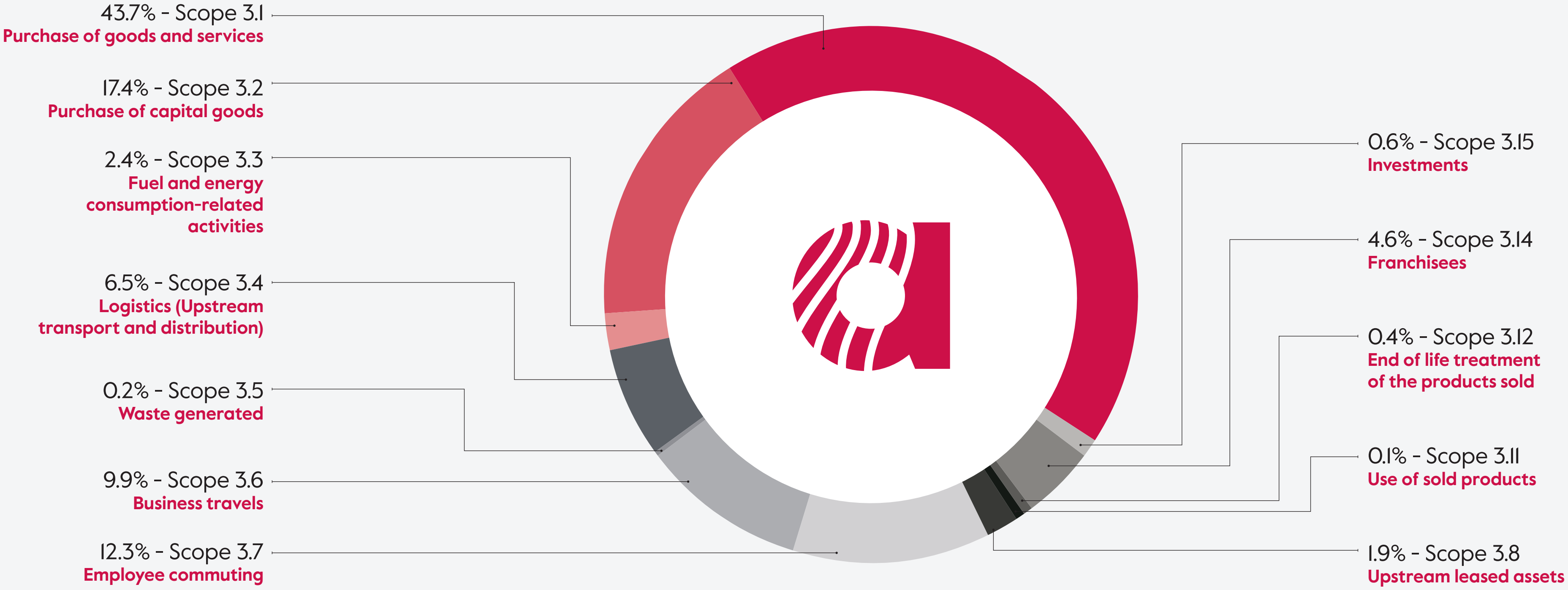
17 The spend-based method involves the use of conservative emission factors derived from industry averages, which generally lead to considerable overestimation of emissions due to the lack of specificity and distinction between products, services and suppliers.

SCOPE 1, SCOPE 2 AND SCOPE 3 EMISSIONS CATEGORIES



CONSOLIDATED FINANCIAL STATEMENTS
CONSOLIDATED NON-FINANCIAL STATEMENT
REPORT ON OPERATIONS
AMPLIFON AT A GLANCE

SCOPE 3 EMISSIONS, 2023 BY SUBCATEGORY AND MAIN EMISSION SUBCATEGORIES



Scope 3.1

PURCHASE OF GOODS AND SERVICES
(43.7%, 57,694 tons CO_{2e})

Emissions associated with the manufacture of products and services purchased by the Group, mainly due to the purchase of marketing services (e.g. TV, digital advertising and direct mailing campaigns), general services (e.g. cleaning, repair and maintenance and printing), consultancy, hearing aids and related accessories, and IT services. These emissions are calculated using a hybrid approach. In 2023, data on the cases of hearing aids and the water consumption of direct offices and stores was also considered.

Scope 3.2

PURCHASE OF CAPITAL GOODS
(17.4%, 22,900 tons CO_{2e})

Emissions associated with the production of capital goods purchased by the Group, mainly due to the purchase of goods for the Group's shop network and IT equipment, and calculated using a hybrid approach. With regard to investments in the store network, from 2023 onwards primary data were partly taken into account, with reference to the shops renovated according to the new store format, where available.

Scope 3.7

EMPLOYEE COMMUTING
(12.3%, 16,253 tons CO_{2e})

Emissions associated with employee travel between home and work (commuting), calculated using primary data from a commuting survey conducted on a significant sample of employees.

Scope 3.6

BUSINESS TRAVELS
(9.9%, 13,024 tons CO_{2e})

Emissions generated by employee travel for work purposes, i.e., travel by Group employees by air, train, private and hired cars, taxis, as well as emissions related to overnight stays in hotels.

Scope 3.4

UPSTREAM LOGISTICS
(6.5%, 8,523 tons CO_{2e})

Emissions from the transport of products purchased by the Group (e.g. hearing aids with accessories and packaging), taking into account direct suppliers, calculated using primary data both for logistics from the point of origin (production site and/or supplier's warehouse) to Amplifon's warehouses, and from warehouses to stores.

POTENTIAL CLIMATE-RELATED RISKS

GO TO PAGE
TABLE OF CONTENTS ON THE TCFD RECOMMENDATIONS

Climate change mitigation and adaptation and the transition to a low-carbon economy are high on today's global agenda. In this context, as a leader in the hearing care industry, we are committed to promoting increasingly conscious management of our business activities in the face of the potential risks, both physical and transitional, related to climate change, and thus related to the increase in the frequency and severity of extreme weather events, as well as the increase in the price of fossil fuels, the tightening of regulations for energy efficiency and climate adaptation, etc. In the light of the growing importance of climate-related issues, during 2023, and concurrently with the Enterprise Risk Management process, we elaborated on the **Climate Change Risk Assessment (CCRA)** and reporting exercise in accordance with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), to ensure full and transparent disclosure of potential climate-related risks, as well as their impacts, opportunities, and management systems.

Within the framework of the CCRA, potential physical and transitional climate risks were mapped and the exposure to such risks and the potential impacts mapped with respect to Amplifon's assets (offices, stores, warehouses and distribution centres) and the main direct suppliers (production sites and distribution centres), considering the geographic location of such assets, as well as in terms of possible financial impacts, operational slowdowns and reputational damage based on the climate strategies implemented by Amplifon and its direct suppliers. Extreme weather events that could have a substantial impact on Amplifon's and direct suppliers' assets (heat waves, unexpected floods from rainfall, coastal or river floods, fires and hurricanes) were considered physical risks with respect to the three IPCC climate scenarios RCP 2.6 (orderly), 4.5 (disorderly), and 8.5 (hot house world)[18]. With regard to transition risks and opportunities, i.e. those arising from the transition to a low-carbon economy, the four TCFD-aligned risk categories that could cause adaptation challenges for Amplifon and its suppliers (policy and legal, technological, market and reputational risks) were analysed using the "Net Zero 2050", "Delayed Transition" and "Current Policies" transition scenarios of the Network for Greening the Financial System (NGFS)[19].

The final assessment of these climate risks was therefore integrated into the ERM process, at both the quantitative and qualitative levels, with a short, medium and long-term time horizon (2030, 2040 and 2050). In order to integrate the final assessments into the ERM, two intermediate climate change scenarios were considered in the analysis, namely the IPCC RCP 4.5 climate scenario for physical risks, and the NGFS Delayed Transition scenario for transition risks and opportunities. The final rating – derived from the probability of occurrence and impact assessments performed together with the risk owners – indicates the share of residual risk for Amplifon in view of the adaptation and mitigation efforts already taken to reduce possible negative impacts. On the basis of the results of the analyses conducted in 2023, and in view of the Group's activities and business model, no significant exposures to climate change were identified in the short, medium and long term. Nevertheless, Amplifon is committed to maintaining constant oversight of these types of risks by continuing to assess them annually in the ERM process.

18 The Intergovernmental Panel on Climate Change (IPCC) uses the Representative Concentration Pathway (RCP) to generate various possible climate scenarios and understand their potential impacts, depending on the amount of greenhouse gases emitted into the atmosphere. The RCP scenarios used are: RCP 2.6, which assumes a strong global reduction in greenhouse gas emissions and global warming that will not exceed 2°C ("orderly" scenario); RCP 4.5, which assumes a slower reduction in emissions and thus probable global warming of more than 2°C ("disorderly" scenario); and RCP 8.5, which assumes that emissions will continue to increase at current rates, resulting in global warming of more than 4°C ("business-as-usual" or "hot house" scenario).

19 The "Net Zero 2050" scenario assumes that ambitious climate policies are implemented immediately, net zero is reached around 2050 and there is at least a 50% chance of limiting warming to below 1.5°C by the end of the century. The "Delayed Transition" scenario assumes climate policies are implemented no earlier than 2030 and to various extends between countries. The "Current Policies" scenario assumes that only currently implemented policies are maintained, with global warming of more than 3°C.

Physical, acute and chronic climate risks	Type of risk	Risk description	Potential impacts identified	Risk assessment and mitigation
Risks arising from extreme weather events (heat waves, unexpected floods from rain, coastal or river floods, fires, hurricanes)	Interruptions in the operations of Amplifon stores due to extreme weather conditions and events	Potential disruption of the sales network due to extreme weather events that could damage the stores, and limit the ability of employees to go to work and customers to reach stores	• Potential drop in customer store traffic due to prolonged heat waves. • Potential increase in operating expenses due to possible repair costs and insurance premiums for infrastructure damage. • Potential temporary closure of stores resulting in reduced customer traffic.	• Given its target customers, for Amplifon the main risk is related to heatwaves, which, although potentially relevant locally, would not impact globally in the short term due to the broad distribution of the store network, the possibility of postponing customer visits or moving them to other stores. • In terms of impact, the disruption of business at stores due to extreme weather events could cause a negligible reduction in expected revenues, even in the medium to long term.
	Disruptions of the operations of Amplifon's distribution centres (product warehouses) due to extreme weather conditions and events	Potential disruptions of Amplifon's distribution activities caused by weather events that could damage Amplifon's distribution centres and affect the Group's ability to guarantee the regular distribution of hearing aids and accessories to its sales network	• Potential increase in operating expenses due to possible repair costs and insurance premiums for infrastructure damage. • Potential temporary closure of Amplifon distribution centres with consequent reduction in supply.	• Despite the crucial role of distribution centres for the smooth running of business activities, Amplifon relies on hubs located in several countries that guarantee the diversification of supplies and is also working on the implementation of warehouse segregation for the centralized management of part of the stock, which will simplify the movement of products between countries, helping to reduce the impact of any local shortages in the short term. • In the medium to long term, the possible disruption of distribution activities could potentially impact revenues and operational processes, due to the possible increase in the intensity and frequency of events.
	Operational disruptions at the production sites and distribution centres of Amplifon's direct suppliers (hearing aid manufacturers) due to extreme weather conditions and events	Potential disruption of suppliers' production and distribution activities due to extreme weather events that could damage the production sites or distribution centres of Amplifon's direct suppliers and that could reduce the availability of hearing aids and accessories for regular supply to Amplifon's stores	• Potential temporary closure of production and distribution centres of direct suppliers with consequent reduction in supply.	• Although the exposure of direct suppliers to physical risks could have an impact on Amplifon's supply chain, its diversified procurement ensures product availability, thus reducing the potential impact of short-term disruption. • The disruption of operations due to extreme weather events at suppliers' production sites or distribution centres could result in a potential reduction in expected revenues and relevant operational processes in the medium and long term.

Transition climate risks	Type of risk	Risk description	Potential impacts identified	Risk assessment and mitigation
Policy and legal risks	Risks related to climate change mitigation and adaptation regulations	Potential risk related to evolving climate change regulations (e.g. European taxonomy, Green Deal, reporting) to be respected	• Potential tightening of rules and regulations related to climate change adaptation and mitigation, possibly leading to increased exposure to litigation and penalties for non-compliance. • Potential ineffectiveness of Amplifon's climate change mitigation strategies and carbon reduction targets, resulting in fines and reputational damage. • Potential increase in operating expenses due to possible increase in the carbon price for offsetting direct emissions.	• Although according to the NGFS scenarios it is more likely that climate change policies will become more stringent in some areas, such as the European Union, where the Group operates, in the short term the risk could potentially be related to the expectations of stakeholders on these issues. • In light of the initiatives already implemented by Amplifon (e.g. emissions inventory, purchase of renewable electricity, SBTi commitment to decarbonization targets, supplier engagement, etc.), in the short term, non-compliance with climate change regulations could lead only to possible financial penalties and/or a potential increase in expected costs. In the medium to long term, the impact could be attributable to the expected transition trends in the disorderly scenario.
Reputational risks	Risks related to increasing stakeholder interest and attention on climate issues	Potential risk of changes in consumer preferences, due to increased awareness of climate issues, and investor perception of Amplifon's approach to climate issues	• The growing awareness of the importance of the climate transition could lead to a change in consumer preferences which, if not fully met by Amplifon, would potentially lead to a reduction in sales and a decline in stakeholder confidence.	• In the short term, customer purchasing decisions in the hearing care sector do not seem to be driven by an increased focus on sustainability and climate issues. In addition, Amplifon currently promotes sustainability and climate-related initiatives (e.g. emissions inventory, purchase of renewable electricity, SBTi commitment to decarbonization targets, supplier engagement, participation in the CDP Climate Change questionnaire, etc.), with positive feedback in terms of stakeholder perception, particularly from investors, interested in the Group's climate strategy. • In the medium to long term, the impact could be attributable to the expected transition trends in the disorderly scenario.
Market risks	Risks related to rising costs of raw materials and services due to climate change efforts	Potential risk of increased operating costs due to the higher cost of materials and services used to meet governmental requirements related to climate change (e.g. promotion of more energy-efficient solutions, use of renewable energy sources, reduction of emissions, etc.)	• Rising production costs, energy costs and increasing demands for the use of renewable resources along the supply chain could lead to a potential increase in Amplifon's operating expenses and required investments in energy efficiency, as well as a possible reduction in customers' purchasing power.	• Given the marginal nature of the Group's overall utility costs and the negotiations that have been conducted, a potential element of risk could include the increase in inflation and the related reduction in customers' purchasing power. • In the short term, with differences between the Group's regions, a limited impact is expected globally. In the medium to long term, the use of specific raw materials to meet climate requirements could lead to a potential increase in input costs.
Technological risks	Risks related to technological innovation requirements capable of minimising the climate impacts of products and services	Potential risk of increased requirements for technological innovations to be implemented in order to minimize the climate impact of products and services	• Potential new requirements related to technological innovations requiring the timely adoption of new solutions to minimize the climate impacts of products and services offered, which could otherwise potentially limit competitiveness.	• In light of Amplifon's business model and relationship with its direct suppliers, any innovative solutions are accessible to the Group, bringing the risk, in the short term, to a marginal level. • In the medium to long term, the expected impact remains low in light of the established relationships with hearing aid manufacturers.

CIRCULARITY AND WASTE MANAGEMENT

WASTE MANAGEMENT AND BATTERY SAVING

Despite the low impact of our business activities in terms of resource consumption, we continue to monitor the proper management of waste generated by our business in order to evaluate possible reduction strategies, and since 2021 we have also monitored our water consumption. The amount of waste produced by our headquarters, consisting mainly of paper, plastic, electrical equipment and printer toner, come to about 188 tons in 2023, of which about 95% was non-hazardous waste. Starting in 2022, we also extended the monitoring of waste produced to our direct store network, where the amount of waste produced in 2023 was about 363 tons, of which about 97% was non-hazardous waste. The percentage of total waste recycled was 57%, up from 44% last year. Total water consumption – relating only to civil use in offices and direct stores – was estimated at approximately 148,000 cubic metres in 2023.

~254 million
BATTERIES SAVED IN 2023 THROUGH THE SALE OF RECHARGEABLE HEARING AIDS

Throughout the value chain, our business also offers us many opportunities in terms of reducing the waste associated with the use of our products. Thanks to the sale and use of rechargeable hearing aids, in 2023, we contributed to the **saving of approximately 254 million batteries a year** that would otherwise have been used by customers, an increase of 31% compared to 2022. As also formalized in our new Sustainability Plan, these positive impacts will increase as rechargeable solutions become increasingly popular among our customers.

THE NEW ECO-FRIENDLY PACKAGING OF AMPLIFON PRODUCTS

In 2021, we designed and launched in Spain the new All-in-One Cube containing the Amplifon brand products, with a view to eco-sustainability. Although designed to last a long time in our customers' homes, the cube can be disposed of with paper waste as it is made of 100% recyclable paper. In addition, according to current environmental labelling regulations, there is a recycling symbol on the packaging, with the corresponding code, indicating how the entire package should be disposed of. In 2022, the launch of the new eco-friendly packaging extended to key markets such as Italy, France, Germany and Switzerland. During 2023 we completed coverage of the other countries where we are present with the Amplifon Product Experience (New Zealand, Australia, Portugal, Belgium, the Netherlands and the UK). In addition, as foreseen in our Sustainability Plan, at the end of 2023 we also started to explore developing the new pack by re-imagining it to be **more easily reusable and with renewed materials**, taking into account its impact in terms of sustainability and usefulness for the end customer.

MAIN CIRCULARITY INITIATIVES

Replacement and reuse of audiometers

At our network of stores in Italy, we have begun gradual replacement of the current Aurical audiometers with the Otopad, a tablet that is smaller and more practical than the previous audiometer, based on proprietary technology, to perform hearing tests more effectively. As part of this project, it has been arranged, where possible, for Auricals to be reconditioned and supplied to other Group stores to replace old equipment, which is then disposed of as electronic waste. Typically, Auricals are reused in countries with existing but expanding stores (e.g. in the case of new audiological test rooms), at stores that have experienced breakdowns or at new stores with outdated equipment. In 2023, this project was implemented in Italy where, of about 140 Otopads installed, 130 Auricals were reused and distributed to other countries.

Collection of spent batteries

In some countries, stores are provided with collection points for customers' used batteries for their non-rechargeable hearing devices. In particular, in the Netherlands, the proper handling of such batteries is ensured by a free collection service offered by the Dutch government, which collects batteries directly from the store upon request. In 2023, a total of 1.2 tons of batteries were collected in the Netherlands alone and sent to the relevant disposal centres. In Australia a pilot collection project involving ten stores was launched, with a view to expanding the project and its impact to other Australian business units in the future. In addition, the new store format, which is currently being rolled out, includes the installation of specific modules for collecting spent batteries. This is another reason why, through the new Sustainability Plan, we have set ourselves the goal of increasing this practice to at least 50% of our direct stores.

Be Green

In 2023, we made our people agents of change by launching Be Green, the global environmental awareness initiative with a series of practical tips for adopting sustainability-conscious daily behavior, at home and in the office.

Launching internal challenges for supply chain sustainability

During 2023 an environmental sustainability initiative was launched in Australia to reduce and streamline store orders, specifically for hearing aid tubes and domes, spare parts and batteries, with good results, reducing orders compared to 2022.

Plans for print reduction in stores and offices

In 2023, the IT function implemented various projects to reduce Amplifon's carbon footprint specifically relating to the printing of paper documents:

- The first project revolutionizes the contract signing process by integrating digital signature technology into global CRM systems. In 2024, two countries of the Group will adopt the SMS/OTP token solution, which requires no electronic devices other than the customer's smartphone and office computers.
- A Global Printing Policy, already drafted in 2023, will be adopted, establishing new criteria and defaults and guiding employees in printing more consciously, thus changing their habits. Internal communication and engagement activity will also be promoted to make employees aware of responsible printing.

SOCIAL INFORMATION

PEOPLE, DIVERSITY AND INCLUSION

Our HR strategy reflects the Group's rapid growth and our desire to further solidify Amplifon's leadership in the global hearing care market. These factors have enabled us to define a global HR strategy that responds to the challenges posed by an increasingly complex and dynamic scenario and that, by harnessing the professionalism and talent of all our people, contributes to the achievement of business objectives.

HIGHLY EFFECTIVE AND COMPETENT ORGANIZATION CONTRIBUTING TO EXCELLENT BUSINESS RESULTS

SOLID TALENT PIPELINE TO MEET CURRENT AND FUTURE BUSINESS CHALLENGES

UNIQUE AND DISTINCTIVE CORPORATE CULTURE AS A MARKET WINNER

WE ARE "TOP EMPLOYER 2024" AND "MOST LOVED WORKPLACE"

In 2023, for the third year in a row, we were certified as "**Top Employer 2024**", confirming that we are one of the best companies to work for in Europe – in particular in Italy, France, Spain, Portugal, Germany and the Netherlands – as well as North America, with continuing recognition for the United States and new recognition for Canada, Panama, as well as Colombia and New Zealand.

"Top Employer" is the official recognition of corporate excellence in policies and strategies for developing human resources and improving the working environment. Created by the Top Employers Institute, the programme saw more than 2,200 companies in 122 countries certified and ranked in 2023. Only companies that meet the highest standards in six macro-areas (people strategy, work environment, talent acquisition, training, diversity and inclusion, and well-being) can obtain certification.

In addition to Top Employer, in 2023 we were also recognized among the 100 "**Most Loved Workplaces**" at the global level, certifying that we are a company where employees are happiest and most satisfied at work. Amplifon was certified according to scores obtained in the Love of Workplace Index™, which surveyed employees on various elements related to satisfaction and engagement, including the level of respect, collaboration, support and sense of belonging they feel within the company.

AMPLIFON PEOPLE

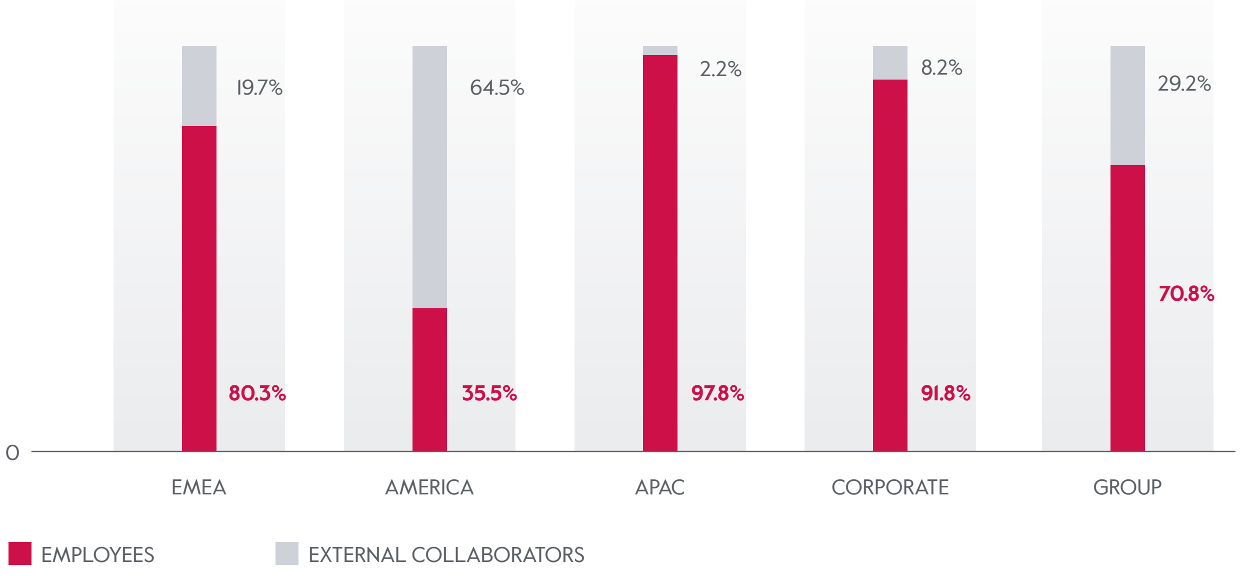
~20,300 WORKFORCE IN 2023 (+4% VS. 2022)
14,379 EMPLOYEES (+9% VS. 2022)

>73% WOMEN EMPLOYEES 2023
~47% WOMEN IN MANAGEMENT POSITIONS
~49% OF EMPLOYEES OCCUPY STEM ROLES

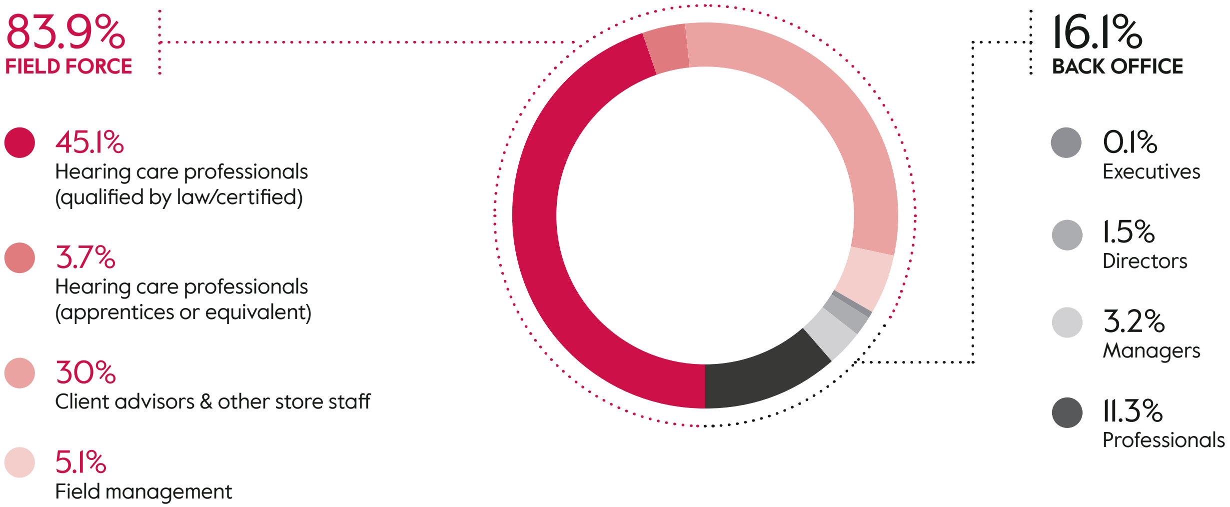
At the end of 2023, Amplifon's workforce consisted of approximately 20,300 people (employees and non-employee personnel), an increase of more than 4% compared to 2022. Of these, **14,379 are direct employees of Amplifon**, also up by 9% compared to 2022, divided between field force, i.e. the sales force operating at points of sale located throughout the territory (about 83.9% of employees), and back office (about 16.1% of employees). Compared to the total workforce, which also includes more than 5,900 non-employee personnel, **hearing aid specialists represent the largest category**, i.e. more than 50%, divided between employee (7,017) and non-employee hearing aid specialists. All employees are ensured equal opportunities and fair working conditions: this is confirmed by the fact that **women present throughout the organization to a considerable degree**. In fact, they represent more than 73% of the total employees (in particular more than 77% of the field force and about 53% of the back office) and about 47% of all management positions. Furthermore, **almost half of employees hold STEM roles**[20], and of these more than 69% are women.

20 STEM (Science, Technology, Engineering and Mathematics) roles include Amplifon's IT, digital, finance, medical and other functions.

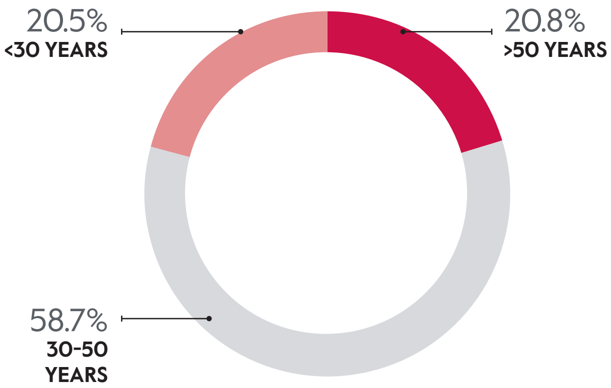
EMPLOYEES AND NON-EMPLOYEE COLLABORATORS BY GEOGRAPHICAL AREA 2023 (%)



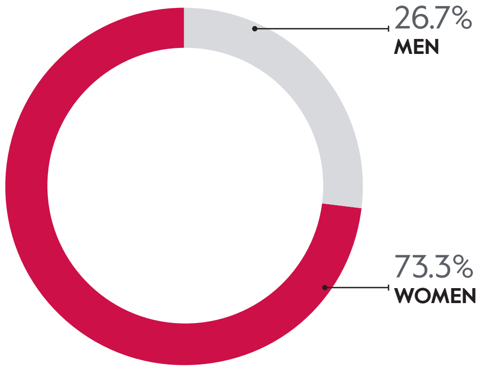
EMPLOYEES BY PROFESSIONAL CATEGORY 2023 (%)



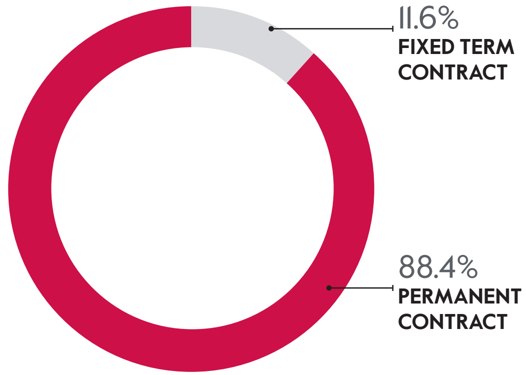
EMPLOYEES BY AGE BAND 2023 (%)



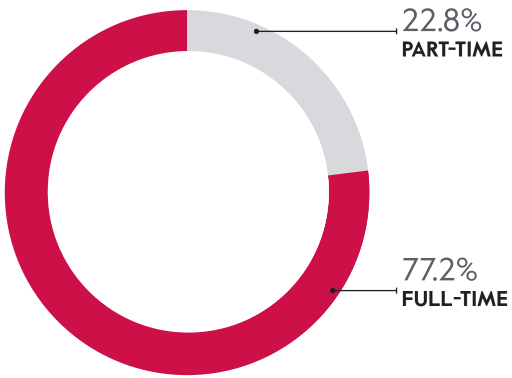
EMPLOYEES BY GENDER 2023 (%)



EMPLOYEES BY TYPE OF EMPLOYMENT CONTRACT 2023 (%)



EMPLOYEES BY TYPE OF EMPLOYMENT 2023 (%)



14,379
> EMPLOYEES (+9% VS. 2022)

~20,300
> 2023 HEADCOUNT (+4% VS. 2022)

>73%
> OF WOMEN AMONG EMPLOYEES IN 2023

~10,500
> TOTAL HEARING AID PROFESSIONALS (+9% VS. 2022)

~47%
> WOMEN IN MANAGEMENT POSITIONS

~49%
> EMPLOYEES IN STEM ROLES

DIVERSITY, INCLUSION AND EQUAL OPPORTUNITIES

LEARN MORE
DEIB POLICY

In July 2022, we formalized our **DEIB (Diversity, Equity, Inclusion and Belonging) Policy**, which consolidates the importance we attach to a fair, equitable and inclusive working environment and sets out the Group's priorities and commitment to diversity. At Amplifon, making the most of people, their diversity and inclusion policies are an essential component of both the HR strategy and the sustainability strategy. In fact, we set up a **Global Governance for DEIB issues**, overseen by a committee of top management members, which will drive the DEIB agenda globally by identifying shared objectives and leading various working groups to align local needs with global strategy.

~677 EMPLOYEES IN PROTECTED CATEGORIES OR WITH DISABILITIES

~2,300 TOTAL TRAINING HOURS ON DIVERSITY AND INCLUSION AND NON-DISCRIMINATION DELIVERED IN 2023

>100 NATIONALITIES REPRESENTED IN OUR CORPORATE POPULATION

>85 INTERNATIONAL MOBILITY PATHS IN 2023 (+21% VS. 2022)

As expressed in the DEIB Policy, in the Group's Code of Ethics and in the Sustainability Policy, and in line with the principles of the UN Global Compact, at Amplifon diversity and inclusion are key elements in order to carry out and manage business activities in a sound, sustainable manner. In our management programmes (e.g. Be Manager), there are specific opportunities for **development of individual and personal characteristics**, as well as for the creation of an environment open to dialogue and sharing, through the use of globally recognized tools and methodologies (e.g. the Clifton Strengths Assessment). The Group does not engage in, and does not condone, discriminatory behavior in employment and occupation, whether based on political or trade union views, religion, race, nationality, age, gender, sexual orientation, health status, disability or any intimate characteristic of the human person. In internal and external labour relations, the Group has zero tolerance for harassment, including the creation of an intimidating, hostile or isolating atmosphere in the work environment, and the hindering of individual job prospects for reasons other than professional competence.

- **Selection:** We ensure that we always assess a diverse pool of candidates in terms of gender and age, guaranteeing a selection process focused on leadership, business and technical skills, conducted in a clear, transparent, evidence-based manner and free of any discriminatory parameters. All those involved in the selection process are trained to ensure a bias-free assessment, and all recruiting material (e.g. job descriptions) never mentions personal characteristics or preferences, according to the principle of non-discrimination.
- **Training:** We promote training and development programmes that aim to connect different experiences, backgrounds, functions and countries, so that everyone can constantly expand their knowledge, thus fostering the full professional realization of each employee based solely on criteria of merit. Through special training courses (digital and non-digital) available to all employees, we promote specific content to maximize diversity, encourage inclusive (bias-free) behavior, communicate effectively with the various cultures present in the Group and encourage intergenerational work and teams composed of different nationalities (e.g. managing across cultures training). Furthermore, we strongly believe in internal mobility on a global scale as an accelerator of personal and professional growth, and in order to facilitate travel within the Group we have also implemented a competitive Global Mobility Policy.
- **Performance and compensation reviews**: We base individual performance reviews on objectives and behavior on a common global scale, without distinction by geographical area or gender. Furthermore, the principles of fairness underlying our remuneration policy ensure full ethics and integrity in performance and compensation reviews. In the annual individual target-setting phase, we encourage personnel and managers to reflect on their talents and strengths, in order to ensure that the entire process – as in the case of the talent review – takes place in a bias-free manner.

CONSOLIDATED FINANCIAL STATEMENTS
CONSOLIDATED NON-FINANCIAL STATEMENT
REPORT ON OPERATIONS
AMPLIFON AT A GLANCE

WE SUBSCRIBE TO THE UNITED NATIONS WOMEN'S EMPOWERMENT PRINCIPLES

Since the beginning of 2022 we have subscribed to the **Women's Empowerment Principles (WEPs)** established by UN Women and UN Global Compact. This set of principles guides organizations in promoting gender equality and women's empowerment in the workplace, marketplace and community. In line with international labour and human rights standards, the WEPs are based on the recognition of the role and responsibility of business for gender equality and women's empowerment.

WE ARE PART OF "VALORE D"

Since July 2022 we have been members of **"Valore D"**, the first association of companies in Italy (over 350 to date) committed to gender balance and spreading an inclusive culture throughout Italy and its organizations for over ten years. Together with all the companies that have joined in the journey towards a more inclusive workplace, Valore D is a promoter of change. It is based on the motto that "diversity is power" – not only in terms of equality and fairness, but also for Italy's economic and social growth.

WE HAVE BEEN AWARDED WINNING WOMEN INSTITUTE GENDER EQUALITY CERTIFICATION

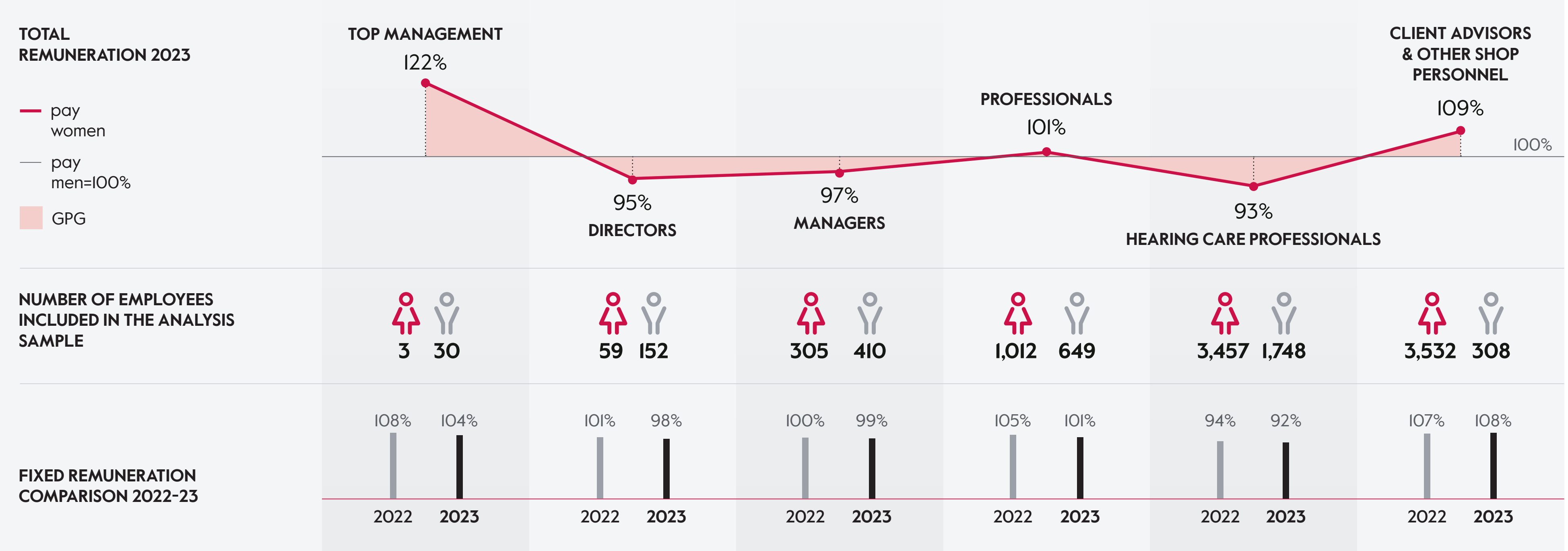
At the end of 2023, we were awarded Gender Equality Certification from **Winning Women Institute** for Amplifon S.p.A. and Amplifon Italia. The certification – the first of its kind in Italy – is based on the Dynamic Model Gender Rating method and recognizes the long-term commitment of Italian companies to promoting and including diversity – two elements that underpin Amplifon's philosophy of fostering the principle of equal opportunities in all aspects of its relationships with its employees. In particular, the Gender Equality Certification recognized the concrete results achieved by our Group over the last three years in terms of the People Empowerment pillar of the Sustainability Plan, which views diversity as an opportunity for enrichment and a means of improving business performance.

EQUAL PAY

GO TO PAGE REMUNERATION POLICY

Gender pay equality at all levels is a cornerstone for the Group. Accordingly, since 2021 we have been monitoring pay data through the "**gender pay gap**", which examines various clusters of the organization[21], assessing the different degrees of organizational complexity of the various roles. The analysis carried out in 2023 adjusts for the effects of differences in role complexity, in keeping with the UN principle of "equal pay for equal work". It also shows that, in continuity with last year's findings, there is no gender pay gap within the Group, excluding any distinction in the pay ratio. The ratio of the average salary offered to women and men in 2023 is essentially **well-balanced for both senior positions and the rest of the company population**[22]. This can be seen from the total remuneration[23] offered, and it confirms that Amplifon's remuneration policy is founded on the ability to recognize the most appropriate remuneration according to the organizational position, individual performance and the skills and complexity involved. Any pay difference between Amplifon's people is exclusively attributable to the above-mentioned factors, without in any way being influenced by other elements such as age, gender, culture, etc., and will, in any event, be subject to specific checks during the salary review process. In pursuit of this goal, the initiatives undertaken during 2023 focused, for the most part, on further reducing the personnel and pay gap between women and men in the Group through various initiatives to speed the development of female talent and foster inclusive work environments, in line with the DEIB agenda currently being implemented.

RATIO OF AVERAGE REMUNERATION BETWEEN WOMEN AND MEN – GENDER PAY GAP (GPG)



21 Six organizational clusters were identified for the purposes of gender pay gap analyses: Top Management (executives and general managers in the main countries), Directors (excluding the general managers included in the first cluster); Managers, Professionals and Hearing Care Professionals; Client Advisors & Other Store Personnel.

22 In order to ensure high-quality data, the analyses conducted involved 81% of employees, excluding interns and apprentices, staff on fixed-term contracts and some of the workforce of joint ventures and in minor countries.

23 The compensation analysed takes into account fixed remuneration, the different types of short-term variable remuneration at target (MBO, local STI, sales incentives) and long-term variable remuneration (fair value of Long-Term Incentive and Amplifon Extraordinary Award plans) provided for in Group policy.

WELFARE AND ENGAGEMENT

~34% EMPLOYEES WITH CONTRACTS COVERED BY COLLECTIVE BARGAINING AGREEMENTS

>88% OF EMPLOYEES HAVE A PERMANENT CONTRACT

~23% OF EMPLOYEES ARE EMPLOYED PART TIME

>730 EMPLOYEES TOOK PARENTAL LEAVE IN 2023

In both its business and its relations with third parties, the Amplifon Group acts in accordance with the principles of the UN Global Compact, the Universal Declaration of Human Rights and the International Labour Organization's Conventions on Fundamental Human Rights. It is committed to **respecting fundamental human rights and workers' rights in all the countries in which it operates**, while repudiating all forms of exploitation of forced and child labour. In order to ensure the well-being of all its employees, industrial relations are always positive and constructive and adapted to local legislation. In all Group countries, Amplifon establishes contractual conditions directly with its employees in line with local best practices; where applicable, collective labour agreements or equivalent contracts apply[24]. Furthermore, reflecting the commitment to ensuring and strengthening job stability and investing in human capital, more than **88% of employees have permanent contracts**, and about **23% work part-time** to meet their personal needs.

We provide our employees with flexible working hours, a formal work from home arrangements policy to ensure flexibility in view of work-life balance and a benefits package tailored to the legal requirements and market best practices in each of the countries in which we operate. Each year we improve our benefits package, positioning ourselves as fair employers while also ensuring that our benefits are viewed as a key component of our Total Reward Strategy, a fundamental aspect of attracting and retaining talent. Our benefits package is designed to reflect individuals' needs and motivations through a series of proposals that allow us to offer bespoke solutions, thus helping create lasting value for employees, their families and the communities in which they live. The three main objectives of our benefit programmes are:

- being attentive to the well-being of individuals and the specific needs of each generation within the Group, while valuing diversity;
- having a tangible impact on the productivity, motivation and satisfaction of our people, while creating a strong sense of being a part of Amplifon;
- bringing efficiency and innovation to the management of economic resources, thus maximising the value perceived by employees.

For example, the flexible benefits programme offered to employees of Amplifon S.p.A. and Amplifon Italia includes, through access to a digital tool, allocation to each person of a number of points to be used for the purchase of goods and services of their choice, according to their needs, from a wide, varied basket (e.g. education, entertainment, personal services, health, etc.).

Parenting support services	• reimbursements for children's educational expenses such as day-care, kindergarten, elementary school, middle and high school, bachelor's degree programme's, master's degree and specialization programmes; • reimbursement for children's educational expenses, such as school and university textbooks, canteen services, public transport, summer and winter recreation centres, playrooms, before- and after-school programmes, mobility, school trips and sports activities provided for in the training offer plan.
Services for the health of employees and their loved ones	• prevention, through the purchase of a check-up package or specialist visits to the best diagnostic centres; • reimbursements for expenses incurred by employees and their children, spouses and parents for specialist medical examinations, dental care, visits to physiotherapists, podiatrists and speech therapists; • reimbursements for both employees and their children, spouses and parents for specialist and laboratory tests, medicines and homeopathic products, purchase and rental of medical devices, lenses and glasses and medical certificates for sports activities.
Services for caregivers	• services for the elderly, sick and disabled who require help at home; • reimbursement of expenses incurred for services provided by health and social workers for the elderly and dependants; • carers, care services in hospitals or inpatient facilities; • residential and semi-residential services for the elderly (nursing homes, sheltered residences and retirement homes) and disabled people (rehabilitation institutions, centres and host communities).
Personal care and time management services	• sport and fitness (subscriptions to gyms and sports facilities); • travel (purchase of travel and vacation packages); • shopping (gift cards and shopping vouchers); • culture and leisure (cultural initiatives, entertainment services and experiences); • relaxation and wellness (wellness centres); • personal training (programmes and courses aimed at cultivating one's own interests or developing new technical or language skills).

24 Collective bargaining or its equivalent applies to all employees in countries where it is provided for by current legislation, or partially according to the peculiarities of local laws and contractual specifications. It bears noting that the change in the total number of employees covered by collective bargaining agreements compared to last year is due to the harmonization of the data collection process at global level.

In North America, an Employee Benefit Policy is offered to all permanent employees employed for at least 20 hours a week. This Policy includes health insurance, additional coverage for dental, eye and ear-nose-and-throat care, a flexible spending account to cover additional personal care expenses, life insurance, coverage of commuting costs, a supplementary pension plan and a psychological counselling service. Alongside these initiatives, global health insurance is provided for all expatriate workers, including a specially designed benefit plan that ensures both the expatriate and his or her family an adequate level of health cover while abroad anywhere in the world.

As part of setting up an effective, clear **Benefit Strategy** for the entire Group, in 2023 we launched a project that aims to implement a common, consistent approach by 2025 across all countries and in every area in which Amplifon operates, ensuring a fair, competitive position compared to the external market.

INTERNAL COMMUNICATION AT AMPLIFON

At Amplifon, regular, timely and comprehensive internal communication is instrumental to creating a working environment in which individuals can develop their talents. Accordingly, we have set up a **global internal communication framework** that ensures an effective flow of information at all levels of the organization and puts the right routines in place, guaranteeing that communication platforms evolve constantly. In June 2023 we launched a new company intranet, named **Amplinet** by employees in an internal survey. It is designed to offer a completely new and easy-to-use digital platform with an intuitive user experience, a lively, fresh design and innovative content. Amplinet – present in 22 countries on five different continents – offers its people a digital experience more suited to hybrid work and more in line with the process of growth initiated by the company in recent years.

YOUR VOICE: THE AMPLIFON ENGAGEMENT SURVEY

We believe in the importance of valuing the involvement of our people and listening to their opinions in the workplace. Accordingly, every two years we hold a global listening survey called "**Your Voice**", open to all company employees. The results are then analysed at a global level to identify trends and collective phenomena, as well as at a local level to design and implement functional action plans that improve the experience of all our people. Since the 2019 edition, we have been conducting the survey via a global platform (Glint, part of LinkedIn) that sends it in multilingual form simultaneously to all employees.

The 2023 edition of "Your Voice" reached more than 12,000 employees globally, including for the first time China and the most recent acquisition in Australia (Bay Audio). For the first time, we distinguished the structure of the survey between back office and field force to increase the relevance of the questions to the target population. In this edition, the participation rate was the highest ever (87%), with more than 10,400 responses and over 24,500 qualitative comments. The Group received favourable ratings from 88% of its employees: a more-than-positive figure, in line with the 2021 edition – yet still not enough to dissuade us from continuing to improve our working environment. In 2024 all countries will study and implement action plans on the basis of the feedback received in the survey to address the main areas of improvement brought to light in Your Voice. Finally, in 2024 we will work on completing the Listening Strategy, also launching onboarding surveys to be sent out in the first six months after hiring, in order to maximize the level of listening to our employees throughout their employment with Amplifon.

HEALTH AND SAFETY

GO TO PAGE
OUR CODE
OF ETHICS

Our **Code of Ethics** sets the guidelines applicable to all Amplifon employees for maintaining a sound, healthy and safe working environment and for actively participating in the prevention of risks and the safeguarding of health and safety for oneself, one's colleagues and third parties. In light of the nature of our activities, and in view of the tools and procedures put in place to comply with local and regional regulations, our business entails a **low level of risk of occupational accidents**. Nevertheless, in the countries where we operate, specific organizational models are in place in response to local regulations or safety standards.

Risks to employee health and safety are identified and assessed by country HR functions, in some cases with support from external specialists. In each country, local processes are adopted to identify and classify such risks. The procedure also includes identifying potential dangers to individuals and the relevant preventive measures. **The health and safety risk assessment process involves all workers and their representatives.** In addition, on a regular basis, those responsible for these aspects prepare a detailed report on the measures taken in terms of **prevention and protection services**, including occupational medicine services. The risks identified relate mainly to activities at stores and offices, including secondary activities such as maintenance, and concern, for example, ergonomic aspects, handling of tools, falling/slipping, electrical risk, fire and work-related stress. In the case of occupational accidents, depending on the severity of each event, inquiries are conducted to determine and take appropriate precautions to prevent future situations of risk. In 2023, there were 100 work-related injuries, all of which were minor (e.g. minor falls due to slipping or superficial cuts with office materials), and which in many cases did not result in sick days, with a frequency rate of 4.59.

All employees have access to **specific training plans** on occupational health and safety, in line with local regulations. The main contents of the training cover the definition of workplace risks, specific safety procedures, knowledge of national legislation and the roles and responsibilities defined within the organization. Finally, employees in the various countries are offered special conditions of access to private specialist medical services, along with personal health promotion programmes (including flu vaccination campaigns, anti-smoking information initiatives and advice on proper nutrition) and additional insurance cover directly integrated into employment contracts or available at preferential rates for employees who so request.

ATTRACTION, TALENT DEVELOPMENT AND RECOGNITION

In 2023, we continued to work on talent attraction in keeping with our Employee Value Proposition (EVP), which describes what Amplifon has to offer as an employer and seeks to attract and recruit the most talented individuals capable of embracing the company's values. The employer brandline "**Make More Possible**" clearly indicates how at Amplifon employees can "achieve more" for the growth of the business and their personal and professional development. In 2023, we launched a project to revisit our EVP, aligning it with current business needs and changes in the labour market. The result was a five-stage process, actively involving Amplifon's leaders and more than 3,000 employees across the various functions and countries in which we operate. The goal is to draw on different perspectives to design a new value proposition that is authentic and true to Amplifon's identity. The launch of our new EVP, planned for 2024, will enable us to be more attractive to talent in the market and further enhance our essence as a company.

In continuity with previous years, we collaborated with universities and academic institutions around the world to build numerous talent attraction projects. These career days, webinars, workshops, project work, shadowing and mentorship programmes involved thousands of students and recent graduates. All such projects share two main objectives: to spread awareness of Amplifon and its career opportunities and to help the younger generations in their professional and personal growth, out of the knowledge that, as a leading global company, we have a key role to play in shaping the professionals and leaders of tomorrow.

We continued our international partnerships with CEMS and Junior Enterprises Europe. CEMS is an international network of 34 exclusive business schools and 74 multinationals and non-governmental organizations that jointly offer a master's degree in Management designed to prepare responsible, sustainability-conscious leaders. It currently has a network of over 18,000 students and alumni from 78 different nationalities. Junior Enterprises Europe (JEE) is a non-profit association present in 16 European countries with a network of more than 33,000 young entrepreneurs, which offers its members the opportunity to get involved through projects with partner companies. Fruitful partnerships also continued with the Luigi Bocconi University of Milan, LUISS Guido Carli University of Rome, MIP-Politecnico of Milano Business School and other major universities in countries in which we operate, including HEC Paris (France), ESADE (Spain), University of Cologne (Germany) and University of Rotterdam (Netherlands).

UNA LAUREA CON AMPLIFON

"Una Laurea con Amplifon" (A degree with Amplifon) is an opportunity offered by Amplifon Italia to promote the training and professional integration of young people into the workplace. The project awards scholarships covering full tuition fees to high school graduates who wish to obtain a bachelor's degree in Hearing Prosthetics Techniques. For academic year 2023-2024, Amplifon awarded six scholarships and is conducting a campaign on social media and in Italian colleges to spread awareness of this profession and promote the programme.

TIROCINIO WOW

The "Tirocinio WOW" (WOW internship) is an exclusive training and professional programme that offers students from Italy's 14 hearing care technology university courses the opportunity to gain training experience by working alongside our hearing care professionals. In 2023, more than 150 students were placed in this programme at one of our stores in Italy. Throughout the programme, trainees are supervised not only by their tutors, but also by Amplifon Area Managers to maximize their visibility and placement at the end of the programme. Experience, professionalism and engagement are the essential components of our daily excellence for the communities in which we operate.

AMPLIFON RECORDS GRADUATE PROGRAMME

The third edition of the Amplifon Records Graduate Programme was launched in 2023. The programme is designed to attract and speed the development of young professionals with a strongly international focus. The 18-month programme includes three rotations, the first two in the Milan headquarters and the third in one of the Group's 26 countries. During the programme, participants will be asked to work in teams on a sustainability project, which they will then implement locally in one of the Group's countries.

OUR GLOBAL ONBOARDING PROGRAMME

The onboarding process is essential to supporting our people in their first steps at the company, to ensure that they quickly learn all the concepts they need to be independent and effective in their work, but above all to guarantee that they are immersed in the company culture and fully understand its peculiarities. Accordingly, in 2023, we have set up a digital onboarding process to support future employees during their first six months at the company, starting from when they sign their contracts. The programme allows new employees and their direct superiors to follow a checklist designed to ensure an optimal experience, while providing useful information, simplifying the administrative process and promoting Amplifon's culture.

THE GROWTH OF TALENT

>418,600 HOURS OF EMPLOYEE TRAINING

>9,200 TOTAL TRAINING HOURS ON DIGITAL TRANSFORMATION TOPICS DELIVERED IN 2023

We offer training and development programmes to all our employees nationally, regionally and globally, through a broad range of training offerings that meet local needs and requirements, while also enabling our people to benefit from best practices shared across the global network. The classroom and online courses offered to field force and back-office staff, complemented by individual coaching and mentoring sessions, focus on professional and business skills as well as behavioral and leadership skills. In 2023, we invested in **more than 418,600 hours of training for employees**, for a total of about 30 hours per person per year; if non-employees are also considered, the total training hours provided in 2023 amounts to nearly 470,000. In particular, the entire network of hearing care professionals (both employees and external collaborators belonging to the self-managed network) is constantly trained and updated on the most innovative protocols and tools: in 2023 they received a total of more than 266,000 hours of training, averaging more than 32 hours each.

Ampli Academy is a platform that encompasses the development and training offerings intended for the entire company population, segmented according to the specific needs of each country and function. The introduction of a “Learning Experience” platform expanded the offerings to include **more than 20,000 courses and programmes accessible to all employees**. Ampli Academy develops two different skill-sets: one more focused on functional pathways, i.e. functional skills, and the other on behavioral and leadership skills, i.e. soft skills. The latter, given the increasing weight of cross-functional and interpersonal skills, is based on four pillars designed with future skills in mind.

PROJECT MANAGEMENT

In the second half of 2022, we organized the pilot edition of a new Project Management course, viewed as one of the main cross-functional skills with a key role in the organizational transformation process. The course consolidates a solid, functional approach to the Group's needs, shared across all functions and countries. In an increasingly advanced and international environment, having a common methodology is a key factor for challenging business objectives. Divided into three modules dedicated to project management fundamentals and communication skills, the course will be progressively delivered in the Group’s various countries, both in classroom and through e-learning content.

THE AMPLIFON FIELD FORCE TRAINING PROGRAMME

In 2023, two years after its inception, the **Global Retail Academy** consolidated its training offerings to develop key and distinctive skills for the Group's field force, providing a total of 402,000 hours of training to the employed and non-employee field population. This helped generate a greater impact on performance and a superior customer experience. The training offerings, intended for the entire field force, are based on the three pillars:

- **Onboarding**: pathways that develop fundamental and enabling skills for one's role at Amplifon;
- **Performance**: modules that actively support the performance of the field force in achieving business objectives;
- **Change and Transformation**: change management, transformational and continuous improvement programmes resulting from innovation in hearing and business protocols.

LEADERSHIP DEVELOPMENT PROGRAMMES

In 2023, we worked on updating the existing Leadership Programme offering, aligned with the Group's transformation path, HR processes, the Leadership Model and the Amplifon Employee Experience. The LEAD the Future, LEAD the Way, BE Leader, BE Manager and RIDE the Change programmes were held in cooperation with major partners:

- **LEAD the Future** is the programme for Country General Managers and the first line of executives reporting to the CEO that consolidates a shared vision and leadership style among the Group's key personnel.
- **LEAD the Way** is for country leadership teams and corporate directors, among whom it promotes strategic, cultural and leadership alignment.
- **BE Leader** expedites the development of managers who will take on a People Leader role in the near future.
- **BE Manager** is designed to create a common path for Amplifon's management population, not only in support of the development of managerial skills, but to create a shared culture and strengthen the high-performing team approach, helping managers in developing their teams.
- **RIDE the Change** is dedicated to talented young back-office employees and builds a culture of change and innovation through digital skills.

COLLABORATION WITH ESADE BUSINESS SCHOOL

The partnership formed with Esade Business School in 2021 was further strengthened in 2023, resulting in development of executive education programmes held in 2023.

More than 50 Amplifon leaders and managers gathered at the Esade campus in Barcelona to participate in the "Be Leader" and "Lead the Way" programmes. The training programme involved classroom, workshop, and inspirational sessions, with visits to innovative facilities and addresses by senior leaders from other companies.

The university's lecturers built the programmes around Amplifon's needs, to support our people in increasingly complex managerial challenges: managing the complexity associated with matrix-based organizations, from strategy design to effective execution and setting up a process of change.

CAREER DEVELOPMENT AND RECOGNITION

~88% EMPLOYEES INCLUDED IN THE 2023 PDR PROCESS

~43% BACK-OFFICE EMPLOYEES RATED AS TALENTS AND HIGH PERFORMERS

The Amplifon experience should be the same for all its people. We have therefore created various internal "**You@Amplifon**" sessions for discussion, updates and sharing. These sessions prepare and help employees through the various stages of their careers, from joining Amplifon to growth, including objectives, results, recognition and recognition of achievements. You@Amplifon makes it easier for employees to take an active role in building their own development and career path, based on each person's characteristics and ambitions. In 2023, we thus launched a new development tool, the "**Career Compass**", which guides employees in their careers at Amplifon. The Compass, completed with the support of the employee's direct superior, helps identify potential next career steps and plan coherent development actions. The tool was developed on Oracle and allowed us to further enrich the suite of talent management tools we offer our employees.

As each year, in 2023 the Performance Development Review (PDR) process for back-office and field management staff (area managers and regional managers) was conducted to **monitor individual performance** and encourage behaviors consistent with the Group's leadership model across six dimensions: Strategic Thinking, Driving Success, Outstanding Execution, Building Relationships, People Champion and Pioneering Change. To support employees in understanding the process and the tools available for their development, training sessions are regularly organized for the entire target population, providing directors and managers with a clear understanding of their roles in the professional development of their people, while also offering professionals a strong awareness of the role they can play in their own development at Amplifon. At the Group level, **88% of employees were included in the performance review process in 2023**, except for those who, due to specific circumstances, cannot take part in the process (e.g. employees on long maternity/paternity leave or on leave of absence and employees with work-study contracts with different assessment mechanisms, a category that includes hearing aid specialist apprentices in some countries).

For the store population (hearing aid specialists, client advisors and other shop personnel), the Group decided to design a new performance monitoring approach, launched in 2023. By monitoring store visits and achievement of store targets, together with individual qualitative assessments of individual roles, the process ensures alignment with the Group's business performance. This increased the efficiency and automation of the monitoring process for both those subject to it and area managers – the professionals responsible for carrying out the reviews. From a technological standpoint, this new process is available to area managers on the same digital platform used for business monitoring, thus providing a single entry point to perform most of their tasks. In 2023, the new process was launched in nine Group countries across the three regions and will be progressively extended to the other Group countries in line with a roll-out roadmap.

REMUNERATION POLICY

GO TO PAGE
SUSTAINABILITY PLAN

LEARN MORE
REMUNERATION POLICY

Our Remuneration Policy is attractive, transparent and straightforward and is based on the principles of *global consistency* in order to promote a *One Company* culture. Our Remuneration Policy is set consistently with our business strategy, governance model and the guidelines of the Corporate Governance Code for Listed Companies. On the basis of the various elements that make up the pillars of the Policy, each year the Remuneration and Appointments Committee assesses the soundness of its contents, assisting the Board of Directors in its definition, subject to subsequent approval by the Shareholders' Meeting.

Since 2020 we have sought to ensure that **our Remuneration Policy is aligned with our sustainability strategy**, by adapting the main objectives of the Sustainability Plan within the performance review (PDR) and short-term variable incentive (MBO) system for top management (CEO, general manager and managers with strategic responsibilities). The MBO incentive mechanism involves a multiplier/demultiplier applied to the bonus resulting from the level of achievement of the scorecard based on the achievement of individual objectives related to the PDR process. The achievement of these objectives is measured through specific KPIs represented by metrics specific to the relevant function, **including at least one tied to the targets of the Sustainability Plan**. In addition, in confirmation of Amplifon's increasing focus on ESG issues, a new bonus remuneration instrument was launched in 2022, initially for the chief executive officer and general manager. In 2023 it was then extended to managers with strategic responsibilities and certain key personnel to consolidate a policy of strong involvement in the achievement of ESG objectives[25].

242 BENEFICIARIES OF THE MBO PLAN IN 2023

Our short-term incentive system is constructed so as to direct the behavior of the personnel involved towards achieving challenging annual results, while recognising individual contributions. The number of beneficiaries of the short-term incentive scheme (MBO) is very large (about 242 beneficiaries in 2023, for the Leadership Team only), as the Group seeks to enhance the value of people and recognize their contributions to company results. In each country where we operate there are also short-term incentives for the population not a part of the Leadership Team, rewarding individual/collective contributions to the achievement of objectives, as well as sales incentives for store and sales population, driving performance and supporting the achievement of challenging sales targets.

Our Group Remuneration Policy also includes a long-term incentive system based on the award of shares to align the interests of management with those of shareholders and reward human capital. A share-based incentive scheme (the 2023-2028 Stock Grant Plan) was introduced in 2023 with two categories of beneficiaries:

232 BENEFICIARIES OF THE 2023-2028 STOCK GRANT PLAN IN 2023

- The beneficiaries of the **Long-Term Incentive (LTI) Plan**, i.e. the managers in the Group's key positions at the global, regional and local level, identified according to the band of the organizational position in question, within the framework of Amplifon's banding system. In 2023, 105 people benefited from the LTI plan (in 2022, 97).
- The beneficiaries of the **Amplifon Extraordinary Award (AEA)** Plan include employees selected and identified from year to year on the basis of a retention, promotability and extraordinary recognition scheme. During the year, 127 people benefited from the AEA plan (in 2022, 129).

CHARLES HOLLAND AWARD AND AMPLIFON LEADERSHIP AWARDS

Each year, the **Charles Holland Award** recognizes the 60 best stores in the 26 countries in which we operate, which, inspired by our values, have distinguished themselves through customer service and satisfaction. The award, named after Amplifon's founder, celebrates the excellence of our network. Since its introduction in 2011, it has been awarded to hundreds of stores.

In addition, at the end of each year, top management presents the **Amplifon Leadership Awards** for the best company projects and results achieved in association with each of Amplifon's five values.

25 Further details can be found in the 2024 Report on the Remuneration Policy and Compensation Paid.

PREVENTION AND EDUCATION FOR HEARING WELLBEING

+1 BILLION YOUNG PEOPLE AT RISK OF AVOIDABLE HEARING LOSS

Our information and prevention activities on hearing wellbeing address all age groups, including younger people, through specific initiatives. The World Health Organization estimates that more than one billion young people are at risk of avoidable hearing loss and that **60% of childhood hearing loss is due to preventable causes**[26]. Almost 50% of young people between the ages of 12 and 35 are exposed to unsafe sound levels through the misuse of personal audio devices, and about 40% are exposed to potentially harmful sound sources in entertainment venues[27].

Our **Listen Responsibly** programme raises awareness among the younger generation on the importance of hearing prevention and responsible listening. Since 2019 the project has reached over 1,700 Italian and Spanish secondary school classes, thanks to a multidisciplinary educational programme that has made over 48,700 students ambassadors of a new sound culture. Workshops with experts from various subject areas and a play and information kit enabled the children to discover the sounds of the past and the future.

>1,700 CLASSES INVOLVED
>48,700 STUDENTS ENGAGED

>15,700 LISTEN RESPONSIBLY APP USERS
>22,700 NOISE MEASUREMENTS RECORDED

The educational journey is enhanced by the "Listen Responsibly" app, which engages students and citizens as pioneers of a new acoustic ecology. Its noise tracker detects noise levels in the surrounding environment, creating an **interactive map of the acoustic ecology in cities**. To date, the app, which is free in all major digital stores, has more than 15,700 users, for a total of over 22,700 noise measurements. After its launch in Italy in January 2020, the app also reached Spain on International Noise Awareness Day 2021, and it has been active in France since 2022 and in Germany since 2023.

26 Source: "World Report on Hearing", World Health Organization, 2021.
27 Source: "Make Listening Safe", World Health Organization, 2015.

LEARN MORE
THE PROJECT PAGE FOR *LISTEN RESPONSIBLY - TALK TO YOU LATER*

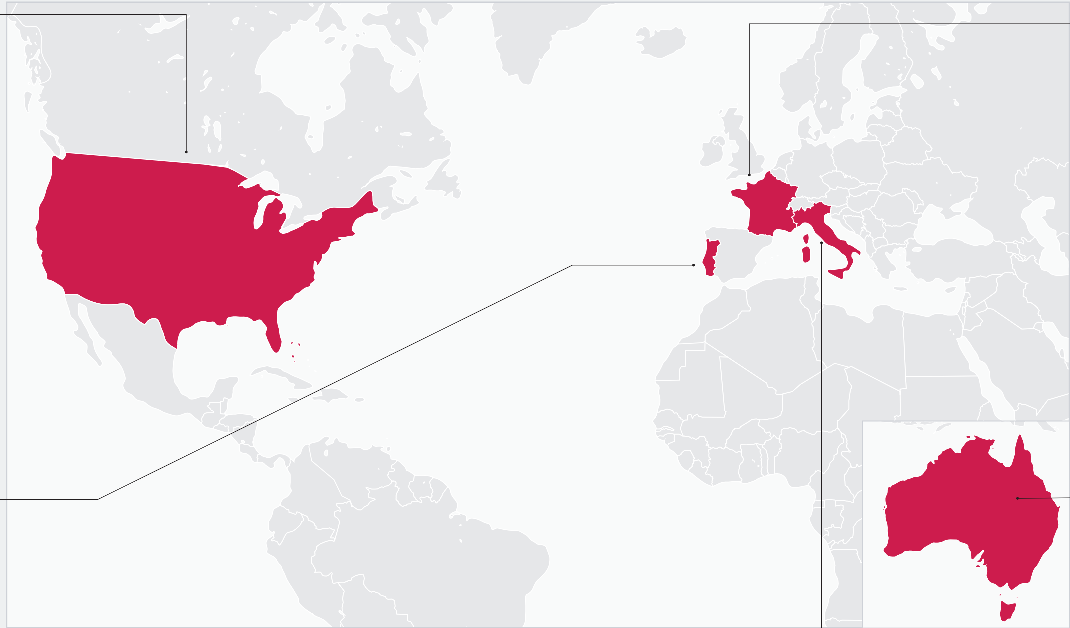
Young people's awareness of hearing care is raised through the Group's social channels (Linkedin, Facebook, Instagram, X and TikTok), through a dedicated strategy with social ambassadorship campaigns among our people. World Hearing Day, held by the World Health Organization on March 3rd of each year, is one of our main communication initiatives for hearing prevention at all ages.

COMMUNITY SUPPORT AND SOCIAL INCLUSION

We care
Our Citizenship Program

Out of our awareness of Amplifon's important role in society, in 2019 we created "**We Care**", a programme that encourages more responsible behavior and collects the social impact initiatives we promote in the communities where we operate. Our Sustainability Policy formalizes Amplifon's commitment in this area, reinforced by our contribution to social inclusion activities promoted by the Group's foundations. In addition, regular alignment and sharing meetings enable us to facilitate the exchange of ideas and experiences on community impact projects launched in different countries. Finally, a **new Corporate Volunteering Policy** was adopted in 2023, formalising the commitment to encourage voluntary activities promoted by the Group's foundations. The Policy is currently addressed to employees at the corporate headquarters and in Italy and will soon be extended to the other countries of the Group.

MAIN INITIATIVES IN 2023



amplifon AMERICA

The We Care programme continued to have a strong impact on local communities in the Twin Cities (Minneapolis and Saint Paul) in 2023. More than 200 employees participated in volunteer projects on behalf of 19 associations and donated more than $25,000 to charitable initiatives. In addition, the We Care programme continued to support the Minnesota Wild Deaf & Hard Of Hearing Hockey team, a unique association dedicated to ensuring fair playing opportunities for those with hearing loss.

amplifon PORTUGAL

In 2023, Amplifon Portugal continued to collaborate with the "Sao Tome Mission" project, which has been supporting more than 120 children with hearing loss for 12 years. During the Christmas period, Amplifon Portugal supported the non-profit association "Nariz Vermelho", which cares for hospitalized children, and also launched the first pilot of the "Ciao!" project, sponsored by the Amplifon Foundation, in three local nursing homes. In 2024 this project is to be expanded both in terms of available activities and by including other nursing homes or considering other geographical areas.

amplifon ITALY AND CORPORATE

In 2023, Amplifon Italia made donations of over €120,000 to various causes, including the "Una laurea con Amplifon" project. Amplifon Italia also donated more than 170 hearing aids and more than 300 domes and receivers to charity for specific missions in developing countries. Corporate and Italy employees volunteered in activities organized by the Amplifon Foundation, specifically for the "Viva gli Anziani", "Let's Dream" and "Inside Out" projects. Other long-term projects continued, such as "Listen Responsibly - Ci sentiamo dopo", as well as the collaboration with Milano Book City. In 2022, used clothes were once again collected from headquarters employees for donation to those in need by the local non-profit organization Pane Quotidiano.

amplifon FRANCE

The project carried out in collaboration with the association *"Les Enfants Sourds du Cambodge"* for 2023 included two humanitarian missions to Cambodia, during which hearing aids were provided to local children. In addition, to raise funds for cancer research, Amplifon France employees took part in four foot races and joined the *"Octobre Rose"* initiative, specifically organized to prevent and raise awareness of breast cancer.

amplifon AUSTRALIA

Australian personnel also took part in various activities as part of the We Care programme, through donations of hearing aids to those in need and the promotion and sponsorship of breast cancer prevention – an initiative that involved almost 2,000 employees. In the run-up to Christmas, gift-giving campaigns also involving stores and end consumers were organized for the months of November and December.

THE ROLE OF FOUNDATIONS FOR SOCIAL INCLUSION

amplifon foundation
THE SOUND OF INCLUSION.

LEARN MORE
THE ACTIVITIES AND SOCIAL REPORT OF THE AMPLIFON FOUNDATION

AMPLIFON FOUNDATION

The Amplifon Onlus Foundation was set up in Italy in early 2020, on the Group's 70th anniversary, to support those in disadvantaged situations to foster **complete human and social fulfilment**, with a particular focus on the elderly suffering from, or at risk of, marginalization. Through a series of projects to combat isolation, particularly towards the older generation, the Foundation promotes an **inclusive culture** to support people's active participation in social, cultural and professional life. Combining the strongest energies, ideas and professionalism from the public and private sectors, it aims to restore the role and life heritage of our elders to a central position, in view of sharing and experiences between the generations. The Foundation's operational strategy was conceived in line with Amplifon's **values** and designed to **leverage the Group's values and resources** and the work of other foundations, active in the United States and Spain. The Foundation's journey continues to evolve, with the contributions of its numerous partners and stakeholders, as well as specialized operators and volunteers who every day encourage the promotion of an increasingly inclusive society. In 2023, those working at Amplifon played a decisive role in implementation of the projects promoted by the Foundation, both by actively contributing to its mission and by participating in its fundraising campaigns.

Ciao!
amplifon foundation
THE SOUND OF INCLUSION.

Ciao!

The Ciao! Project was created in 2020 to support integration and inclusion at nursing homes through **digitalization** and reconnecting the **elderly** to their communities. With an investment of over €3 million, **it is now operational at over 200 facilities throughout Italy and is being developed in other countries, including Portugal and France**. Thanks to the **video-connection systems donated by the Amplifon Foundation**, the residences participating in the project strengthened their connection with communities outside their facilities and expanded their entertainment offerings and opportunities for togetherness, while also identifying new, more flexible ways of providing **useful services**. Over time, the Foundation has also developed a **programme** of content that includes live and interactive events such as classical music concerts, entertainment based on popular music, yoga classes, digital travel and art therapy sessions – all designed exclusively for nursing home residents. In this we are joined by **Lucus**, **La Fil - Filarmonica di Milano**, **La Compagnia Teatrale Gino Franzi**, **Il Laboratorio artistico Con le mani**, **Artis** and **MondoYoga**. In 2023, for the first time, the Project expanded abroad, involving three care homes in the Lisbon metropolitan area, where Amplifon has been operating for 23 years under the Minisom brand. Since July 2023 the facilities have offered weekly yoga sessions and digital journeys. They also use the systems provided for games, cognitive stimulation activities, community events and other initiatives. The Ciao! Project is also about to make its début in France, as well as in Australia, in the Melbourne area, where a strategic partnership has been formed with Monash University.

Cooperation with UNHCR

The conflict in Ukraine continues, and the most fragile groups continue to pay the highest price: children, women, the disabled and the elderly. The Amplifon Foundation focuses its efforts on the elderly. In 2023 it financed a project supporting senior Ukrainian refugee in Moldova and frail elderly in the host community, assisting in Moldova's hospitality and fostering integration between the two communities.

"SULLA GENTILEZZA" (KINDNESS MANIFESTO)

In response to the complexity of today's times on a national and international level, the Foundation has reflected on its role and the contribution of thought and action it can offer. In its fourth year of activity, the Amplifon Foundation has therefore decided to accompany its more traditional initiatives with a programme on the theme of kindness, understood as a desirable form of our actions and relationships, and ultimately as a means of peace that is urgent and possible for everyone. Throughout 2024, the Amplifon Foundation will propose several initiatives to create a space for reflection on the topic, starting with the podcast "Sulla Gentilezza" developed together with Chora Media and launched in early 2024. The podcast features prominent members of civil society (Mario Calabresi, Alessandro Barbero, Stefano Mancuso, Paola Cortellesi, Franco Arminio, Cristiana Capotondi, Vittorio Lingiardi, Elisabetta Moro, Marino Niola, Mia Canestrini and others) on a journey in search of the meaning and form of kindness.

Vicini in Città
The Amplifon Foundation participates in and supports the historic "Vicini in Città" Project of the Community of Sant'Egidio, which promotes togetherness and active monitoring of those over 80 living at home. In Milan, where it was set up thanks with a contribution from the Amplifon Foundation in 2020, it is concentrated in the Lodi Corvetto area. Through its broad network, it monitors the elderly population living in the area through reports from citizens, volunteers and social workers of various kinds.

Let's Dream
"Let's Dream! - È sempre tempo di sognare" is a volunteer project that involved 50 Amplifon volunteers for 300 hours in 2023 alone. Nine events were organized involving Italian nursing home residents and volunteers in dance performances, lunches cooked by famous chefs, outings to the local area, matches at the stadium and much more. The project received enthusiastic feedback from all participants.

Ti Passo a Prendere – Corvetto edition
In the summer of 2023, the Amplifon Foundation launched "Ti Passo a Prendere – Corvetto edition", a project involving about 20 volunteers and 40 elderly residents in Milan's Corvetto district, implemented with Memorabilia and the Community of Sant'Egidio Milan. With the elderly, the volunteers attended the various shows offered by some of the most famous theatres in Milan, from Teatro Menotti to Piccolo Teatro.

Partnership with Accademia della Scala
In 2023, the Amplifon Foundation supported "Accademia Silver Collection", an initiative promoted and implemented by the Accademia Teatro alla Scala. The project consists of a series of podcasts recounting the history and customs of opera and theatre of an era from the early 1930s and the late 1950s. The podcasts were distributed by the network "Ciao!" partner organizations.

We Care and the Ciao! project
On December 1st 2023 a team of 87 Amplifon staff spent a day at the Airoldi and Muzzi nursing home in Lecco. On this occasion, volunteering also became a tool for learning, fostering team spirit and making connections in a different context. During the day, participants interacted with elderly residents, creating Christmas decorations, building and decorating Christmas trees and participating in a chorus concert.

Ciao! C'è un regalo per te
At Christmas the Amplifon Foundation once again asked over 15 nursing homes throughout Italy involved in the "Ciao!" project to collect some of their guests' Christmas wishes. Thanks to the cooperation of more than 120 Amplifon employees and the Foundation's project partners, 350 wishes were granted. In December, the gifts were then delivered to the elderly, in some cases with Amplifon volunteers, who met "their" elderly person in person and experienced a moment of celebration and exchange of experiences, history and life stories.

Obiettivo3
Given the importance of social inclusion to its mission, in 2023, for the third consecutive year, the Amplifon Foundation supported Obiettivo3, an initiative created by Alex Zanardi to introduce people with physical disabilities to sport. Obiettivo3 is a landmark organization for the disabled, in Italy and abroad, offering real, concrete support to all disabled people who wish to dedicate themselves to sport, at the amateur and competitive levels.

Viva gli Anziani
The collaboration and support for the "Vicini in Città" programme promoted by the Community of Sant'Egidio – Milan led to the development of "Viva gli Anziani", which over the years has seen the participation of about 30 Amplifon employees involved in ongoing telephone monitoring and in-person support when necessary (medical examinations, food purchases, etc.) for the elderly residents of Milan's Corvetto district. Through face-to-face meetings, organized whenever possible, bonds were forged, friendships created and a rich, ongoing intergenerational dialogue developed.

Festival dell'Umano
In October 2023, the city of Milan hosted the "Festival dell'Umano", an event that allowed more than 200 people (including students, professionals and companies) to engage i dialogue, reflect and discuss the role of people in society. A day for asking questions and discussing human beings and an opportunity to write together a collective book that will tell future readers about the current state of human beings at the beginning of the digital era.

MIRACLE-EAR FOUNDATION

Dating back to 1990, the Miracle-Ear Foundation aims to improve the lives of people with hearing loss who do not have access to treatment due to a lack of financial resources. The Miracle-Ear Foundation's various social programmes are supported by both direct stores and franchisees belonging to the Miracle-Ear network.

GIFT OF SOUND

LEARN MORE THE GIFT OF SOUND PROJECT

~7,700 HEARING AIDS DONATED IN 2023
~3,600 HEARING AIDS REMANUFACTURED IN 2023

The "Gift of Sound" is the Miracle-Ear Foundation's main programme, through which hearing aids are donated and free services, assistance and follow-up services are provided to individuals and families in need. In 2023, the Foundation provided hearing services to over 3,800 children and adults, donating approximately 7,700 hearing aids and related after-sales service, with direct involvement in Miracle-Ear stores. Since the programme was first launched 30 years ago, the Miracle-Ear Foundation has provided around 48,000 hearing aids to almost 25,000 people.

HEAR AGAIN

Through the “Hear Again” programme, Miracle-Ear customers can bring in their old, unused hearing devices and donate them to the Foundation to be recycled and reconditioned, including in support of the “Gift of Sound” programme, thus helping consolidate the relationship between donors and Miracle-Ear family beneficiaries. In 2023 alone, some 3,600 hearing aids were reconditioned and donated by the Foundation through this programme.

ONE DAY WITHOUT SOUND

~15,000 HEARING PROTECTORS DISTRIBUTED IN 2023

The “One Day Without Sound” awareness campaign – a cornerstone of the Foundation's prevention programme – aims to help people understand what it is like to live with hearing loss, a condition that creates great difficulties both at school and at work, by asking participants to try to experience a day without sound by wearing two small earplugs, directly replicating a hearing loss condition. In 2023, around 15,000 hearing protectors were distributed by Miracle-Ear stores to numerous participants who pledged to experience a day without hearing.

MIRACLE MISSIONS

In 2023, the Foundation, in collaboration with franchisees of the Miracle Ear network, identified two communities in need in the United States as recipients of specific hearing aid delivery missions (Miracle Missions). The missions were carried out in July and August 2023, over a total of five days, with hundreds of audiologists and volunteers. Together they donated more than 500 hearing aids to over 255 people in need, and also ensured that they were serviced during their lifetime.

GAES SOLIDARIA FOUNDATION

GAES Solidaria, set up in 1996 and consolidated as a Foundation in 2018, brings together employees, managers, workers and customers with a common goal: to fill the lives of those in greatest need with sound, music, communication and happiness.

GAES Solidaria's mission is to provide opportunities for people with hearing loss without financial resources to develop their language and communication skills through local and international hearing projects. The Foundation extends GAES Solidaria's original lines of action through its awards to the medical community promoting research into hearing care. It is also a means of raising awareness of the importance of hearing healthcare as a basic element of well-being.

In 2023, several audiologists from Amplifon Spain volunteered through the GAES Solidaria Foundation, and also went on to collaborate with the Clarós Foundation, in a project in Cape Verde in which they performed hearing checks and fitted hearing aids to the local population in need. During the year €13,000 was also raised and donated to seven projects by various NGOs in the health and social protection sector. At the end of the year, a volunteer campaign was held at the Red Cross headquarters in Barcelona, during which 15 volunteers spent a day organising donations of toy collected by the organization for children in need and vulnerable groups.

THE AMPLIFON RESEARCH AND STUDY CENTRE

LEARN MORE
AMPLIFON RESEARCH AND STUDY CENTRE

The Amplifon Research and Study Centre was founded by Algernon Charles Holland in 1971 to consolidate the company's investment and resources in development, research and training in audiology and otology. Founded in Italy and now also active in Spain and France, the RSC has always sought to **contribute to developing and sharing of scientific knowledge** in collaboration with university institutes and scientific societies in Italy and abroad. Since its inception, it has organized numerous courses and scientific conferences, in addition to supporting publications of scientific interest and national and foreign scholarships for both medical specialists (ENT and audiologist-phoniatricians) and speech therapists.

LEARN MORE
VISIT THE ORL.NEWS PORTAL

Training has always been the guiding principle of the RSC and provides an opportunity to explore topics related to hearing wellbeing, audiological services and prevention. Every year, thanks to the support of the RSC, the most current topics in audiology and otolaryngology are discussed and explored in national and international programmes featuring world-renowned speakers. Face-to-face courses have always been the RSC's strength: after the forced pause due to the pandemic, in 2023 we resumed offering face-to-face courses, for which, in addition to the specific content on the syllabus, significant added value was provided through direct dialogue between the participants and panel of lecturers. In addition, the Amplifon RSC courses also have an international scope: Lisbon was the venue for the RSC International 2023 Course, attended by four Group countries (Italy, Spain, France and Portugal), where an international panel of audiology specialists held an in-depth discussion of the topic: "What the Audiogram Doesn't Tell Us"[28].

In addition to face-to-face courses, in 2023, the RSC focused specifically on digital communication, confirming its sponsorship of the online publication **ORL.news**, the first portal for updates and training for ENT doctors and health professionals. To date, the site has developed a true digital community involving a large part of the ENT world. In 2023, ORL.news delivered scientific content concerning its speciality districts of reference, adapted to both adults and children. The chosen approach is comprehensive in nature, extending to other related and anatomically similar medical specialities, and also encompasses the social and macro-economic spheres, demonstrating that hearing wellbeing is an integral part of the quality of life of individuals and, by extension, of society as a whole.

In continuity with previous years, the SRC participated in the national congresses of the major scientific societies: SIO (Italian Society of Otolaryngology and Cervico-Facial Surgery), AOOI (Association of Italian Hospital Otolaryngologists), AIOLP (Italian Association of Freelance Professional Otolaryngologists) and SIAF (Italian Society of Audiology and Phoniatrics). The Amplifon SRC offers access to one of the most complete private libraries in the field of audiology and ENT, including the most authoritative international journals in the field, in both print and digital versions. With the benefit of this extensive library, the quarterly *CRS Scientific Journal* continued to be published in English and shared with all Group countries in 2023.

Amplifon Centre for Research and Studies

28 *In Italian: "Cosa non ci dice l'audiogramma".*

GOVERNANCE INFORMATION

PROCUREMENT AND SUPPLY CHAIN MANAGEMENT

At Amplifon, procurement (direct and indirect purchasing) and supply chain management are carried out and coordinated at various levels of the organization, starting from the global strategy, coordination and governance teams to the regional or country teams, which implement global guidelines and provide solutions for local needs:

DIRECT PROCUREMENT

purchase of hearing devices and related products/services (hearing devices and accessories, services and spare parts for hearing devices, batteries, ear moulds and other products).

INDIRECT PROCUREMENT

purchase of goods and services not intended to be sold or offered to end customers (marketing and advertising, rent, IT, facility management services, consultancy, overhead and logistics services).

SUPPLY CHAIN

management of operational procurement, logistics and warehousing (definition of the logistics and distribution model, issuance of forecasts and purchase orders, transport to and from suppliers and stores, storage and warehousing services, inventory planning and management and definition of store operations related to materials management).

Furthermore, ESG criteria continue to be integrated into procurement and supply chain management. Indeed, the creation of a new ESG team within the global function has accelerated the implementation of sustainability projects, strengthening corporate governance and solidifying the goal of fully integrating sustainability into procurement processes and decisions.

LEARN MORE
SUPPLIER CODE
OF CONDUCT

QUALIFICATION AND EVALUATION OF SUPPLIERS

During the qualification phase, all suppliers must sign Amplifon's Code of Ethics, whether they are involved in tendering, procurement, or supply of goods or services. As set out in this Code, and in line with the Principles of the UN Global Compact and international treaties, Amplifon repudiates suppliers who, in violation of the principles of personal freedom and dignity and fundamental human rights, allow the exploitation of forced and child labour or any form of personal discrimination. As in previous years, we have continued to require that all suppliers of hearing aids, whose contracts are subject to periodic renegotiation, recognize and respect the principles expressed in Amplifon's Sustainability Policy. The **Supplier Code of Conduct,** adopted in 2022, sets out the principles and standards of conduct required of all suppliers and business partners in the areas of business ethics, compliance, anti-corruption, human and labour rights, diversity and inclusion, health, safety, the environment, etc[29]. In 2023, mandatory acceptance of this Code was integrated into the new supplier qualification processes, so that all new suppliers must sign it. In addition, signing the Code was extended to suppliers already qualified before the Code was adopted, prioritising acceptance of suppliers based on the global expediture and criticality of the service or product provided. By the end of 2023, we had received acceptance from suppliers representing more than 20% of global expenditure for indirect suppliers and around 79% for direct suppliers. Through specific contractual clauses, or, where there are no such clauses, the Supplier Code of Conduct, Amplifon also reserves the right to verify the good conduct of suppliers, requesting any documentation during visits and controls carried out by qualified third parties.

ALL OUR HEARING AID SUPPLIERS HAVE SIGNED OUR SUPPLIER CODE OF CONDUCT

The gradual adoption of the Supplier Code of Conduct and the identification of potential ESG risks of suppliers are made possible by the **new global supplier assessment framework**, which was implemented in a pilot phase during 2023 to assess the ESG performance of a sample of Amplifon's suppliers, in line with the Sustainability Plan target set in 2021[30]. During this pilot, two internal tools were developed: the first to assess the level of a supplier's inherent ESG risk on the basis of product category and geography (sector-specific and country-specific risk), and the second to assess the residual ESG risk on the basis of ESG information and data requested from the suppliers via a questionnaire they filled out. Through the first tool, the framework classifies each provider into an inherent ESG risk class (low, medium or high) according to universally recognized and widely adopted metrics and indicators relating to key ethical, social and environmental issues. The ESG Self Assessment questionnaire includes a must-have section (e.g. information on compliance and policy) and a best practices section (e.g. performance and degree of maturity in sustainability) which suppliers are asked to fill out and which are then evaluated using a specific scoring methodology. The number of questions varies depending on the size of the supplier (revenue, number of employees, etc.), from a minimum of 30 to a maximum of 60 questions, in order to make the contents of the questionnaire relevant and applicable to each supplier that fills it out.

During the pilot project, more than 115 suppliers were asked to complete the questionnaire, of which 2% belonged to the "high" inherent ESG risk category, 94% to the "medium-low" risk category and the remainder to the "low" risk category. Following the completion of the ESG Self-Assessment by the suppliers in scope, 15% of them saw a decrease in their residual risk compared to the inherent risk assigned to them in the previous phase, while 7% of the suppliers assessed were found to have a higher residual risk class than the inherent one. In 2024, suppliers with "medium-high" residual risk classes will be engaged with specific follow-up actions to deepen their knowledge or set up improvement plans where necessary. For instance, an action plan could be shared with them for the mitigation residual risk, for continuous improvement, depending on the scoring obtained from the assessment, or, where necessary, for the performance of an ad hoc audit by a third party with expertise and focus on ESG issues. Furthermore, in line with the New Sustainability Plan, this framework will be implemented in other countries with a specific roll-out plan in the coming years.

29 The Amplifon Supplier Code of Conduct was approved by the Board of Directors of Amplifon S.p.A. on March 3rd 2022 and is available to all stakeholders on Amplifon's corporate website. A specific training course on this Code was also launched for Amplifon employees in 2023.

30 This framework was implemented in Italy, the selected pilot country, with the aim of reviewing and improving the approach designed in 2021 and then proceeding with a scale-up plan in the other countries, planned to start in 2024.

COOPERATION WITH MANUFACTURERS OF HEARING AIDS

As a global leader, and in light of the key role that technologies used in the design of hearing devices play in interacting with customers, we collaborate with the largest and most reputable manufacturers of hearing devices, selecting the most suitable products and technologies for the different markets, guaranteeing the safety and quality of the devices we sell and supporting our customers throughout the lives of our products. In fact, we constantly monitor supplier roadmaps so that technological innovation always allows us to maintain and improve on the already excellent level of experience offered. We also closely monitor the phases of introduction and withdrawal of the various models to ensure that we can offer support to customers throughout the product life cycle. During 2023, in line with the monitoring and measuring of our carbon footprint throughout the value chain, we set up recurring meetings between our sustainability team and our suppliers' corresponding teams, to facilitate the exchange of know-how and experience on approaches and methodologies related to the calculation of CO_2 emissions and decarbonization projects. In 2024, we aim to explore and identify potential areas of collaboration with our suppliers, in particular for joint projects to reduce emissions in the areas of logistics, distribution and all phases of the product life cycle.

SUPPLY CHAIN EFFICIENCY

As part of its supply chain organization, Amplifon undertakes to plan store and local or regional distribution centre inventories, to survey and process requirements by organising transport from warehouses to stores and vice versa, and to receive and manage inventories in central warehouses. In addition, Amplifon manages the recall of unsold products at the end of the trial period from stores to warehouses, the planning of demand for hearing aid suppliers on a forecast basis and the revision of procurement flows with a view to harmonising, modernising and digitalising operational and administrative processes. All products, whether new, repaired or to be returned, are transported solely by specialized external logistics companies selected by Amplifon or by direct suppliers, depending on who is responsible for organising transport (usually the shipper). Together with manufacturers, we are committed to **optimising logistics** in order to reduce energy consumption, CO_2 emissions and related costs. For this purpose, some manufacturers have regional centres for digital scans of ear prints, thus avoiding transporting prints to production plants.

WE HAVE REDUCED THE RETURN FLOW BY DOUBLE DIGITS COMPARED TO 2022 THANKS TO OUR NEW POLICIES

In 2023, central and local strengthening of the supply chain function continued, in order to provide the sales network with the most advanced planning, storage and distribution solutions. Underlying this investment is the ambition to overhaul the logistics and distribution model, demand and stock planning, warehouse and transport operations, and effective reverse logistics management. By leveraging end-to-end integration with upstream suppliers and downstream stores, we aim to make the entire distribution chain more efficient through the introduction of new planning methodologies, new technologies for automatic store resupply and a strong digitalization of processes. In 2023, continuing and expanding on a commitment begun in 2022, we implemented new policies to decrease the flow of returns from our stores to hearing aid manufacturers, decreasing emissions related to product life and logistics and reducing material waste and transport inefficiencies. Thanks to this initiative, we have already **reduced the flow of returns by double digits** compared to 2022, and a further expansion of the initiative is planned, in view of assessing its carbon reduction potential.

CONSOLIDATED FINANCIAL STATEMENTS
CONSOLIDATED NON-FINANCIAL STATEMENT
REPORT ON OPERATIONS
AMPLIFON AT A GLANCE

BUSINESS ETHICS

LEARN MORE
AMPLIFON GROUP CODE OF ETHICS

OUR CODE OF ETHICS

In line with our corporate culture, the Group Code of Ethics identifies the values, principles and rules of conduct that underlie our daily actions. In addition to being an integral part of the Organisation, Management and Control Model pursuant to Legislative Decree No. 231/2001, our Code of Ethics lays down the fundamental principles of conduct for:

- **policies on business conduct**, including conflict of interest, confidentiality of information, accountability in work activities, compliance with applicable regulations (on privacy, anti-money laundering, intellectual property, etc.), combating corrupt practices, illegitimate favours, collusive behavior and solicitation of advantages.
- **human resources management**, including combating all forms of discrimination, repudiating the exploitation of child labour, upholding the principle of equal opportunities in all aspects of employment relationships, combating all forms of harassment in the workplace and maintaining a healthy, safe working environment.
- **the clarity and completeness of accounting records**, through the adoption of high standards of financial planning and control and consistent and adequate accounting systems.
- **sustainability**, with particular reference to the creation of shared and sustainable long-term value, the generation of a positive, sustainable social impact over time and awareness of the importance of respecting the environment.
- **relations with external stakeholders**, with particular reference to relations with suppliers, public officials and public institutions, customers, the media and the financial community, also including management of any gifts and gratuities.

The principles and provisions of the Code of Ethics apply to all Amplifon employees and companies, as well as to all third parties whose actions are attributable to the Group. We strive to ensure that the principles of the Code are shared by our agents, consultants, suppliers, business partners and all other parties with whom we have stable business relations, and violation of the rules of the Code may constitute **breach of contractual obligations**, with the full legal consequences. The Code of Ethics is distributed in all countries where we operate, in order to ensure its spread at local level and effective implementation. During 2023, the **Business & Ethics training programme** continued, focusing on the ethical principles and rules of behavior underlying our daily actions and also including the Anti-Bribery Policy, the Whistleblowing System and Amplifon's 231 Model.

~1,930 TOTAL HOURS OF BUSINESS & ETHICS TRAINING DELIVERED IN 2023

Within the framework of the periodic audits provided for in the plan, Amplifon S.p.A. Internal Audit verifies, inter alia, compliance with the principles of the Code of Ethics. Using **dedicated whistleblowing systems**, the Group recommends and strongly encourages the reporting of actual or suspected violations of our Code of Ethics, ensuring the confidentiality of the reports received under applicable law, as well as the protection of the whistleblower from all acts of retaliation or discrimination for having made a report. In 2023, Amplifon continued to closely monitor and manage the issues relevant to the Group, with the involvement of the competent corporate functions also in the area of compliance and/or organization.

THE WHISTLEBLOWING SYSTEM

The Group's **whistleblowing management process** was introduced in 2020. This process also continued to spread in 2023, with gradual adoption in all Group countries, in accordance with the relevant local laws[31]. Through this process, a set of rules and means of communication are established for reporting, with guaranteed confidentiality, all violations, well-founded suspicion of violations or conduct not in keeping with the Code of Ethics, Anti-Bribery Policy, internal policies and procedures (e.g. 231 Model) and laws and regulations applicable to each Group company. The Group Whistleblowing Policy – which defines which types of unlawful conduct may be reported when Amplifon employees or third parties become aware of it, as well as the procedures for reporting it – was updated in 2023 to continue the process of alignment with the reference principles on whistleblowing as well as with international best practices . In view of the recent Italian whistleblowing legislation (Legislative Decree No. 24/2023), the Amplifon S.p.A Whistleblowing Policy was also adopted and approved by the Board of Directors of Amplifon S.p.A. on July 27th 2023[32].

The current Group Whistleblowing Policy calls for the presence of a **Whistleblowing Committee** composed of the heads of HR, Legal Affairs and Internal Audit and Risk Management, tasked with receiving, analysing, possibly investigating and proposing disciplinary measures in relation to whistleblowing managed centrally (i.e., at the Group level). The Policy also identifies the channels through which reports can be made and provides for a digital ***e-Whistle*** platform, which allows reports to be made and further confidential exchanges to be managed between the reporter and the Committee simply, securely and confidentially. In line with the gradual implementation of the Policy and the related reporting channels in the various countries, a specific **mandatory online training programme** was set up for the company population to inform and train all Amplifon employees and collaborators on how to behave if they become aware of unlawful conduct. While we expect all employees and collaborators to maintain the high standards set out in our Code of Ethics, we encourage anyone who becomes aware of non-compliant behavior to report it, allowing us to address problems at their earliest stage and reducing the risk of potential damage to the business and our reputation. By the end of 2023, the entire corporate population had completed the training course.

31 In some countries, a local whistleblowing system was already in place, where required by local legislation.

32 In view of the recent Italian whistleblowing legislation (Legislative Decree No. 24/2023), the Amplifon S.p.A Whistleblowing Policy was formalized in 2023.

LEARN MORE
AMPLIFON GROUP ANTI-CORRUPTION POLICY

FIGHT AGAINST CORRUPTION

We have zero tolerance for corruption, illegitimate favours, collusive behavior and solicitation of advantages. In order to prohibit all practices of bribery and corruption, in favour of any part, we set specific rules for their prevention and management of related risks. Since 2017, our Group **Anti-Corruption Policy** has guaranteed the ethical conduct of day-to-day business, protecting the creation of value and the fundamental principles on which Amplifon's activities are based. The provisions and guidelines of the Policy are inspired by our Corporate culture and Code of Ethics, and were developed by analysing the activities that could potentially expose Amplifon to the risk of corruption. They promote the highest standards in all business relationships, conduct business in accordance with loyalty, fairness, transparency, honesty and integrity, and set specific rules for preventing, identifying and manage corruption risks. All directors and employees of the Group, as well as suppliers, consultants and anyone else acting on our behalf, are required to act in accordance with the values, standards and principles set out in this Policy, and in compliance with the law.

The Policy, updated in 2021 and inspired by the best practices and international standards, provides for **general principles** and **specific rules** of conduct and oversight in the main areas potentially exposed to the risk of corruption (e.g. management of relations with members of the Public Administration, agents, suppliers and business partners, gifts, donations and sponsorships). In addition, there is also an abridged version of the Policy setting out the Group's principles of reference for interested third parties. In 2023 a number of anti-corruption compliance audits were carried out on selected countries in order to verify the **level of implementation of the safeguards** provided for in the Policy (readiness assessment) and the actions to be taken locally to ensure its correct and complete implementation. At the local level, anti-corruption training and awareness-raising activities are developed in line with the Parent Company's instructions and the specific needs of individual countries. Through whistleblowing reporting channels more efficient monitoring of possible deviant or non-compliant behavior is also ensured.

LEARN MORE
THE 231 MODEL AND SUPERVISORY BODY

ORGANIZATION, MANAGEMENT AND CONTROL MODEL

Amplifon S.p.A. has adopted an **Organization, Management and Control Model pursuant to Legislative Decree No. 231/2001** (the 231 Model) and appointed a Supervisory Body (SB), which is entrusted with supervising the operation of and compliance with the Model, as well as ensuring that it is updated, as provided for by the relevant legislation in force in Italy concerning the administrative liability of companies. The implementation of the 231 Model aims to support the performance of company activities according to principles of fairness and transparency and to avoid situations of risk , with a twofold objective: to prevent the commission of the offences provided for in the Decree, and to protect the company's image and the work of all employees and collaborators.

The Amplifon S.p.A. 231 Model is divided into a general part and a special part. The general part illustrates the contents of the Decree, defines how the Supervisory Body is set up and functions, and describes the system of penalties, communication and training of personnel, as well as the reporting channels under the Decree. The special section illustrates the control protocols for the company activities considered "sensitive" for the purposes of Legislative Decree No. 231/2001 and describes the conduct and preventative measures to be taken to reduce the risk of commission of the offences referred to in the Decree. The Code of Ethics is the essential foundation of the 231 Model: the two documents form a set of internal rules that spread culture of ethics and corporate transparency. It is periodically checked whether there is a need to update the 231 Model to reflect regulatory and organizational changes, in line with best practices and industry standards. In particular, **in 2023 the Amplifon S.p.A. 231 Model was updated** in view of the new whistleblowing regulations (Legislative Decree No. 24/2023). The new version of the 231 Model was approved by the Board of Directors of Amplifon S.p.A. at the meeting held on July 27th 2023. In general, the Amplifon Group's subsidiaries, where applicable, adopt compliance programmes in accordance with local laws that provide for corporate administrative liability.

LEARN MORE
AMPLIFON'S TAX STRATEGY

OUR TAX STRATEGY

Amplifon's tax strategy is approved by the Board of Directors and is periodically reviewed with the assistance and collaboration of its tax department. Drawing inspiration from the principles outlined in the Group's Code of Ethics, the document defines tax objectives and sets guidelines for their concrete achievement in Italy and abroad, in awareness of the importance of the contribution to tax revenues in the jurisdictions in which the Group operates and in the belief that the correct implementation of tax regulations is essential for the Group and its stakeholders.

Amplifon acts with integrity and honesty, engaging in behavior aimed at formally and substantially complying with all national, international or supranational tax laws, regulations and procedures in force in the countries in which it operates, while maintaining a collaborative, transparent relationship with tax authorities. The Group cooperates with the competent authorities in providing the information necessary to verify the proper fulfilment of tax obligations and adopts behavior aimed at guaranteeing the fairness of the transfer prices applied in intragroup transactions, with the aim of allocating the income generated in the countries in which the Group operates, in accordance with the law and the OECD Guidelines. In keeping with these principles and this approach, in order to ensure that all decisions are consistent with its tax strategy, Amplifon has adopted its own **internal tax risk management and control system (Tax Control Framework)**, in line with OECD guidelines, as implemented by the Italian tax authorities. Amplifon also ensures that the Group's tax structure has access to adequate resources (human, material and financial) and organizational relevance, as well as technological solutions that can ensure and maximize the performance of the relevant functions.[33]

33 For the details of income taxes, please refer to the Consolidated Financial Statements and related notes for the period January 1st - December 31st 2023 (Section "Notes to the financial statements" - "Income taxes") of the 2023 Annual Report.

COMPETITIVE BEHAVIOR AND RESPONSIBLE MARKETING

Our commercial policy is based on compliance with all rules laid down to safeguard fair competition, in keeping with the specific nature of the sector in which we operate, characterized by competition from numerous national and international companies and composed of specialized operators, non-specialized operators (e.g. optical product chains or pharmacies) and online stores. We constantly monitor market developments and direct our investments towards differentiating our services, while always taking an ethical approach to competition.

Depending on the type of service and product, full transparency towards customers is another a key aspect of our business ethics. As described in our Code of Ethics and in the most recent policies adopted by Amplifon, our primary objectives are observance of all procedures in place for proper management of customer relations, compliance with national and international principles, guidelines and legislation and protection of the accuracy and truthfulness of advertising or other communications, which must be done in a responsible, reliable manner, in view of the ultimate goal of enabling customers to make informed, conscious decisions. Creating a network of creative partners offering regional synergies is part of our commitment as an industry leader. This allows us to align our marketing, advertising and communication strategies, thus maximising the effectiveness and efficiency of our brand awareness, while identifying and respecting the unique qualities of local markets. In order to promote responsible marketing and sales practices, while ensuring transparent, trustworthy interactions with customers and stakeholders, we have implemented **global guidelines** that require all marketing content – from TV campaigns to brochures – to be **reviewed by a lawyer** to ensure compliance with legislation (including at the local level) related to product promotion and advertising. Our Code of Ethics states that all employees and collaborators conduct marketing, sales and communication in a responsible, reliable manner, in full compliance with local regulations and the principles of ethics and professionalism, while providing complete, accurate and truthful information on products and services. Finally, specific guidelines have been adopted in the EMEA region for compliant management of personal data regarding Amplifon customers during marketing activities, as well as appropriate management of the rights guaranteed by the GDPR.

MONITORING THE REGULATORY ENVIRONMENT

In order to respond promptly to potential regulatory changes in a medical sector in which regulations differ from country to country, our Regulatory Affairs function, present both at corporate and local level, constantly monitors regulatory changes and their potential impacts, develops possible plans of action and coordinates interaction with institutions by actively participating in international debates, associations and conferences, with a focus on three main areas: health classification of hearing devices, characteristics of licensed hearing care professionals, and reimbursement conditions for devices through insurance and/or governments.

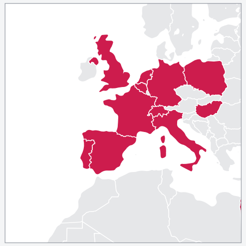
HEARING AIDS

Hearing aids are considered medical devices in all markets in which we operate, as they are intended to compensate for a disability, and therefore always comply with the various national and international regulations that set product standards, packaging and labelling requirements, and dispensing methods (including whether or not a prescription is required):

USA

After a lengthy regulatory process that began with the enactment of the Over-the-Counter Hearing Aid Act into law in 2017, on October 17th 2022 the Food and Drug Administration (FDA) introduced a new, separate category of hearing devices permitted for over-the-counter (OTC) sale to adults over the age of 18 with mild to moderate hearing loss, without the involvement of a licensed professional. Legislation setting out the operational conditions for introducing this category of products was also published, with particular regard to the technical and performance specifications for these devices, their labelling and risk classification, as well as consumer protection policies (reimbursement and return). The FDA thus established two different categories of hearing aids: over-the-counter (OTC) hearing aids and prescription hearing aids[34], the latter of which are intended for all types of hearing loss, require a prescription from a licensed professional (including hearing care professionals) to help the consumer access safe, effective hearing solutions, fit the hearing aid to individual needs, adjust it over time, and provide other important support and maintenance services.

34 The prescription is not strictly medical, but intended as an indication from a hearing care professional.



EUROPE

Following the entry into force of the new Medical Device Regulation (EU) No 2017/745 (MDR), which maintains the classification of hearing aids as "low-to-medium risk devices of second class", in order to sell a hearing device on the EU market, it must bear the CE (European Conformity) marking, confirming that the product meets the essential requirements of all relevant EU medical device directives. The Regulation reinforces the concept of a hearing aid as a medical device, distinguishing it from personal sound amplification products (PSAPs) that do not serve to compensate for hearing impairment. Furthermore, in conjunction with the new Regulation, the MDCG (Medical Device Coordination Group), an official advisory body of the European Commission, clarified that hearing aids, as mass-produced devices requiring sophisticated personalization, are to be considered "mass-produced, adaptable medical devices".

AUSTRALIA

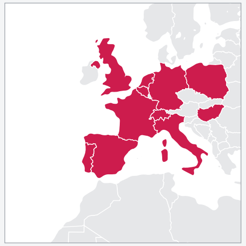
The Therapeutic Goods Administration (TGA) is the competent authority for hearing aids, which are considered medical devices and therefore must be registered in the Australian Register of Therapeutic Goods (ARTG) database before they can be placed on the Australian market.

LICENSED PROFESSIONALS

The use of a hearing device requires the support of a hearing professional who is qualified to perform a thorough assessment of hearing ability, as well as the selection, customization, fitting and sale of the device. We therefore always adopt the standards in force in each country, as well as the current proposal of the new ISO/TC43/WG10 standard "Hearing Aid and Fitting Management", maximising the effectiveness of the work of hearing aid specialists, whose profession is regulated unevenly across the various countries:

USA

The current regulations issued by the FDA in August 2022, with effect from October 2022, apply to the sale of OTC devices, providing that they can only be purchased by adults of legal age with mild to moderate hearing loss without the involvement of a licensed professional, but also to prescription hearing aids, i.e. hearing aids that require a prescription from a licensed hearing care professional, thus acknowledging the important role that licensed professionals (including hearing care professionals) play in helping consumers access safe, effective hearing solutions.



EUROPE

The European Medical Devices Directive states that only professionals licensed in accordance with applicable national laws may select, set, sell and verify the effectiveness of hearing solutions. The hearing care profession is regulated in almost all EU countries, and the regulations in force in the various countries require different qualifications and degrees to practise the profession, assigning different responsibilities to licensed professionals. In 2018, the Order of Medical Radiology Health Technicians and of Technical, Rehabilitation and Prevention Professions was established in Italy. A Register of Hearing Aid Technicians is to be created within the Order, so as to uphold and develop the professionalism of hearing aid technicians and protect customer safety.

AUSTRALIA

In order to obtain accreditation from the Office of Hearing Services (the office responsible for the management and administration of the Australian Government's hearing services programme), hearing care professionals and audiometrists must be members of an accredited Australian professional association. Hearing care professionals have a university-level qualification (master's degree in clinical audiology), while audiometrists attend courses at TAFE (Technical And Further Education) institutes. Compared to the private market, there are no specific regulatory provisions concerning the obligations of hearing care professionals. Nevertheless, in Australia Amplifon employs only hearing care professionals or audiometrists who are members of an Australian professional association.

CONDITIONS OF REIMBURSEMENT

The conditions of reimbursement for hearing aids and related services vary in the different national health care systems in different countries. Possible conditions of reimbursement include: (i) national health systems that offer hearing aids free of charge to everyone (as in the United Kingdom); (ii) national health systems that reimburse, in part or in full, the cost of the hearing aid for eligible persons who have a certain level of hearing loss (as in France and Italy); and (iii) national health systems that provide no reimbursement at all (as in Spain and the United States, except for, children under 21 and the Veterans Association, respectively).

In all countries, we promote efficient reimbursement systems and participate actively in discussions with healthcare companies and regulatory authorities to strike the right balance between free access to hearing care and maintaining the economic sustainability of healthcare systems. The most effective reimbursement systems, capable of reconciling a high rate of adoption with a high rate of satisfaction and end use, are those that favour the customer's freedom of choice (thus triggering a positive competitive dynamic among operators), while leaving the opportunity for consumers to pay more than the expected reimbursement for access even higher-end products and services than those covered by the basic reimbursement, already adequate[35].

35 Source: "Getting the numbers right on Hearing Loss, Hearing Care and Hearing Aid Use in Europe", Joint AEA, EFHOH and EHIMA report, Mark Laureyns, Nikolai Bisgaard, Lidia Best and Stefan Zimmer, January 2024.

QUALITY AND SAFETY FOR CUSTOMERS

We follow specific procedures in place in the various countries to ensure that product quality and customer safety issues are handled in accordance with current regulations. Since 2019 we have also been a member of **EHIMA (the European Hearing Instrument Manufacturers Association)**, an association that monitors and promotes uniform regulations for the production of hearing devices at European level and ensures that they are updated in line with industrial and commercial developments.

PRODUCTS AND SERVICES

All manufacturers guarantee that their hearing aids are produced in compliance with all applicable directives and laws in the country of distribution. They are also responsible for the numerous tests that hearing aids, as medical devices, undergo to ensure user safety. In support of this goal, for each product category **we provide an appropriate manual with instructions for safe use**, as well as packaging labels with clear, precise safety information. In the event of doubts or concerns about the safety of our devices or related products, we require suppliers to carry out further analyses, including assessments of the safety of products and other technological or production aspects by third-party laboratories. If, following the analyses, it still is not possible to ensure the complete safety of the products, the supplier must take appropriate measures immediately, which may result in the recall of the product in question with the support of the distributor, in accordance with the regulations.

To protect customer safety in terms of the service provided, we employ highly qualified hearing care professionals and invest significantly in their training. All machinery and equipment used undergo **planned maintenance and calibration protocols**, with times and methods set by their manufacturers. In addition, we have taken out insurance policies to cover the few, rare accidents that might occur. We have implemented the necessary procedures for compliance with the new Medical Device Regulation (EU) No 2017/745 (MDR) and UK-MDR 2022. In close collaboration with various actors in the medical sector, we are actively engaged in ensuring that the medical devices we distribute are in line with the stringent quality and safety standards imposed by these regulations. For Amplifon, which acts as a distributor, the Regulations do not have a substantial impact, other than having to ensure the **traceability of the product** and that storage and transport take place in accordance with the conditions laid down by the manufacturers.

During 2023 we focused our efforts on monitoring the compliance of all procedural activities implemented in each European country. In addition, a designated contact person has been appointed in each European country where we operate. This person ensures compliance with the procedures and conditions expressed in the quality agreements entered into with the manufacturers and manages the related activities. At the end of 2023, our collaboration with our colleagues in the UK was essential to achieving this goal, and we successfully finalized **full compliance with UK-MDR 2022**. This achievement bears witness to our meticulous approach to upholding the integrity of our supply chain, ensuring that the products we distribute meet the expected regulatory standards and reinforcing the safety and reliability of the medical devices we manage within the healthcare industry.

CE MARK GRANTED FOR THE AMPLIFON APP IN EUROPE

FDA APPROVAL GRANTED FOR THE AMPLIFON APP IN THE US

AMPLIFON APP

Amplifon is the manufacturer of the Amplifon App, an internally developed CE-marked medical device that in 2019 began to be distributed in several EU and APAC countries, as well as in America under the Miracle-Ear brand with Food and Drug Administration (FDA) approval. The Amplifon App complies with both the **MDR (European Medical Device Regulation)** for medical devices and the latest European guidelines for medical devices. To obtain the CE mark, Amplifon created its own Quality Management System to meet the requirements of ISO 13485:2016 and the MDR, adopting a series of operational procedures, some aimed at preventing and managing possible incidents, including:

- "Standard Operating Procedure for Field Safety Notice and Recall", to provide instructions on recalling the medical device and alerting the relevant authorities of health risks to users of the Amplifon App;
- "Standard Operating Procedure for Customer Feedback and Complaint Handling", for the handling of feedback and complaints relating to the digital services provided by the Amplifon App;
- "Standard Operating Procedure for Vigilance and Incident Reporting", to assess whether medical device malfunctions should be reported to the competent authority;
- "Standard Operating Procedure for Corrective Action and Preventive Action Management", to manage any anomalies in products and processes related to the Amplifon App quality system.

The processes necessary to develop the Amplifon App were audited by a third party, which certified their compliance with **ISO 13485:2016** and continues to conduct annual audits. Amplifon monitors its suppliers through continuous evaluation of their performance and periodic audits. Finally, each time a new version of the Amplifon App is released, it is subject to risk assessment in order to evaluate the potential health and safety risks associated with the use of the App, including IT and data security risks.

DATA PRIVACY AND CYBERSECURITY

PRIVACY PROTECTION

Given the ever-increasing importance that governments around the world and individuals attach to privacy, we invest constantly in implementing and improving technical and organisational measures to protect the personal and "sensitive" data (in particular, health data) that our customers entrust us with. At both in our central facilities and at our stores, we have adopted a number of management tools to help us comply with the requirements of the supranational and national data protection regulations to which we are subject (e.g., the **General Data Protection Regulation – GDPR**). In order to ensure full, correct implementation and effectiveness of these measures, as well as the identification of areas for improvement, we carry out periodic checks through the Corporate Legal (second level checks) and Internal Audit (third level checks) functions.

During 2023 numerous activities were implemented to further **improve Amplifon's privacy posture**. The most important of these included:

- the provision of basic GDPR training to all employees in Europe and the UK and specific training in relation to their role in the organization.
- the launch of internal communication campaigns to raise awareness on the subject.
- the development, with legal design techniques, and adoption in Europe of guidelines for handling transfers of personal data to non-EU countries.
- the performance of impact assessments on more sensitive processing.
- finalization and adoption of a Group-wide **Global Privacy Policy**.

~2,240 TOTAL HOURS OF PRIVACY AND GDPR TRAINING DELIVERED IN 2023

We have continued to focus closely on the customer experience innovation strategy, taking into account, in accordance with the concept of privacy by design, the privacy principles and requirements for ensuring concrete, effective protection of the personal data processed, and for ensuring that our customers have effective control over their personal information.

+3,270 TOTAL HOURS OF CYBERSECURITY TRAINING DELIVERED IN 2023

STRENGTHENING CYBERSECURITY

In 2023, the cybersecurity team was further reinforced to ensure an even broader coverage of cyber issues, with the aim of creating shared responsibilities and strengthening active collaboration between the various functions. In order to further promote and spread **cyber culture** within the company, in 2023, we continued to invest in the human factor, providing and delivering awareness materials and activities for all company personnel and specific individuals in view of their roles and responsibilities:

- vertical training was provided on topics related to the responsibilities of users with privileges in the various environments (e.g., Windows, database and cloud), on the responsibilities of developers for ensuring the management of security risks in the secure development of applications, and the responsibilities of those involved in the management of security incidents to enable the recognition and timely notification of possible breaches of personal data to the relevant legal team.
- periodic **phishing simulation** campaigns were planned and carried out, targeting either the entire corporate population or specific users who had been attacked by previous simulations or who needed to finalize their assigned security training courses. The campaigns are aimed at monitoring the behavior of users towards simulations, so that additional training materials can be provided to them in case of incorrect behavior.
- a page on the corporate intranet was created specifically for cyber security issues, providing an overview of corporate security management on the mission, objectives, roles and responsibilities, channels for reporting potential cyber security incidents, guidelines and best practices. In addition, references to cyber security policies, standards and procedures, which are part of the Information Security document framework, have also been included.
- A regular cybersecurity newsletter, the Cyber Security Workout, was launched on the intranet to inform and update employees on relevant cyber security issues and projects.

Amplifon's digital transformation process continued in 2023 through the adoption of new technologies that optimize the secure management of business processes, strengthening the company's protection against potential cyber threats and enabling it to operate more efficiently and securely in an ever-changing digital environment. The new technologies implemented include, for example:

- a **datalake solution** that, acting as a vast data warehouse, allows efficient, secure collection, storage and analysis of large volumes of information, thus enabling better business decisions based on accurate, comprehensive data.
- an **Extended Detection and Response (XDR) solution** that, by helping to create an integrated view of possible threats from different sources, facilitates detection and immediate response to cyber attacks.

SECURITY SCORECARD A RATING

In 2023, the cybersecurity team worked to ensure that Amplifon's A security rating is maintained for Security Scorecard, an independent platform that, through the analysis of open-source information, publicly available on the web and easily attackable, provides an overview of an organization's security level. In 2023, Amplifon continued to work on obtaining HiTrust (planned for next year for the Americas region), in light of the **SOC 2 certification (System and Organization Controls)** already valid in the US. The process of formalising the **Information Security** Documentary Framework also continued, to define and regulate processes with a view to improving and complying with standards. This activity is of fundamental importance for the definition of Amplifon's Information Security Management System (ISMS), also with a view to obtaining a future **ISO27001 certification**.

APPENDIX

PERFORMANCE INDICATORS

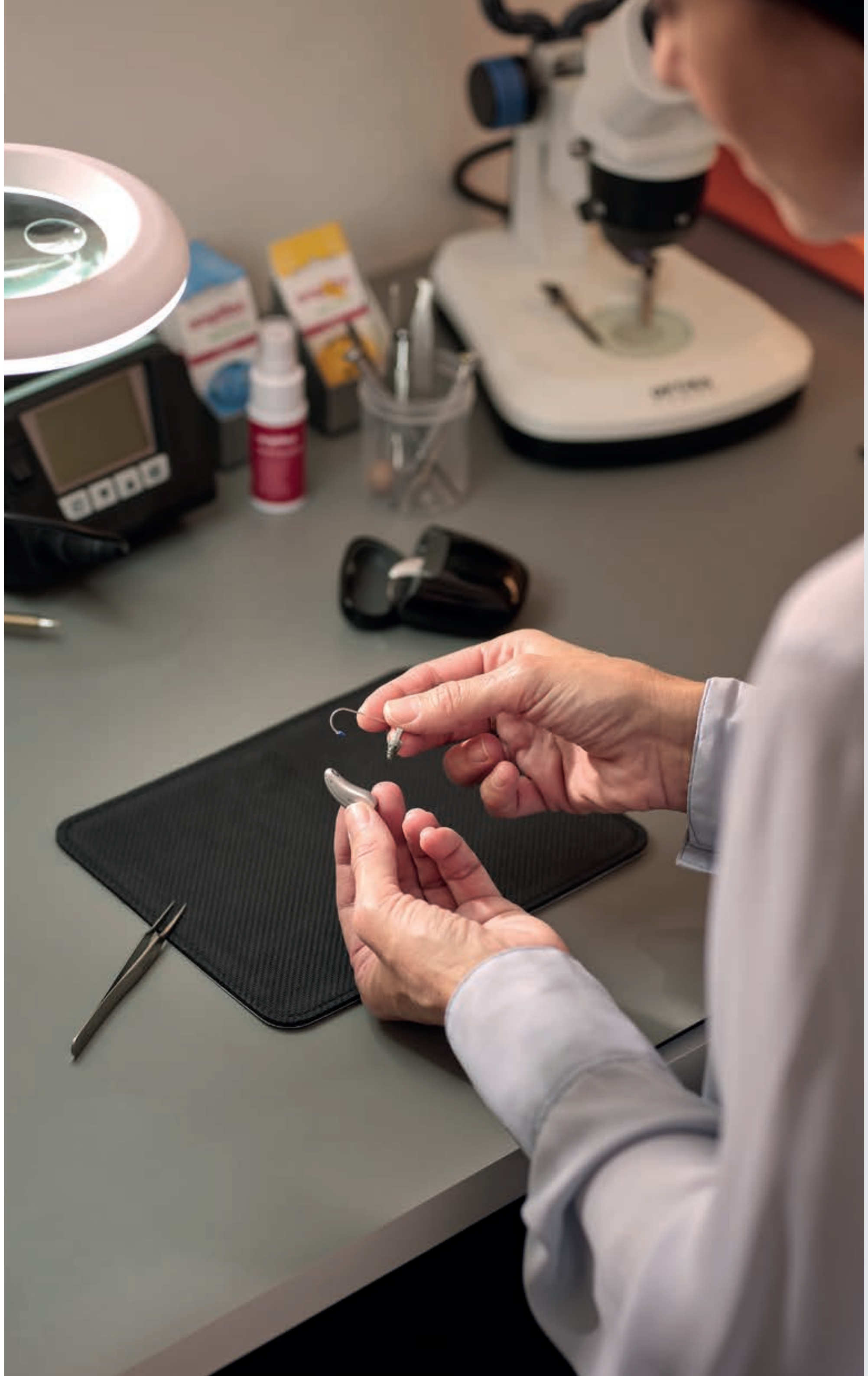
ECONOMIC SPHERE

ECONOMIC VALUE GENERATED AND DISTRIBUTED[36]

Economic value directly generated and distributed (thousands of euro)	2021	2022	2023
Economic value generated by the Company	**1,957,396**	**2,135,231**	**2,272,014**
Revenues[37]	1,957,396	2,135,231	2,272,014
Economic value distributed by the Company	**1,613,835**	**1,753,680**	**1,896,828**
Operating costs	**832,793**	**897,770**	**924,885**
To employees (wages and benefits)	**639,033**	**699,549**	**804,504**
To providers of capital	**65,687**	**76,532**	**92,748**
• of which dividends	49,356	58,237	65,361
• of which interest paid to providers of capital	16,331	18,295	27,387
To the Public Administration	**72,460**	**75,160**	**70,283**
• of which current income taxes	63,437	66,905	61,625
• of which other corporate taxes and penalties	9,023	8,255	8,658
To the community	**3,862**	**4,669**	**4,408**
• of which membership of associations	1,400	1,522	1,490
• of which charitable donations	2,045	3,113	2,264
• of which community sponsorship	227	21	544
• of which expenses for other business-related activities in favour of the community (e.g. events, universities, etc.)	190	13	110
Economic value retained by the Company	**343,561**	**381,551**	**375,186**

36 Note that the data presented in the table "Economic value generated and distributed" is based on the application of the new accounting standard IFRS 16.

37 Revenues differ from the value reported in the Consolidated Financial Statements because they refer to revenues from sales and services plus other income.



SOCIAL SPHERE

EMPLOYEES BY PROFESSIONAL CATEGORY AND GEOGRAPHICAL AREA AS OF DECEMBER 31st

	EMEA			AMERICAS			APAC			CORPORATE			GROUP		
Group total (no. of employees)	2021	2022	2023	2021	2022	2023	2021	2022	2023	2021	2022	2023	2021	2022	2023
Hearing care professionals (qualified by law/ certified)	3,759	3,827	3,970	386	545	689	1,150	1,238	1,825	0	0	0	5,295	5,610	6,484
Hearing care professionals (apprentices or equivalent)	421	379	390	129	75	139	39	38	4	0	0	0	589	492	533
Client advisors and other shop personnel	2,506	2,727	2,663	350	450	613	1,052	944	1,036	0	0	0	3,908	4,121	4,312
Field management[38]	219	438	446	27	93	119	78	138	164	0	0	0	324	669	729
Total field force	**6,905**	**7,371**	**7,469**	**892**	**1,163**	**1,560**	**2,319**	**2,358**	**3,029**	**0**	**0**	**0**	**10,116**	**10,892**	**12,058**
Executives	0	1	1	1	1	1	1	1	2	11	11	11	13	14	15
Directors	78	80	76	48	40	48	58	43	41	45	44	50	229	207	215
Managers	208	196	206	47	64	60	66	70	81	90	100	110	411	430	457
Professionals	905	763	744	366	363	396	445	377	329	102	149	165	1,818	1,652	1,634
Total back office	**1,191**	**1,040**	**1,027**	**462**	**468**	**505**	**570**	**491**	**453**	**248**	**304**	**336**	**2,471**	**2,303**	**2,321**
Total employees	**8,096**	**8,411**	**8,496**	**1,354**	**1,631**	**2,065**	**2,889**	**2,849**	**3,482**	**248**	**304**	**336**	**12,587**	**13,195**	**14,379**

EMPLOYEES BY PROFESSIONAL CATEGORY AND GENDER AS OF DECEMBER 31st

Group total	2021		2022		2023	
	No. of employees	%	No. of employees	%	No. of employees	%
Total men	3,469	27.6%	3,666	27.8%	3,838	26.7%
Total women	9,118	72.4%	9,529	72.2%	10,541	73.3%
Total employees	**12,587**	**100.0%**	**13,195**	**100.0%**	**14,379**	**100.0%**

38 With effect from 2022, the professional categories included in the Field Force were reclassified: in particular, with effect from 2022, the Field Management category is broader, and does not only include Area Managers as in the 2021 figures.

Field force	2021	2022	2023
	No. of employees	No. of employees	No. of employees
Total field force	**10,116**	**10,892**	**12,058**
Men	2,357	2,568	2,744
Women	7,759	8,324	9,314
Hearing care professionals (qualified by law/certified)	**5,295**	**5,610**	**6,484**
Men	1,638	1,717	1,822
Women	3,657	3,893	4,662
Hearing care professionals (apprentices or equivalent)	**589**	**492**	**533**
Men	211	183	189
Women	378	309	344
Client advisors and other shop personnel	**3,908**	**4,121**	**4,312**
Men	314	333	390
Women	3,594	3,788	3,922
Field management	**324**	**669**	**729**
Men	194	335	343
Women	130	334	386

Back office	2021	2022	2023
	No. of employees	No. of employees	No. of employees
Total back office	**2,471**	**2,303**	**2,321**
Men	1,112	1,098	1,094
Women	1,359	1,205	1,227
Executives	**13**	**14**	**15**
Men	11	12	13
Women	2	2	2
Directors	**229**	**207**	**215**
Men	153	146	154
Women	76	61	61
Managers	**411**	**430**	**457**
Men	229	242	242
Women	182	188	215
Professionals	**1,818**	**1,652**	**1,634**
Men	719	698	685
Women	1,099	954	949

EMPLOYEES BY PROFESSIONAL CATEGORY AND AGE GROUP AS OF DECEMBER 31st

Group total	2021		2022		2023	
	No. of employees	%	No. of employees	%	No. of employees	%
Total <30	2,707	21.5%	2,779	21.1%	2,944	20.5%
Total 30-50	7,208	57.3%	7,724	58.5%	8,446	58.7%
Total >50	2,672	21.2%	2,692	20.4%	2,989	20.8%
Total employees	**12,587**	**100.0%**	**13,195**	**100.0%**	**14,379**	**100.0%**

Field force	2021	2022	2023
	No. of employees	No. of employees	No. of employees
Total field force	**10,116**	**10,892**	**12,058**
<30	2,327	2,364	2,551
30-50	5,639	6,237	6,912
>50	2,150	2,291	2,595
Hearing care professionals (qualified by law/certified)	**5,295**	**5,610**	**6,484**
<30	1,347	1,430	1,593
30-50	3,106	3,304	3,912
>50	842	876	979
Hearing care professionals (apprentices or equivalent)	**589**	**492**	**533**
<30	335	254	288
30-50	199	193	198
>50	55	45	47
Client advisors and other shop personnel	**3,908**	**4,121**	**4,312**
<30	632	643	627
30-50	2,090	2,280	2,310
>50	1,186	1,198	1,375
Field management	**324**	**669**	**729**
<30	13	37	43
30-50	244	460	492
>50	67	172	194

Back office	2021	2022	2023
	No. of employees	No. of employees	No. of employees
Total back office	**2,471**	**2,303**	**2,321**
<30	380	415	393
30-50	1,569	1,487	1,534
>50	522	401	394
Executives	**13**	**14**	**15**
<30	0	0	0
30-50	8	8	7
>50	5	6	8
Directors	**229**	**207**	**215**
<30	2	0	0
30-50	183	172	171
>50	44	35	44
Managers	**411**	**430**	**457**
<30	9	13	13
30-50	337	354	374
>50	65	63	70
Professionals	**1,818**	**1,652**	**1,634**
<30	369	402	380
30-50	1,041	953	982
>50	408	297	272

EMPLOYEES BY TYPE OF EMPLOYMENT CONTRACT, GENDER AND GEOGRAPHICAL AREA AS OF DECEMBER 31st

	EMEA			AMERICAS			APAC			CORPORATE			GROUP		
Group total (no. of employees)	2021	2022	2023	2021	2022	2023	2021	2022	2023	2021	2022	2023	2021	2022	2023
Permanent contract	**7,111**	**7,631**	**7,758**	**1,354**	**1,627**	**2,048**	**2,722**	**2,396**	**2,573**	**247**	**302**	**336**	**11,434**	**11,956**	**12,715**
Men	1,937	2,033	2,080	375	443	529	678	680	736	151	182	200	3,141	3,338	3,545
Women	5,174	5,598	5,678	979	1,184	1,519	2,044	1,716	1,837	96	120	136	8,293	8,618	9,170
Fixed-term contract	**985**	**780**	**738**	**0**	**4**	**17**	**167**	**453**	**909**	**1**	**2**	**0**	**1,153**	**1,239**	**1,664**
Men	302	277	233	0	2	8	26	48	52	0	1	0	328	328	293
Women	683	503	505	0	2	9	141	405	857	1	1	0	825	911	1,371
Total employees	**8,096**	**8,411**	**8,496**	**1,354**	**1,631**	**2,065**	**2,889**	**2,849**	**3,482**	**248**	**304**	**336**	**12,587**	**13,195**	**14,379**

EMPLOYEES BY TYPE OF EMPLOYMENT, GENDER AND GEOGRAPHICAL AREA AS OF DECEMBER 31st

	EMEA			AMERICAS			APAC			CORPORATE			GROUP		
Group total (no. of employees)	2021	2022	2023	2021	2022	2023	2021	2022	2023	2021	2022	2023	2021	2022	2023
Full-time	**5,420**	**5,716**	**5,787**	**1,280**	**1,541**	**1,937**	**2,252**	**2,409**	**3,040**	**245**	**301**	**333**	**9,197**	**9,967**	**11,097**
Men	1,892	1,961	1,945	370	432	525	631	674	748	150	182	199	3,043	3,249	3,417
Women	3,528	3,755	3,842	910	1,109	1,412	1,621	1,735	2,292	95	119	134	6,154	6,718	7,680
Part-time	**2,676**	**2,695**	**2,709**	**74**	**90**	**128**	**637**	**440**	**442**	**3**	**3**	**3**	**3,390**	**3,228**	**3,282**
Men	347	349	368	5	13	12	73	54	40	2	1	1	426	417	421
Women	2,329	2,346	2,341	69	77	116	564	386	402	1	2	2	2,964	2,811	2,861
Total employees	**8,096**	**8,411**	**8,496**	**1,354**	**1,631**	**2,065**	**2,889**	**2,849**	**3,482**	**248**	**304**	**336**	**12,587**	**13,195**	**14,379**

WORK-RELATED INJURY RATES[39]

Group total	2021	2022	2023
Number of fatalities due to accidents at work	0	0	-
Number of high-consequence work-related injuries	0	7	5
Number of total recordable work-related injuries	139	98	100
Total worked hours	18,011,703	20,212,017	21,769,256
Rate of high-consequence work-related injuries	0	0.3	0.2
Rate of total recordable work-related injuries	7.72	4.85	4.59
Number of cases of occupational illnesses recorded	11	10	6

TOTAL HOURS OF TRAINING AND HOURS PER CAPITA DELIVERED TO EMPLOYEES BY PROFESSIONAL CATEGORY AND GENDER

Group total	2021		2022		2023	
	Total training hours	Average training hours	Total training hours	Average training hours	Total training hours	Average training hours
Hearing care professionals (qualified by law/certified)	156,427	32.6	208,615	37.2	206,126	32.1
Hearing care professionals (apprentices or equivalent)	34,480	78.7	20,178	41.0	25,211	49.0
Client advisors and other shop personnel	82,748	24.8	86,169	20.9	97,331	23.5
Field management	16,787	28.9	29,344	43.9	26,276	37.1
Total field force	**290,442**	**31.8**	**344,306**	**31.6**	**354,944**	**30.1**
Executives	287	19.1	234	16.7	252	16.8
Directors	4,300	25.4	6,411	31.0	9,523	45.1
Managers	13,070	36.4	11,421	26.6	14,575	33.3
Professionals	32,503	21.3	47,437	28.7	39,316	24.8
Total back office	**50,160**	**24.2**	**65,503**	**28.4**	**63,666**	**28.3**
Total employees	**340,602**	**30.4**	**409,809**	**31.1**	**418,610**	**29.8**
Men	104,754	32.6	118,705	32.4	120,110	32.3
Women	235,848	29.5	291,104	30.5	298,500	29.0

39 More details on how the accident statistics are calculated can be found in the Methodological Note.

PERCENTAGE OF EMPLOYEES INCLUDED IN THE PERFORMANCE REVIEW PROCESS BY PROFESSIONAL CATEGORY AND GENDER[40]

Group total	2021		2022		2023	
	No. of employees	%	No. of employees	%	No. of employees	%
Hearing care professionals (qualified by law/certified)	4,634	88.8%	4,880	87.0%	5,170	82.2%
Hearing care professionals (apprentices or equivalent)	357	63.9%	486	98.8%	504	94.6%
Client advisors and other shop personnel	3,119	88.2%	3,714	90.1%	3,689	94.3%
Field management	271	87.4%	622	93.0%	623	87.9%
Total field force	**8,381**	**87.1%**	**9,702**	**89.1%**	**9,986**	**87.2%**
Executives	13	100.0%	13	92.9%	13	86.7%
Directors	191	86.8%	190	91.8%	198	93.8%
Managers	353	86.7%	395	91.9%	409	91.9%
Professionals	1,517	85.9%	1,462	88.5%	1,442	92.1%
Total back office	**2,074**	**86.2%**	**2,060**	**89.4%**	**2,062**	**92.2%**
Total employees	**10,455**	**86.9%**	**11,762**	**89.1%**	**12,048**	**88.0%**
Men	2,797	83.4%	3,382	92.3%	3,483	94.3%
Women	7,658	88.3%	8,380	87.9%	8,565	85.7%

EMPLOYEES IN MANAGERIAL POSITIONS, IN ROLES RELATED TO SALES AND STEM ROLES AS OF DECEMBER 31st

Group total	2022			2023		
	2022 (HC)	Men (%)	Women (%)	2023 (HC)	Men (%)	Women (%)
Employees working in managerial positions[41]	**1,320 (10%)**	**55.7%**	**44.3%**	**1,416 (10%)**	**53.1%**	**46.9%**
Top management	221	71.5%	28.5%	230	72.6%	27.4%
Junior management	1,099	52.5%	47.5%	1,186	49.3%	50.7%
Employees working in roles related to sales, products and services[42]	**10,678**	**25.7%**	**74.3%**	**11,268**	**25.5%**	**74.5%**
Employees working in STEM roles[43]	**6,284**	**33.4%**	**66.6%**	**7,032**	**30.6%**	**69.4%**

40 With effect from 2022, this indicator represents the number of employees included in the current year's performance review process as at December 31st, to be completed in the first few months of the following year. The current system for evaluating the performance of store personnel (excluding Area Managers, who are already included in the same evaluation process as back-office personnel) was discontinued at the end of 2022, following the design of a new model for monitoring the performance of store personnel that is more closely aligned with business performance and the nature of their duties.

41 Managerial positions include top management, which refers to the Executive and Director roles of the back office (global leadership population), and junior management, which includes the Manager (back office) and Field Management (field force) roles.

42 Sales, products and services positions include the marketing, medical and sales functions, and thus the field force. The scope of this information does not include Bay Audio (Australia) and the countries China, Egypt and Israel.

43 STEM (Science, Technology, Engineering and Mathematics) roles include Amplifon's IT, digital, finance, medical and other functions.

PERCENTAGE OF EMPLOYEES BY NATIONALITY IN 2023 (TOP 10)

Nationality (top ten)	2023	
	% total employees	% employees in managerial positions[44]
Germany	15.4%	7.0%
Spain	15.3%	11.6%
France	12.4%	7.6%
Australia	10.5%	6.9%
United States of America	8.1%	8.9%
China	7.4%	5.1%
Italy	6.6%	23.4%
India	5.5%	3.7%
Holland	5.2%	3.5%
New Zealand	3.2%	2.7%

44 Managerial positions include top management, which refers to the Executive and Director roles of the back office (global leadership population), and junior management, which includes the Manager (back office) and Field Management (field force) roles.

ENVIRONMENTAL SPHERE[45]

ENERGY CONSUMPTION WITHIN THE ORGANIZATION

		HEADQUARTERS			DIRECT STORES			GROUP		
Energy consumption by type	**u.m.**	**2021**	**2022**	**2023**	**2021**	**2022**	**2023**	**2021**	**2022**	**2023**
Direct energy consumption from non-renewable sources	**GJ**	**63,558**	**64,605**	**80,965**	**19,492**	**26,980**	**28,190**	**83,050**	**91,585**	**109,155**
Natural gas	GJ	6,376	4,557	3,781	18,844	26,319	27,539	25,220	30,876	31,320
	m3	160,543	114,605	93,715	474,485	661,880	682,615	635,028	776,485	776,329
Fuel oil	GJ	63	65	-	648	661	651	711	726	651
	Litres	1,687	1,754	-	17,487	17,885	17,547	19,174	19,639	17,547
Diesel	GJ	-	-	4	-	-	-	-	-	4
	Litres	-	-	95	-	-	-	-	-	95
Diesel (car fleet - HQs only)	GJ	37,479	38,930	43,648	-	-	-	37,479	38,930	43,648
	Litres	974,979	1,014,642	1,154,139	-	-	-	974,979	1,014,642	1,154,139
Petrol (car fleet - HQs only)	GJ	19,640	21,053	33,532	-	-	-	19,640	21,053	33,532
	Litres	563,302	603,829	984,390	-	-	-	563,302	603,829	984,390
Indirect energy consumption	**GJ**	**22,804**	**22,895**	**21,013**	**89,658**	**99,768**	**111,719**	**112,462**	**122,663**	**132,732**
Electricity purchased from renewable sources	GJ	6,722	9,371	14,042	25,155	51,760	80,402	31,877	61,131	94,444
	MWh-e	1,867	2,603	3,901	6,987	14,378	22,334	8,845	16,981	26,234
Electricity purchased from non-renewable sources	GJ	10,949	8,313	2,781	64,308	47,779	31,004	75,257	56,092	33,785
	MWh-e	3,041	2,309	722	17,863	13,272	8,612	20,904	15,581	9,385
District heating	GJ	5,037	5,055	3,811	195	229	313	5,232	5,284	4,124
	MWh-t	1,399	1,404	1,058	54	64	87	1,453	1,468	1,146
Electricity (car fleet - HQs only)	GJ	96	156	379	-	-	-	96	156	379
	MWh-e	27	43	105	-	-	-	27	43	105
Total energy consumption	**GJ**	**86,362**	**87,500**	**101,978**	**109,150**	**126,748**	**139,909**	**195,512**	**214,248**	**241,887**

45 More details on the calculation methods, any estimates and the conversion and emission factors used can be found in the Methodological Note.

GREENHOUSE GAS EMISSIONS

Total carbon footprint (tons of CO_{2e})	2021	2022	2023
Scope 1 - Direct emissions	5,231	5,745	7,203
Scope 2 - Indirect emissions from energy consumption (Market-based)	6,613	7,175	4,815
Scope 3 - Indirect emissions from other upstream and downstream activities of the organization[46]	112,198	114,919	131,895
Total	**124,042**	**127,839**	**143,913**

Direct Emissions - Scope I (tons of CO_{2e})	2021	2022	2023
1.1 Stationary combustion (e.g. heating for headquarters and direct stores)	1,335	1,616	1,629
1.2 Mobile combustion (company car fleet)	3,741	4,010	5,023
1.3 Fugitive emissions (refrigerant gases)	155	119	551
Total	**5,231**	**5,745**	**7,203**

Indirect emissions - Scope 2 (tons of CO_{2e})	2021	2022	2023
From electricity purchased for headquarters and direct stores (Location-based)	8,108	10,071	10,321
From electricity purchased for headquarters and direct stores (Market-based)	6,327	6,904	4,557
From electricity purchased for the car fleet (Location-based)	11	19	33
From electricity purchased for the car fleet (Market-based)	13	20	52
From district heating for headquarters and direct stores	273	251	206
Total (Location-based)	**8,392**	**10,341**	**10,560**
Total (Market-based)	**6,613**	**7,175**	**4,815**

Indirect emissions - Scope 3 (tons of CO_{2e})[47]	2021[46]	2022[46]	2023
3.1 Purchase of goods and services	58,557	57,790	57,694
3.2 Purchase of capital goods	17,915	16,078	22,900
3.3 Fuel and energy consumption-related activities	3,154	3,520	3,217
3.4 Logistics (upstream transport and distribution)	4,283	5,459	8,523
3.5 Waste generated	189	189	225
3.6 Business travels	2,081	5,511	13,024
3.7 Employee commuting	14,839	15,584	16,253
3.8 Upstream leased assets	2,108	2,404	2,468
3.11 Use of sold products	94	66	69
3.12 End of life of products sold	1,458	1,467	493
3.14 Franchisees	6,478	5,903	6,249
3.15 Investments	1,042	948	780
Total	**112,198**	**114,919**	**131,895**

46 In May 2023, Watershed Technology, Inc. (owner of Vitalmetrics, supplier of the CEDA database) reported errors on CEDA 6 Global, the spend-based emission factor database. Compared to what was published in the previous 2022 Sustainability Report, in the interest of transparency and fairness Amplifon promptly revised the calculation of Scope 3 emissions for both 2021 and 2022, reformulating the calculation for all subcategories affected by the use of CEDA 6 emission factors.

47 The Scope 3 emission subcategories are as indicated in the GHG Protocol. More details and information on the calculation methodologies used to estimate each emission subcategory can be found in the Methodological Note.

MAIN CHANGES IN GHG EMISSIONS IN 2023 COMPARED TO 2022

GHG emission category	Change	Notes
2. Emissions from purchase of electricity (Market-based)	-33%	Despite the increase in electricity consumption by the Group (35.7 GWh compared to 32.6 GWh in 2022), Scope 2 emissions decreased by 33% due to the significant increase in the share of electricity from renewable sources with a lower impact in terms of emissions.
3.2 Purchase of capital goods	42%	Increase in expenditure figures for certain categories of capital goods (e.g. IT and store network investments) purchased compared to 2022.
3.4 Logistics (upstream transport and distribution)	56%	The logistics emission calculation model was refined with more precise information in terms of locations of production sites and supplier warehouses, as well as means of transport and routes to Amplifon's warehouses and stores. The data made it possible to estimate logistics flows more accurately.
3.6 Business travel	136%	Increase due to the full resumption of business travel, particularly air travel, following the gradual reduction of Covid-19 restrictions (which mainly impacted the APAC region in 2022), in line with pre-pandemic values. In addition, the expansion of business in China and LATAM contributed to an increase in business travel.
3.12 End of life of products sold	-66%	The reduction in emissions in this category is due to the increased accuracy of the data collected, in terms of weight and composition of the products, as well as to the transition of spend data to primary data for a significant portion of the data.

WASTE GENERATED AND DISPOSED OF[48]

Waste produced by category (kg)	2021	2022	2023
Hazardous waste	**19,147**	**23,085**	**20,505**
• Electrical and electronic equipment	18,964	15,532	13,671
• Printer toner	56	-	-
• Batteries and accumulators	-	7,089	6,095
• Other waste	127	464	739
of which reused or recovered (%)	60%	76%	73%
Non-hazardous waste	**257,396**	**662,261**	**530,300**
• Paper	121,966	354,891	277,078
• Plastic	16,209	47,055	43,634
• Organic fraction	1,215	810	1,110
• Electrical and electronic equipment	4,425	8,860	16,293
• Printer toner	2,631	3,294	3,308
• Batteries and accumulators	-	1,374	**1,150**
• Other waste	110,950	245,977	**187,727**
of which reused or sent for recovery (%)	30%	43%	**56%**
Total	**276,543**	**685,346**	**550,805**
of which reused or recovered (%)	32%	44%	57%

48 Data on waste generated by headquarters and direct stores includes most of the Group's countries, where such data is available. The data for 2021 includes only some of the Group's main headquarters, but excludes direct store data, which will only be available from 2022 onwards, due to improved data collection methods (therefore, the 2022 and 2023 data is not comparable with 2021). In addition, starting in 2022 the amount of batteries and accumulators collected in direct stores is also reported, and the estimation of the amount of the organic fraction produced by headquarters has also been improved for previous years.

EUROPEAN TAXONOMY

Considering that Amplifon's business model is based on retail and on offering hearing care services, and does not include activities relating to nuclear power and fossil gases, as explained in greater detail in the Methodological Note of this Statement, no business activities (primary or secondary) have been identified that could be considered "eligible" and/or "aligned" with the objectives of the European Taxonomy in terms of turnover. Therefore, the analysis performed did not identify shares of turnover aligned with the objectives of the Taxonomy, nor did it identify eligible activities with regard to operating expenditure and capital expenditure.

NUCLEAR AND FOSSIL GAS RELATED ACTIVITIES

NUCLEAR ENERGY RELATED ACTIVITIES		
1.	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	**NO**
2.	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	**NO**
3.	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	**NO**
FOSSIL GAS RELATED ACTIVITIES		
4.	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	**NO**
5.	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	**NO**
6.	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	**NO**

PROPORTION OF TURNOVER DERIVED FROM PRODUCTS OR SERVICES ASSOCIATED WITH TAXONOMY-ALIGNED ECONOMIC ACTIVITIES – DISCLOSURE FOR THE YEAR 2023[49]

Financial Year 2023	Year			Criteria for substantial contribution						DNSH ("do no significant harm") criteria									
Economic activities (1)	Code (2)	Turnover (3)	Proportion of turnover, year 2023 (4)	Climate change mitigation (5)	Climate change adaptation (6)	Water (7)	Pollution (8)	Circular economy (9)	Biodiversity (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water (13)	Pollution (14)	Circular economy (15)	Biodiversity (16)	Minimum safeguards (17)	**Proportion of Taxonomy-aligned (A.1.) or Taxonomy-eligible (A.2) turnover - Year 2022 (18)**	Category (enabling activity) (19)	Category (transitional activities) (20)
Text		€/mln	%	Yes; No; N/EL	Yes; No; N/EL	Yes; No; N/EL	Yes; No; N/EL	Yes; No; N/EL	Yes; No; N/EL	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1 Environmentally sustainable activities (Taxonomy-aligned)																			
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)		-	0%	0%	0%												0%		
• of which enabling		-																E	
• of which transitional		-																	T
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned)																			
				E; N/EL	E; N/EL	E; N/EL	E; N/EL	E; N/EL	E; N/EL	Optional							%		
Turnover from Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		-	0%																
Total (A.1 + A.2)		-	**0%**																
B. ACTIVITIES NOT TAXONOMY-ELIGIBLE																			
Turnover of activities not Taxonomy-eligible (B)		2,260.10	100%																
Total (A + B)		2,260.10	100%																

49 The value of the turnover corresponds to the "Revenues from sales and services" item in the Consolidated Income Statement in the Annual Report 23.

PROPORTION OF CAPITAL EXPENDITURE DERIVING FROM PRODUCTS OR SERVICES ASSOCIATED WITH TAXONOMY-ALIGNED ECONOMIC ACTIVITIES – DISCLOSURE FOR THE YEAR 2023[50]

Financial Year 2023	Year			Criteria for substantial contribution						DNSH ("do no significant harm") criteria									
Economic activities (1)	Code (2)	Capex (3)	Proportion of CapEx, year 2023 (4)	Climate change mitigation (5)	Adaptation to climate change (6)	Water (7)	Pollution (8)	Circular economy (9)	Biodiversity (10)	Climate change mitigation (11)	Adaptation to climate change (12)	Water (13)	Pollution (14)	Circular economy (15)	Biodiversity (16)	Minimum safeguards (17)	**Proportion of Taxonomy-aligned (A.1) or Taxonomy-eligible (A.2) capex, Year 2022 (18)**	Category (enabling activity) (19)	Category (transitional activities) (20)
Text		€/mln	%	Yes; No; N/EL	Yes; No; N/EL	Yes; No; N/EL	Yes; No; N/EL	Yes; No; N/EL	Yes; No; N/EL	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1 Environmentally sustainable activities (Taxonomy-aligned)																			
Capex of environmentally sustainable activities (Taxonomy-aligned) (A.1)		-	0%	0%	0%												0%		
• of which enabling		-																E	
• of which transitional		-																	T
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned)																			
				E; N/EL	E; N/EL	E; N/EL	E; N/EL	E; N/EL	E; N/EL	Optional							%		
Capital expenditures of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		-	0%																
Total (A.1 + A.2)		**-**	**0%**																
B. ACTIVITIES NOT TAXONOMY-ELIGIBLE																			
Capital expenditure of non Taxonomy-eligible activities (B)		181,972	100%																
Total (A + B)		181,972	100%																

50 The Capital expenditures value corresponds to the investments of tangible and intangible fixed assets, including those deriving from business combinations, as reported in Notes 4 "Tangible fixed assets" and 5 "Intangible fixed assets" of the Annual Report 23.

PROPORTION OF OPERATING EXPENDITURE (OPEX) DERIVING FROM PRODUCTS OR SERVICES ASSOCIATED WITH TAXONOMY-ALIGNED ECONOMIC ACTIVITIES – DISCLOSURE FOR THE YEAR 2023[51]

Financial Year 2023	Year			Criteria for substantial contribution						DNSH ("do no significant harm") criteria									
Economic activities (1)	Code (2)	Opex (3)	Proportion of opex, year 2023 (4)	Climate change mitigation (5)	Adaptation to climate change (6)	Water (7)	Pollution (8)	Circular economy (9)	Biodiversity (10)	Climate change mitigation (11)	Adaptation to climate change (12)	Water (13)	Pollution (14)	Circular economy (15)	Biodiversity (16)	Minimum safeguards (17)	**Proportion of Taxonomy-aligned (A.1) or Taxonomy-eligible (A.2) opex, Year 2022 (18)**	Category (enabling activity) (19)	Category (transitional activities) (20)
Text		€/mln	%	Yes; No; N/EL	Yes; No; N/EL	Yes; No; N/EL	Yes; No; N/EL	Yes; No; N/EL	Yes; No; N/EL	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1 Environmentally sustainable activities (Taxonomy-aligned)																			
Operating expenditure of environmentally sustainable activities (Taxonomy-aligned) (A.1)		-	0%	0%	0%												0%		
• of which enabling		-																E	
• of which transitional		-																	T
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned)																			
				E; N/EL	E; N/EL	E; N/EL	E; N/EL	E; N/EL	E; N/EL	Optional							%		
Operating expenditure of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		-	0%																
Total (A.1 + A.2)		**-**	**0%**																
B. NON-TAXONOMY-ELIGIBLE ACTIVITIES																			
Operating expenditure of non-Taxonomy-eligible activities (B)		43,669	100%																
Total (A + B)		43,669	100%																

51 The value of the Operating Expenses includes the expenses relating to repairs and maintenance, short-term rentals, and any other direct expenses associated with the day-to-day maintenance of leased properties and shop equipment, and other miscellaneous costs and services.

METHODOLOGICAL NOTE

GENERAL PRINCIPLES

This Sustainability Statement represents Amplifon's Consolidated Non-Financial Statement (the "Statement" or "Non-Financial Statement") prepared in accordance with Articles 3 and 4 of Legislative Decree No. 254 of December 30th 2016 ("LD 254/2016" or the "Decree") as amended or supplemented in implementation of Directive 2014/95/EU. The Group consisting of Amplifon S.p.A. (the "Parent Company") and its subsidiaries (collectively, "Amplifon", the "Group" or the "Company") falls within the scope of application of the Decree, and this document therefore presents the main policies implemented by the company, the management models adopted, the main activities carried out and the results achieved by the Group during 2023, with regard to the issues expressly referenced by the Decree (environmental, social, personnel-related, the fight against bribery and corruption and respect for human rights), as well as the main identified risks relating to the above issues.

The reporting contents were prepared starting from the results of the materiality analysis carried out during the year and validated by the Control, Risks and Sustainability Committee and the Board of Directors in December 2023, which made it possible to identify the main material ESG issues for the Group and its stakeholders, as well as to define the reporting contents and indicators with respect to the four areas of commitment identified in the Group's Sustainability Policy. This process of selecting material topics was also subject to evaluation in the context of the assurance activities by the third-party auditor. The auditing firm's opinion and related verification activities did not cover the disclosure relating to the *financial materiality* determination process and related outputs, which was carried out in anticipation of the requirements of the Corporate Sustainability Reporting Directive. The principles of accuracy, balance, clarity, comparability, completeness, sustainability context, timeliness and verifiability were observed to ensure the quality of the information and indicators reported.

With regard to the topics expressly referred to in LD 254/2016, and in relation to the results of the materiality analysis, it should be noted that:

- Aspects relating to respect for human rights are addressed by the Group in the ethical and responsible management of relations with its employees and collaborators and with its suppliers, in compliance with the principles and values referred to in the Group's Code of Ethics and Sustainability Policy, in full observance of the Universal Declaration of Human Rights and the International Labour Organization Conventions on fundamental human rights, and in line with the UN Global Compact Principles.
- In view of its specific business model and the lack of any manufacturing activity, Amplifon's activities do not involve significant water consumption, and therefore the topic "Water management" was not material. However, in the interests of transparency towards stakeholders, this Statement includes an estimate of the Group's water consumption according to data from a significant sample of direct offices and stores, adjusted to the total number of employees.
- The topic of "Waste management and circular economy" is discussed in terms of the Group's commitment to the circular economy, with an estimate of the amount of waste produced by offices and direct stores, although it is insignificant in light of Amplifon's business model.
- Amplifon pursues "Energy efficiency and climate action" aspects through the Group's efforts to increase energy efficiency and reduce key greenhouse gas emissions throughout the value chain. In addition, as found in the analyses carried out during the climate risk assessment exercise according to the recommendations of the TCFD, and in view of its activities and business model, Amplifon does not have significant exposures to environmental risks, and in particular those related to climate;
- The issue of taxes, which is included in the topic "Ethical and responsible business conduct", is dealt with by providing a qualitative description of Amplifon's tax strategy.

The 2023 Non-Financial Statement was prepared in accordance with the GRI Sustainability Reporting Standards published by the Global Reporting Initiative (GRI), "in accordance" option, and complies with the most up-to-date available versions of GRI Standard 306 (Waste) and GRI Standard 403 (Occupational Health and Safety). The GRI content index is available as an appendix to this document to guide readers.

In accordance with one of the two options provided for in Article 5 of the Decree, this Statement is separate from, yet integrated with, the Group's Annual Report. In addition, as mentioned in specific notes, more details regarding certain policies, management models and major risks identified are also included in the Report on Operations as at December 31st 2023 , the Report on Corporate Governance and Ownership Structure as at December 31st 2023, and the Remuneration Report 2024**.**

The following table presents a reconciliation between Amplifon's material topics, the areas of LD 254/2016, the GRI Standards reported in this document and their positioning in the Group's annual documents. The parties with an impact on each topic, internally and externally to the Group (scope of material topics), are also reported, along with any limitations of scope in the reporting of topics, without compromising the representativeness of disclosure in view of the requirements of LD 254/2016. Scope of Material Topics Limitations of Scope Material Topics LD 254/2016 Scope. GRI Standards Position Content

				Scope of material issues		Scope limitations	
Material Issues	**Scope of D.lgs. 254/2016**	**GRI Standards**	**Reference**	**Internal**	**External**	**Internal**	**Exterior[52]**
-	Company management and organization model	-	**NFS**, Sustainability Strategy **AR**, Amplifon at a Glance ("Strategy", "Business model" and "Governance" sections) **RCG**, Issuer profile	-	-	-	-
-	Policies applied by the company	-	**NFS**, in the specific paragraphs **RCG**, Issuer profile **RRP**, Section I	-	-	-	-
-	Main risks	-	**NFS**, Sustainability governance; Potential climate-related risks **ROO**, Risk management **RCG**, Internal Control and Risk Management System	-	-	-	-
Long-term resilience and profitability	-	GRI 201 Economic Performance (2016)	**NFS**, Process and areas of engagement (section "Economic value generated") **ROO**, Risk management (Contextual Backdrop, Risks connected to the macroeconomic and geopolitical context)	Group	-	-	-
Sustainability strategic approach and governance	-	-	**NFS**, Sustainability governance, New sustainability plan **RCG**, Board of Directors **RRP**, The contribution to Group sustainability	Group			
Availability and accessibility to hearing care	Social aspects	-	**NFS**, Community support and social inclusion **AR**, Amplifon at a Glance ("Digital innovation" section)	Group	-	-	-
Innovation, digitalization and personalization of the customer experience	-	-	**AR**, Amplifon at a glance ("Digital innovation" section) **ROO**, Risk management ("Technological changes in products and/or the operating model" risk)	Group	-	-	-
Quality, reliability and safety of products and services	Social aspects	GRI 416 Customer Health and Safety (2016)	**NFS**, Quality and safety for customers	Group	Hearing aid manufacturers; franchisees; corporate stores on commission	-	Provide coverage for hearing aid manufacturers
Cybersecurity and data privacy	Social aspects	GRI 418 Customer Privacy (2016)	**NFS**, Data privacy and cybersecurity **ROO**, Risk management ("Cybersecurity" risk and "Privacy and data protection" risk)	Group	-	-	-
Responsible marketing and sales practices	Social aspects	GRI 417 Marketing and Labelling (2016)	**NFS**, Business ethics	Group	Hearing aid manufacturers; franchisees; corporate stores on commission	-	Partial coverage for hearing aid manufacturers

52 Restrictions on the reporting of material topics with respect to the external scope are due to limitations of access to third-party information.

Material Issues	Scope of D.lgs. 254/2016	GRI Standards	Reference	Scope of material issues: Internal	Scope of material issues: External	Scope limitations: Internal	Scope limitations: Exterior[52]
Attraction and development of key resources	Human resource management	GRI 404 Training and Education (2016)	**NFS**, Attraction, talent development and recognition **ROO**, Risk management ("Human resources and the Group's sustainable medium/long term growth" risk)	Group	Franchisee; corporate store on commission	Amplifon Middle East SAE (Egypt) and Medtechnica Ortophone Ltd (Israel) excluded from the reporting of training hours	No coverage for franchisees
Employees' health and safety	Human resource management	GRI 403 Occupational Health and Safety (2018)	**NFS**, People, diversity and inclusion ("Health and safety" section)	Group	Franchisee; corporate store on commission		No cover for non-employee collaborators
Diversity, equity and inclusion	Human resource management; and respect for human rights	GRI 405 Diversity and Equal Opportunity (2016) GRI 406 Non-discrimination (2016)	**NFS**, People, diversity and inclusion ("Diversity, inclusion and equal opportunity" section) **RRP**, People empowerment ("Our total reward strategy" section)	Group	Franchisee; corporate store on commission	-	No coverage for franchisees
People's welfare and engagement	Human resource management	GRI 401 Employment (2016)	**NFS**, People, diversity and inclusion ("Welfare and engagement" section) **RRP**, People empowerment ("Our total reward strategy" section)	Group	Franchisee; corporate store on commission	-	No coverage for franchisees
Awareness-raising and education on hearing well-being	Social aspects	-	**NFS**, Prevention and education on hearing well-being	Group	-	-	-
Supporting the local communities	Social aspects	-	**NFS**, Community support and social inclusion	Group	-	-	-
Regulatory framework		GRI 415 Public Policy (2016)	**NFS**, Business ethics, ("Monitoring the regulatory environment" section) **ROO**, Risk management ("Industry regulations" risk)	Group	-	-	-
Ethical and responsible business conduct	Fight against corruption and social aspects	GRI 205 Anti-Corruption (2016) GRI 206 Anti-competitive Behavior (2016)	**NFS**, Business ethics	Group	-	-	-
Waste management and circular economy	Environmental aspects	GRI 306 Waste (2020)	**NFS**, Circularity and waste management	Group	Hearing aid manufacturers; franchisees; corporate stores on commission	Amplifon Middle East SAE (Egypt) excluded from reporting	No coverage for device manufacturers and stores not directly operated by Amplifon

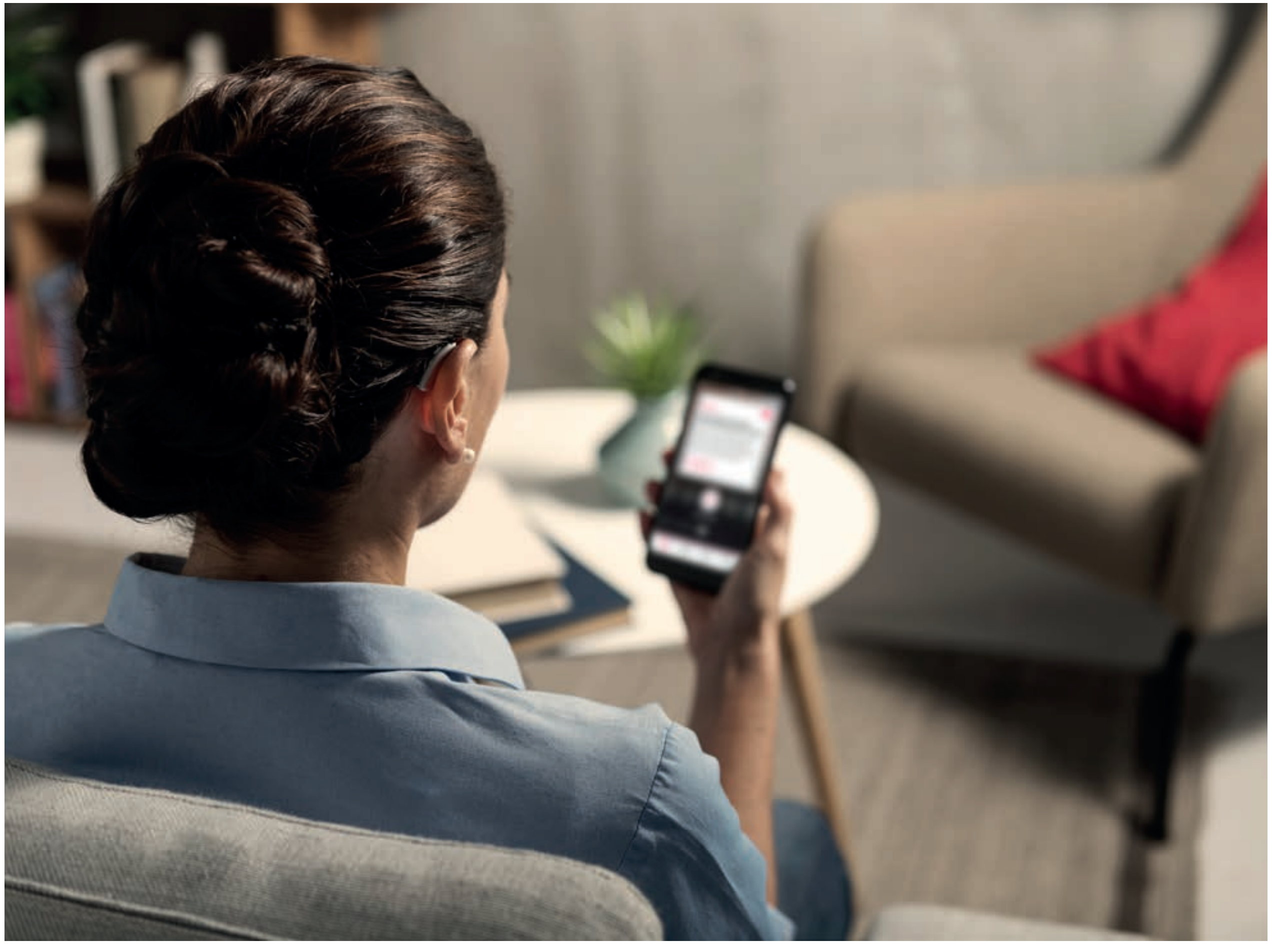
				Scope of material issues		Scope limitations	
Material Issues	**Scope of D.lgs. 254/2016**	**GRI Standards**	**Reference**	**Internal**	**External**	**Internal**	**Exterior[52]**
Energy efficiency and climate action	Environmental aspects	GRI 302 Energy (2016)	**NFS**, Energy and climate action, Potential climate-related risks	Group	Hearing aid manufacturers; franchisees; corporate stores on commission	Amplifon Middle East SAE (Egypt) excluded from reporting	No coverage for device manufacturers and stores not directly operated by Amplifon
	Environmental aspects	GRI 305 Emissions (2016)	**NFS**, Energy and climate action, Potential climate-related risks	Group	Hearing aid manufacturers; franchisees; corporate stores on commission	Amplifon Middle East SAE (Egypt) excluded from reporting	-
Responsible management of the supply chain	Environmental, social and human rights aspects	-	**NFS**, Procurement and supply chain management	Group	Hearing aid manufacturers	-	-

AR: Annual Report 2023
NFS: Consolidated Non-Financial Statement as at December 31st 2023 (Annual Report 2023)
ROO: Report on Operations as at December 31st 2023 (Annual Report 2023)
RCG: Report on Corporate Governance and Ownership Structure as at December 31st 2023
RRP: Remuneration Report 2024

CONSOLIDATED FINANCIAL STATEMENTS
CONSOLIDATED NON-FINANCIAL STATEMENT
REPORT ON OPERATIONS
AMPLIFON AT A GLANCE

REPORTING SCOPE

To the extent necessary to ensure an understanding of the company's activities, performance, results and impact on key non-financial topics, this document describes the initiatives and key sustainability performance results achieved during the financial year 2023 (reporting period: January 1st 2023 to December 31st 2023). Where available, for comparative purposes and to allow an assessment of the dynamic performance of activities, the figures for the previous two financial years are also shown in the "Performance indicators" section of the Appendix. Where relevant, information is also included on initiatives undertaken in previous years that apply in 2023, as well as events of special interest in 2024 that were already known when this Non-Financial Statement was finalized.



The scope of reporting of economic data and non-financial information is the same as that of the Consolidated Financial Statements and thus includes the Parent Company and Amplifon Group companies at December 31st 2023 consolidated on a line-by-line basis within the Group's 2023 Consolidated Financial Statements. However, despite ensuring a proper understanding of the company's activities, it should be noted that:

- Amplifon Cell (Malta), Amplifon Rete (Italy), Otohub Australasia Pty Ltd (Australia) and Otohub Unit Trust (Australia) are not included in the reporting scope as they are in liquidation, non-operational or without employees or facilities such as offices or stores;
- In continuity with previous reporting, the scope of information and data relating to energy consumption, Scope 1 and 2 greenhouse gas emissions, waste, and water includes only the Group's headquarters, offices and direct stores, with the exclusion of stores not managed directly by Amplifon. In addition, Amplifon Middle East SAE (Egypt), which in view of its size does not affect an understanding of Amplifon's environmental impact, is also not included in the scope of the data for 2023.
- In the calculation of indirect Scope 3 emissions, non-environmental matrix data useful for the inventory of indirect emissions (e.g. goods and services purchased, logistics, etc.) cover the entire Group scope and activities upstream and downstream in the value chain (e.g. franchisees, investments, etc.).

In accordance with the reporting standards used and the provisions of LD 254/16, these and any other minor limitations of scope are expressly indicated in the document, in correspondence with the numerical tables and in the GRI content index. The ownership structure did not change significantly during the reporting period.

With regard to scope, in December 2023 the Company signed an agreement to acquire the Audical Group, in Uruguay, yet this company continues to be excluded from the reporting scope as the transaction was finalized in January 2024. For any further information on the changes in the Group's scope and ownership structure that occurred during the year, please refer to the Annual Report 2023 and the Report on Corporate Governance and Ownership Structure as at December 31st 2023.

REPORTING PROCESS AND CALCULATION CRITERIA

The definition of the contents of the 2023 Non-Financial Statement involved the main corporate functions, which worked in close cooperation and in coordination with the Global Investor Relations & Sustainability team.

The performance indicators were selected on the basis of the materiality analysis and surveyed on an annual basis according to a process of surveying, aggregation and transmission of data and information at Group level, outlined in a specific Non-Financial Reporting Manual governing the process of data collection and validation, and managed through IT platforms dedicated to the collection and consolidation of non-financial data.

To ensure fair representation of performance and the reliability of the data, the use of estimates has been limited as much as possible. Any estimates present are based on the best available methodologies and appropriately reported.

With regard to calculation criteria:

- conservative estimation approaches were used for environmental data, where not available. In particular, to determine direct store consumption, where data was not available at the document's reporting date, estimates were based on the average consumption of other stores in the same country, where possible weighted for the surface area of the stores concerned;
- data on electricity from renewable sources includes any self-generated energy from renewable sources and energy purchased from the grid and certified as coming from renewable sources according to the instruments offered by the various regulatory frameworks;
- emissions were calculated in terms of CO_2 equivalent using the following assumptions and emission factors:
  - Direct emissions Scope 1: for heating, air-conditioning refrigerant gas emissions and the company car fleet, emission factors from the UK Department for Environment, Food & Rural Affairs (Defra) database for the year 2023 were used.
  - Indirect emissions Scope 2: in the case of electricity purchased from the national grid, emission factors for the various countries in which Amplifon operates provided by the IEA (International Energy Agency) for 2023 were used for the location-based approach. For the market-based approach, the residual mix factors published by the Association of Issuing Bodies (AIB) were used for European countries, while for the other countries the factors published by the Center for Resource Solutions ("Green-e Energy Residual Mix Emissions Rates" and its update for the year 2023), the IEA and the Institute for Global Environmental Strategies (IGES), in the latest available version, were used. In addition to these sources, where national sources were available, they were taken into account (e.g., in Italy and Germany, where the reference source comes from the Ministry of the Environment, data from ISPRA and Umweltbundesamt reports, respectively, were used). Finally, the emission factor developed by BEIS Defra 2023 was used to calculate emissions from district heating.
  - Indirect emissions Scope 3.1, 3.2, 3.12: for emissions from the purchase of goods and services (3.1), the purchase of capital goods (3.2) and the end-of-life of sold products (3.12), a hybrid approach was used, with activity data and expenditure data. For activity data, the latest available emission factors per good/service published by Ecoinvent, BEIS (UK Government), EPA (U.S. Environmental Protection Agency) and specific product emission factors were applied, where possible (e.g. Lenovo, Apple, Dell, Samsung, Microsoft and HP for the purchase of IT devices). Where information on the weight of certain equipment was not available, weights from the literature were used, choosing the most conservative figure from those available. For expenditure data, the CEDA 6 (Comprehensive Environmental Data Archive) emission factors available for each category were used; in some cases, expenditure data for consulting activities (both capital expenditure and operating expenditure) were combined with emission factors found in the literature.
  - Indirect emissions Scope 3.3: for emissions from activities related to the consumption of fuels and energy, the same activity data were used as for the estimation of Scope 1 and 2 emissions, along with the same sources for reference emission factors for the upstream emission components of energy and fuels: IEA, AIB residual mixes, Ecoinvent and national sources where not available.
  - Indirect emissions Scope 3.4: emissions relating to the upstream logistics of products purchased by the Group (e.g. hearing aids and related accessories) were calculated considering the transit of the goods from the supplier (in most cases, from the warehouse, in some cases from the production site) to the destination Amplifon warehouse, and then from the Amplifon warehouse to the stores. Distances were assumed and calculated considering the latitude and longitude of the aforementioned locations. In transit between the supplier and Amplifon's warehouse, air transport was assumed, except where otherwise indicated in the shipping information and except for internal European routes, where road transport was assumed. The latter was also applied for transport from Amplifon's warehouses to its stores, except for specific available information. For countries for which insufficient information was available, the average distances of the most representative data – usually from the same continent – were used. As in 2022, logistics includes the following products: cubes, cleaning products, hearing aids, receivers, chargers, medical equipment, earmolds and batteries. For these categories, weights and routes were used for all products except earmolds, for which the same estimates as for 2022 were used.

The actual data was used as complete data, without any special extrapolation. The latest available BEIS (UK Government) emission factors were used, based on tonne-kilometres transported: this is because weight transported is an accurate measure of logistics emissions, considering only Amplifon's goods in shipments that include goods from other companies.

- Indirect emissions Scope 3.5: emissions associated with waste generated were calculated using the latest available BEIS (UK Government) emission factors, depending on the type of waste and its disposal. Where data was missing, waste was estimated using floor space in the case of stores, or using regional averages in the case of offices.
- Indirect emissions Scope 3.6: The latest available BEIS (UK Government) and CEDA (Comprehensive Environmental Data Archive) emission factors were used for business travel emissions, combined with business travel data collected from countries and the database provided by the travel agency. For hotel accommodation related to business travels, data was extracted from the database provided by the travel agency, and emission factors from the Cornell Hotel Sustainability Benchmarking Index (CHSB), 2023 were used. A conversion factor of 2.74 €/km was applied for the expenditure data provided (taxis and rental cars) in order to use the primary data on kilometres instead of expenditure.

- Indirect emissions Scope 3.7: emissions related to employee commuting were estimated using the latest emission factors from BEIS (UK Government), ADEME (the French ecological transition agency), and, for electric transport (e-bikes and trains), emission factors from national sources. Data were drawn from internal databases (USA) and from a mobility survey conducted in five countries (Australia, New Zealand, Chile, France and Spain) in 2022 and in Italy and the corporate headquarters in 2023, on a total sample of just over 1,000 employees (selected following a quality check of survey responses). The sample data per country wad adjusted to the total Amplifon staff in each country, broken down into office and shop personnel. The total emissions per country were then calculated by taking into account the average actual working days and average teleworking days per year. Finally, the sum of the total emissions obtained was again applied to the total number of Amplifon employees as at December 31st 2023.
- Indirect emissions Scope 3.8, 3.14: emissions associated with upstream leased assets (self-managed indirect stores - ATG, shops-in-shops and corners) and franchisees were calculated with a hybrid model. For ATGs stores, we used the average gas and electricity consumption per square metre of the direct stores in the relevant country (Italy, Spain and Belgium, the countries where the self-managed stores are located), multiplied by the total area of the self-managed stores, and the BEIS (UK Government) emission factor for natural gas and AIB and Ecoinvent for electricity consumption. A similar approach was used for franchisees, where, however, the average gas and electricity consumption per square metre of direct stores globally was used; the same BEIS emission factor for natural gas was applied, while the emission factor associated with electricity consumption in the US was extracted from the U.S. Environmental Protection Agency (EPA) database. For shops-in-shops and corners, data on rental costs were used, multiplied by the relevant CEDA (Comprehensive Environmental Data Archive) emission factor.
- Indirect emissions Scope 3.11: emissions related to the use of the sold products required an estimate of the kWh consumed by each hearing device (rechargeable and non-rechargeable) during its life cycle. For non-rechargeable hearing aids, the estimate was based on the information available on each type of battery, which permitted estimation of the average consumption, and the average number of batteries consumed by a hearing aid during its life cycle. The electricity obtained was multiplied by an average emission factor calculated on the basis of the emission factors of the electricity grids (market-based approach) of the countries in which the sales of hearing aids are distributed. The sources of these emission factors vary from country to country and are the same as those used for the Scope 2 direct emissions factor (mainly Ecoinvent, IEA and AIB). For rechargeable hearing aids, the average consumption of rechargeable batteries was estimated on the basis of the available information and multiplied by the average number of discharge/recharge cycles during the life cycle of the batteries. The figure obtained was multiplied by the total number of rechargeable devices sold in each country and the electricity consumption thus obtained was in turn multiplied by the emission factors of the electricity

grids in these countries (market-based approach). The sources are the same as those cited above in the paragraph.
  - Indirect emissions Scope 3.15: emissions from investments were estimated using a spend-based model using the latest industry CEDA (Comprehensive Environmental Data Archive) emission factors. Expenditure figures were calculated using the equity approach: the revenues of each invested company were multiplied by the percentage of Amplifon shares.
  - Indirect emissions Scope 3.9, 3.10, 3.13: the emission categories relating to downstream logistics (3.9), the processing of products sold (3.10) and downstream leased assets (3.13) were considered not applicable to Amplifon as they are not present throughout the value chain (3.10, 3.13), or not material and without any potential for the Group to influence their reduction (3.9).
- the reference regulations of the individual countries were taken into account when calculating the total weight of hazardous waste. Non-hazardous waste is typically waste from office activities carried out at headquarters.
- the health and safety indices, i.e. the rate of total recordable occupational accidents with serious consequences, refer to employees only and have been calculated in accordance with the GRI Sustainability Reporting Standards, i.e. as the ratio of the number of accidents to the number of hours worked, using 1,000,000 as a multiplier.

EUROPEAN TAXONOMY

With the aim of redirecting capital flows and boosting sustainable and inclusive growth, Regulation (EU) 2020/852 of the European Parliament and of the Council ("the EU Taxonomy Regulation") provides companies and investors with uniform criteria for classifying "environmentally sustainable" economic activities, i.e. those capable of contributing substantially to the EU's environmental objectives as set out in Article 9 of the Regulation. Article 8 requires companies subject to the Non-Financial Reporting Directive to disclose how, and to what extent, their activities are associated with environmentally sustainable economic activities, indicating specifically the proportion of turnover, capital expenditure and operating expenditure associated with activities covered by the EU Taxonomy, i.e. "eligible" according to the environmental sustainability conditions of economic activities[53] indicated by the Commission and "aligned" with the technical screening criteria set by the Commission.

In accordance with Article 8 of the Regulation and the related delegated acts, Amplifon undertook an assessment exercise regarding the eligibility and alignment of its business activities with the EU Taxonomy. On the basis of the conditions set by the Regulation, the technical screening criteria established by the Commission and the sectors included in the Annexes of the delegated acts of the EU Taxonomy, and considering that Amplifon's business model is based on retail and on the offer of hearing care services, in 2023 no business activities (primary or secondary) emerged that could be considered "eligible" and/or "aligned" with the conditions of the Regulation in relation to its six objectives in terms of turnover. In addition, as indicated in the relevant schedules included in the "Performance indicators" section, there are no eligible activities in reference to operating expenditure and capital expenditure in respect of the six objectives[54]. Nonetheless, Amplifon is committed to actively monitoring future developments in this area with particular reference to delegated acts and the related technical screening criteria.

53 The conditions of environmental sustainability of economic activities include: 1) contributing substantially to the achievement of one or more of the six environmental objectives set out in Article 9 of the Regulation; 2) not causing significant harm to any of the objectives in accordance with Article 17 of the Regulation; 3) being carried out in compliance with the minimum social safeguards set out in Article 18; and 4) complying with the technical screening criteria set by the Commission by means of delegated acts.

54 With regard to the disclosure pursuant to Article 8(6) and (7) of Delegated Regulation (EU) 2021/2178, which provides for the use of the templates supplied in Annex XII for the disclosure of nuclear and fossil gas activities, all templates have been omitted as they are not representative of the Company's activities.

INFORMATION ON TCFD RECOMMENDATIONS

In light of the growing importance of climate change issues, during 2023, in conjunction with the Enterprise Risk Management process, we expanded the climate risk assessment and reporting exercise according to the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). Based on the results of this exercise, and in consideration of the Group's activities and business model, no material exposure to climate risks has been identified. However, such exposure will be monitored and assessed annually according to the Group's risk assessment process.

The following table summarizes the main thematic areas and recommendations of the TCFD, as well as the reference to the sections of this document where the required reporting content is explicitly indicated.

TCFD Recommendations		Reference
Thematic area: *Governance*		
TCFD-GOV-a	Describe how the board oversees risks and opportunities associated with climate change	**NFS**, Sustainability strategy ("Sustainability governance" Section) **ROO,** Risk management **RCG,** Internal Control and Risk Management System
TCFD-GOV-b	Describe the role of management in determining and managing the risks and opportunities associated with climate change	
Thematic area: *Strategy*		
TCFD-STR-a	Describe the risks and opportunities associated with climate change identified by the organization in the short, medium and long term	**NFS**, Sustainability strategy ("Sustainability governance" Section) **NFS,** Potential climate-related risks **ROO,** Risk management
TCFD-STR-b	Describe the impact of the risks and opportunities associated with climate change on the business, strategy and financial planning of the Group	
TCFD-STR-c	Describe the resilience of the Group's strategy, considering different climate scenarios, including scenarios of +2°C or below	
Thematic area: *Risk management*		
TCFD-RMA-a	Describe the business process to identify and assess climate risks	**NFS**, Sustainability strategy ("Sustainability governance" Section) **NFS**, Potential climate-related risks **ROO**, Risk management **RCG**, Internal Control and Risk Management System
TCFD-RMA-b	Describe business processes to manage climate risks	
TCFD-RMA-c	Describe how the processes used to identify, assess and manage climate risks integrate into risk management activities	
Thematic area: *Metrics and targets*		
TCFD-MET-a	Communicate the metrics used by the company to assess the risks and opportunities associated with climate change, in line with its strategy and risk management process	**NFS**, New Sustainability Plan **NFS**, Energy and climate action **NFS**, Performance indicators **NFS**, Methodological note
TCFD-MET-b	Communicate Scope 1, Scope 2 and, if necessary, Scope 3 greenhouse gas (GHG) emissions and related risks	
TCFD-MET-c	Describe the goals set by the company to manage the risks and opportunities associated with climate change, including the results achieved against these objectives.	

NFS: Consolidated Non-Financial Statement as at December 31st 2023 (Annual Report 2023)
ROO: Report on Operations as at December 31st 2023 (Annual Report 2023)
RCG: Report on Corporate Governance and Ownership Structure as at December 31st 2023

APPROVAL AND ASSURANCE

This Declaration was submitted to the Risk and Sustainability Control Committee for evaluation on February 29th 2024 and subsequently approved by the Board of Directors of Amplifon S.p.A. on March 7th 2024.

This Statement has been subjected to a limited assurance engagement in accordance with the criteria indicated by ISAE 3000 Revised by KPMG S.p.A., which in a separate report certifies the conformity of the information provided in accordance with Article 3, paragraph 10, of Legislative Decree No. 254/2016. The audit was carried out according to the procedures indicated in the "Independent Auditor's Report" in the Appendix to this document.

PUBLICATION AND CONTACTS

The frequency of the publication of the Non-Financial Statement is annual. The Non-Financial Statement is also available on the Group's corporate website in the Sustainability section.

Please consult the following contacts for all related information:

Amplifon S.p.A.
Registered office: Via Ripamonti 133, 20141 Milan (Italy)

E-mail: ir@amplifon.com

GRI CONTENT INDEX

This index indicates the GRI Standards reported in this document and the relevant Disclosures. Each Disclosure is provided with a reference to the section of the Statement where it can be found, or to other publicly available sources to which reference can be made.

Declaration of use	Amplifon reported in accordance with GRI Standards for the period January 1st 2023 - December 31st 2023
Use of GRI I	GRI 1 - Foundation - 2021 version
Relevant GRI sector standards	There are no GRI sector indicators relevant to Amplifon's business sector

Disclosure	Reference	Notes/Omissions
GRI 2: GENERAL DISCLOSURES		
The organization and its reporting practices		
2-1: Organizational details	p. 165, 169; **AR**, Amplifon at a glance (p. 18, 19, 21)	
2-2: Entities included in the organization's sustainability reporting	p. 169	
2-3: Reporting period, frequency and contact point	p. 169, 175	
2-4: Restatements of information	p. 103, 159	
2-5: External assurance	p. 175, 180, 181	
Activities and workers		
2-6: Activities, value chain and other business relationships	p. 137; **AR**, Amplifon at a glance (p. 11-20)	
2-7: Employees	p. 117-119, 151	There are no employees with non-guaranteed hours.
2-8: Workers who are not employees	p. 117-119	
Governance		
2-9: Governance structure and composition	p. 100; **AR**, Amplifon at a glance (p. 21, 22)	
2-10: Nomination and selection of the highest governance body	**RCG**, Section 4, “Board of Directors”	
2-11: Chair of the highest governance body	**AR,** Amplifon at a glance (p. 21, 22)	
2-12: Role of the highest governance body in overseeing the management of impacts	**RCG**, Section 4 “Board of Directors”	
2-13: Delegation of responsibility for managing impacts	p. 100; **RCG**, Section 4 “Board of Directors”	
2-14: Role of the highest governance body in sustainability reporting	**RCG**, Section 4, “Board of Directors”	
2-15: Conflicts of interest	**RCG**, Section 4, “Board of Directors”	
2-16: Communication of critical concerns	No critical concerns were reported to the B.o.D. in 2023.	
2-17: Collective knowledge of the highest governance body	p. 100; **AR**, Amplifon at a glance (p. 21, 22)	

Disclosure	Reference	Notes/Omissions
2-18: Evaluation of the performance of the highest governance body	**RCG**, Section 7 "Self-assessment and succession of Directors – Appointment Committee"	
2-19: Remuneration policies	**RRP**, Section II "Remuneration paid in 2023 and other information"	
2-20: Process to determine remuneration	p. 101; **RPR**, Section I	
2-21: Annual total compensation ratio	**RRP**, "Executive summary" section	
Strategies, policies and practices		
2-22: Statement on sustainable development strategy	**AR**, Amplifon at a glance (p. 6, 7)	
2-23: Policy commitments	p. 94, 100, 107, 115, 120, 123, 124, 132, 138, 140, 141, 142, 148	
2-24: Embedding policy commitments	p. 94, 100, 101, 106, 107, 115, 120, 123, 124, 132, 138, 140, 141, 142, 148	
2-25: Processes to remediate negative impacts	p. 100; **RCG**, Section 9 "Internal Control and Risk Management System – Control, Risks and Sustainability Committee"	
2-26: Mechanisms for seeking advice and raising concerns	p. 141	
2-27: Compliance with laws and regulations	In the three-year period 2021-2023 there were no significant penalties for non-compliance with laws and regulations.	
2-28: Membership associations	p. 92, 121, 126, 146	
Stakeholder engagement		
2-29: Approach to stakeholder engagement	p. 98	
2-30: Collective bargaining agreements	p. 123	
MATERIAL TOPICS		
3-1: Process to determine material topics	p. 97-99, 166-168	
3-2: List of material topics	p. 97-99, 166-168	
Long-term resilience and profitability		
3-3: Management of material topics	p. 96, 150	
201-1: Direct economic value generated and distributed	p. 96, 150	

Disclosure	Reference	Notes/Omissions
Ethical and responsible business conduct		
3-3: Management of material topics	p. 140-145	
205-3: Confirmed incidents of corruption and actions taken	In the three-year period 2021-2023, there were no cases of corruption, a testament to the effectiveness of the prevention systems in place and the strong corporate culture.	
206-1: Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	In the three-year period 2021-2023, the Company was not involved in any relevant legal actions concerning unfair competition practices, a testament to a strong corporate culture that respects the market in which it operates.	
Energy efficiency and climate action		
3-3: Management of material topics	107, 108, 111-113	
302-1: Energy consumption within the organization	p. 108, 158, 170	
305-1: Direct (Scope 1) GHG emissions	p. 108, 109, 159, 170	
305-2: Indirect (Scope 2) GHG emissions	p. 108, 109, 159, 170	
305-3: Other indirect (Scope 3) GHG emissions	p. 108, 109, 110, 159, 160, 170-172	
Waste management and circular economy		
3-3: Management of material topics	p. 114, 115	
306-1: Waste generation and significant waste-related impacts	p. 114, 115, 160	
306-2: Management of significant waste-related impacts	p. 114, 115, 160	
306-3: Waste generated	p. 114, 115, 160	
People's welfare and engagement		
3-3: Management of material topics	p. 123, 124	
401-2: Benefits provided to full-time employees that are not provided to temporary or part-time employees	p. 123, 124	
Employee health and safety		
3-3: Management of material topics	p. 125	
403-1: Occupational health and safety management system	p. 125	

Disclosure	Reference	Notes/Omissions
403-2: Hazard identification, risk assessment, and incident investigation	p. 125	
403-3: Occupational health services		Given the limited significance of the risks to which its employees are exposed in the area of health and safety, Amplifon did not consider this Disclosure applicable. These aspects are in fact managed in accordance with the legal systems of the countries in which the Group operates.
403-4: Worker participation, consultation, and communication on occupational health and safety		Given the limited significance of the risks to which its employees are exposed in the area of health and safety, Amplifon did not consider this Disclosure applicable. These aspects are in fact managed in accordance with the legal systems of the countries in which the Group operates.
403-5: Worker training on occupational health and safety	p. 125	
403-6: Promotion of worker health	p. 125	
403-7: Prevention and mitigation of occupational health and safety impacts directly linked by business relationships		Given the limited relevance of health and safety impacts related to its business relations, Amplifon did not consider this Disclosure applicable. These aspects are in fact managed in accordance with the legal systems of the countries in which the Group operates.
403-9: Work-related injuries	p. 125, 155	No information is available on non-employee collaborators.
403-10: Work-related ill health	p. 125, 155	No information is available on non-employee collaborators.
Attraction and development of key resources		
3-3: Management of material topics	p. 126-129	

Disclosure	Reference	Notes/Omissions
404-1: Average hours of training per year per employee	p. 127, 128, 155	Training figures for 2021 do not include employees of the companies Otohub s.r.l. (Italy), Audibel s.r.l. (Italy) and Bay Audio Pty Ltd (Australia), as well as Amplifon Middle East SAE (Egypt), Medtechnica Ortophone Ltd (Israel), Attune Hearing Pty Ltd (Australia) and the companies operating in China, as the relevant integration process was still ongoing.
404-2: Programs for upgrading employee skills and transition assistance programs	p. 128, 129	
404-3: Percentage of employees receiving regular performance and career development reviews	p. 129, 156	
Diversity, equity and inclusion		
3-3: Management of material topics	p. 120-122	
405-1: Diversity of governance bodies and employees	p. 100, 117, 119, 120, 151-153, 156; **AR**, Amplifon at a glance (p. 21, 22)	
405-2: Ratio of basic salary and remuneration of women to men	p. 122	The indicator was calculated considering 81% of employees, excluding internships and apprenticeships, personnel with fixed-term contracts and part of the workforce of joint ventures and in minor countries. The remuneration analysed takes into account the fixed remuneration, the different types of target short-term variable remuneration and long-term variable remuneration provided for in the Group's policy.
Regulatory framework		
3-3: Management of material topics	p. 144, 145	

Disclosure	Reference	Notes/Omissions
415-1: Political contributions	In the three-year period 2021-2023, Amplifon made no contributions to individual legislators, parties or policy committees. In addition, during that same period, Amplifon (USA) entered into a contract with advocacy firms in the United States and Canada to support the principles of safety, efficacy and availability in the policies governing the hearing care sector in the country. These activities were fully disclosed in accordance with the US Lobbying Disclosure Act. Specifically, in 2023 Amplifon (USA) spent approximately €225,000 on these activities.	
Quality, reliability and safety of products and services		
3-3: Management of material topics	p. 146, 147	
416-2: Incidents of non-compliance concerning the health and safety impacts of products and services	In the three-year period 2021-2023, there were no cases of product recalls or non-compliance with existing regulations or voluntary product and service safety codes. There were also no cases of customer complaints regarding malfunctions of the Amplifon App that could put the user's health at risk.	
Responsible marketing and sales practices		
3-3: Management of material topics	p. 143	
417-2: Incidents of non-compliance concerning product and service information and labelling	In the three-year period 2021-2023, no significant reports were received regarding products and service information and labelling.	
417-3: Incidents of non-compliance concerning marketing communications	In the three-year period 2021-2023, no significant reports were received regarding marketing communications.	

Disclosure	Reference	Notes/Omissions
Cybersecurity and data privacy		
3-3: Management of material topics	p. 148, 149	
418-1: Substantiated complaints regarding breaches of customer privacy and loss of customer data	In the three-year period 2021-2023, the systems implemented for data protection and cybersecurity ensured an adequate level of data protection. In 2023 there were no major convictions relating to breaches of customer privacy imposed by external regulators and bodies.	
MATERIAL TOPICS NOT DIRECTLY RELATED TO GRI DISCLOSURES		
Availability and accessibility to hearing care		
GRI 3-3: Management of material topics	**AR**, Amplifon at a glance p. 14-16	
Awareness raising and education on hearing well-being		
GRI 3-3: Management of material topics	p. 131	
Innovation, digitalization and personalization of the customer experience		
GRI 3-3: Management of material topics	**AR**, Amplifon at a glance p. 14-16	
Responsible management of the supply chain		
GRI 3-3: Management of material topics	p. 137-139	
Supporting the local communities		
GRI 3-3: Management of material topics	p. 132-135	
Sustainability strategic approach and governance		
GRI 3-3: Management of material topics	p. 100-106	

AR: Annual Report 2023
NFS: Consolidated Non-Financial Statement as at December 31st 2023 (Annual Report 2023)
ROO: Report on Operations as at December 31st 2023 (Annual Report 2023)
RCG: Report on Corporate Governance and Ownership Structure as at December 31st 2023
RRP: Remuneration Report 2024

INDEPENDENT AUDITORS' REPORT

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

Independent auditors' report on the consolidated non-financial statement pursuant to article 3.10 of Legislative decree no. 254 of 30 December 2016 and article 5 of the Consob Regulation adopted with Resolution no. 20267 of 18 January 2018

To the board of directors of
Amplifon S.p.A.

Pursuant to article 3.10 of Legislative decree no. 254 of 30 December 2016 (the "decree") and article 5.1.g) of the Consob (the Italian Commission for listed companies and the stock exchange) Regulation adopted with Resolution no. 20267 of 18 January 2018, we have been engaged to perform a limited assurance engagement on the 2023 consolidated non-financial statement of the Amplifon Group (the "group") prepared in accordance with article 4 of the decree, presented in the specific section of the report on operations and approved by the board of directors on 7 March 2024 (the "NFS").

Our procedures did not cover the information set out in the "Methodological Note - European taxonomy" section of the NFS required by article 8 of Regulation (EU) 852 of 18 June 2020.

Responsibilities of the directors and board of statutory auditors ("Collegio Sindacale") of Amplifon S.p.A. (the "parent") for the NFS

The directors are responsible for the preparation of an NFS in accordance with articles 3 and 4 of the decree and the "Global Reporting Initiative Sustainability Reporting Standards" issued by GRI - Global Reporting Initiative (the "GRI Standards"), which they have identified as the reporting standards.

The directors are also responsible, within the terms established by the Italian law, for such internal control as they determine is necessary to enable the preparation of an NFS that is free from material misstatement, whether due to fraud or error.

Moreover, the directors are responsible for the identification of the content of the NFS, considering the aspects indicated in article 3.1 of the decree and the group's business and characteristics, to the extent necessary to enable an understanding of the group's business, performance, results and the impacts it generates.

The directors' responsibility also includes the design of an internal model for the management and organisation of the group's activities, as well as, with reference to the aspects identified and disclosed in the NFS, the group's policies and the identification and management of the risks generated or borne.

The *Collegio Sindacale* is responsible for overseeing, within the terms established by the Italian law, compliance with the decree's provisions.

Auditors' independence and quality control

We are independent in compliance with the independence and all other ethical requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (the IESBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour. During the year covered by this engagement, our company applied International Standard on Quality Control 1 (ISQC Italia 1) and, accordingly, maintained a system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Auditors' responsibility

Our responsibility is to express a conclusion, based on the procedures performed, about the compliance of the NFS with the requirements of the GRI Standards. We carried out our work in accordance with the criteria established by "International Standard on Assurance Engagements 3000 (revised) - Assurance Engagements other than Audits or Reviews of Historical Financial Information" ("ISAE 3000 revised"), issued by the International Auditing and Assurance Standards Board applicable to limited assurance engagements. This standard requires that we plan and perform the engagement to obtain limited assurance about whether the NFS is free from material misstatement. A limited assurance engagement is less in scope than a reasonable assurance engagement carried out in accordance with ISAE 3000 revised, and consequently does not enable us to obtain assurance that we would become aware of all significant matters and events that might be identified in a reasonable assurance engagement.

The procedures we performed on the NFS are based on our professional judgement and include inquiries, primarily of the parent's personnel responsible for the preparation of the information presented in the NFS, documental analyses, recalculations and other evidence gathering procedures, as appropriate.

Specifically, we performed the following procedures:

1 Analysing the material aspects based on the group's business and characteristics disclosed in the NFS, in order to assess the reasonableness of the identification process adopted on the basis of the provisions of article 3 of the decree and taking into account the reporting standards applied.
2. Analysing and assessing the identification criteria for the reporting scope, in order to check their compliance with the decree.
3. Comparing the financial disclosures presented in the NFS with those included in the group's consolidated financial statements.
4. Gaining an understanding of the following:
   - the group's business management and organisational model, with reference to the management of the aspects set out in article 3 of the decree;
   - the entity's policies in connection with the aspects set out in article 3 of the decree, the achieved results and the related key performance indicators;
   - the main risks generated or borne in connection with the aspects set out in article 3 of the decree.

   Moreover, we checked the above against the disclosures presented in the NFS and carried out the procedures described in point 5.a).
5. Understanding the processes underlying the generation, recording and management of the significant qualitative and quantitative information disclosed in the NFS.

KPMG

Amplifon Group
Independent auditors' report
31 December 2023

Specifically, we held interviews and discussions with the parent's management personnel. We also performed selected procedures on documentation to gather information on the processes and procedures used to gather, combine, process and transmit non-financial data and information to the office that prepares the NFS.

Furthermore, with respect to significant information, considering the group's business and characteristics:

- at group level,
  a) we held interviews and obtained supporting documentation to check the qualitative information presented in the NFS and, specifically, the business model, the policies applied and main risks for consistency with available evidence;
  b) we carried out analytical and limited procedures to check, on a sample basis, the correct aggregation of data in the quantitative information;
- we visited Amplifon Italia S.p.A., Amplifon Iberica SA (Spain), Amplifon Nederland BV (the Netherlands) and Amplifon France SAS (France), which we have selected on the basis of their business, contribution to the key performance indicators at consolidated level and location, to meet their management and obtain documentary evidence supporting the correct application of the procedures and methods used to calculate the indicators.

Conclusion

Based on the procedures performed, nothing has come to our attention that causes us to believe that the 2023 consolidated non-financial statement of the Amplifon Group has not been prepared, in all material respects, in accordance with the requirements of articles 3 and 4 of the decree and the GRI Standards.

Our conclusion does not extend to the information set out in the "Note on methodology - EU taxonomy" section of the NFS required by article 8 of Regulation (EU) 852 of 18 June 2020.

Milan, 15 March 2024

KPMG S.p.A.

(signed on the original)

Claudio Mariani
Director

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CONSOLIDATED FINANCIAL STATEMENTS
CONSOLIDATED NON-FINANCIAL STATEMENT
REPORT ON OPERATIONS
AMPLIFON AT A GLANCE

CONSOLIDATED FINANCIAL STATEMENTS AS AT DECEMBER 31st, 2023

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CONSOLIDATED FINANCIAL STATEMENTS AS AT DECEMBER 31st, 2023

CONSOLIDATED STATEMENT OF FINANCIAL POSITION(*)

(€ thousands)

		12/31/2023	12/31/2022	Change
ASSETS				
Non-current assets				
Goodwill	**Note 3**	1,799,574	1,754,028	45,546
Intangible fixed assets with finite useful life	**Note 4**	416,589	420,098	(3,509)
Property, plant, and equipment	**Note 5**	221,516	193,415	28,101
Right-of-use assets	**Note 6**	478,153	451,747	26,406
Equity-accounted investments	**Note 36**	2,444	2,093	351
Hedging instruments	**Note 8**	12,933	25,850	(12,917)
Deferred tax assets	**Note 28**	82,701	81,780	921
Contract costs	**Note 11**	11,275	11,131	144
Other assets	**Note 7**	46,835	42,470	4,365
Total non-current assets		**3,072,020**	**2,982,612**	**89,408**
Current assets				
Inventories	**Note 9**	88,320	76,258	12,062
Trade receivables	**Note 10**	231,253	192,067	39,186
Contract costs	**Note 11**	6,840	5,262	1,578
Other receivables	**Note 12**	100,184	72,610	27,574
Hedging instruments	**Note 8**	549	17,016	(16,467)
Other financial assets	**Note 13**	901	49,986	(49,085)
Cash and cash equivalents	**Note 14**	193,148	179,654	13,494
Total current assets		**621,195**	**592,853**	**28,342**
TOTAL ASSETS		**3,693,215**	**3,575,465**	**117,750**

(€ thousands)

		12/31/2023	12/31/2022	Change
LIABILITIES				
Net Equity				
Share capital	**Note 15**	4,528	4,528	-
Share premium reserve		202,712	202,712	-
Treasury shares		(17,495)	(49,895)	32,400
Other reserves		(53,608)	11,230	(64,838)
Retained earnings		809,643	691,409	118,234
Profit (loss) for the period		155,139	178,525	(23,386)
Group net equity		**1,100,919**	**1,038,509**	**62,410**
Minority interests		**759**	**1,841**	**(1,082)**
Total net equity		**1,101,678**	**1,040,350**	**61,328**
Non-current liabilities				
Medium/long-term financial liabilities	**Note 17**	710,267	798,940	(88,673)
Lease liabilities	**Note 18**	383,909	368,890	15,019
Provisions for risks and charges	**Note 19**	19,379	19,944	(565)
Liabilities for employees' benefits	**Note 20**	12,963	8,940	4,023
Deferred tax liabilities	**Note 28**	98,451	106,683	(8,232)
Payables for business acquisitions	**Note 21**	7,229	5,705	1,524
Contract liabilities	**Note 23**	153,716	153,613	103
Other long-term liabilities	**Note 21**	26,379	16,123	10,256
Total non-current liabilities		**1,412,293**	**1,478,838**	**(66,545)**
Current liabilities				
Trade payables	**Note 22**	358,955	325,583	33,372
Payables for business acquisitions	**Note 24**	9,554	24,601	(15,047)
Contract liabilities	**Note 23**	120,043	114,857	5,186
Tax liabilities	**Note 24**	74,433	74,785	(352)
Other payables	**Note 24**	181,101	167,796	13,305
Hedging instruments	**Note 8**	242	-	242
Provisions for risks and charges	**Note 25**	1,268	1,663	(395)
Liabilities for employees' benefits	**Note 26**	3,713	3,616	97
Short-term financial liabilities	**Note 27**	316,413	243,661	72,752
Lease liabilities	**Note 18**	113,522	99,715	13,807
Total current liabilities		**1,179,244**	**1,056,277**	**122,967**
TOTAL LIABILITIES		**3,693,215**	**3,575,465**	**117,750**

(*) Transactions with related parties have not been reported separately because not material both at single entity and at consolidated level. Please refer to note 39 for more details.

CONSOLIDATED INCOME STATEMENT (*)

(€ thousands)		FY 2023			FY 2022			
		Recurring	Non-recurring	Total	Recurring	Non-recurring	Total	Change
Revenues from sales and services	Note 29	2,260,084	-	2,260,084	2,119,126	-	2,119,126	140,958
Operating costs (**)	Note 30	(1,727,574)	(14,738)	(1,742,312)	(1,605,723)	(6,533)	(1,612,256)	(130,056)
Other income and costs (**)	Note 31	9,077	-	9,077	11,890	(51)	11,839	(2,762)
Gross operating profit (EBITDA)		**541,587**	**(14,738)**	**526,849**	**525,293**	**(6,584)**	**518,709**	**8,140**
Amortization, depreciation and impairment	**Note 32**							
Amortization of intangible fixed assets with finite useful life		(93,448)	-	(93,448)	(80,085)	-	(80,085)	(13,363)
Depreciation of property, plant, and equipment		(54,391)	-	(54,391)	(51,131)	-	(51,131)	(3,260)
Right-of-use depreciation		(119,292)	-	(119,292)	(108,491)	-	(108,491)	(10,801)
Impairment losses and reversals of non-current assets		(506)	-	(506)	(333)	-	(333)	(173)
		(267,637)	**-**	**(267,637)**	**(240,040)**	**-**	**(240,040)**	**(27,597)**
Operating result		**273,950**	**(14,738)**	**259,212**	**285,253**	**(6,584)**	**278,669**	**(19,457)**
Financial income, expenses and value adjustments to financial assets	**Note 33**							
Group's share of the result of associated companies valued at equity and gains/ losses on disposals of equity investments		555	-	555	309	-	309	246
Interest income and expenses		(27,737)	-	(27,737)	(18,725)	-	(18,725)	(9,012)
Interest expenses on lease liabilities		(14,808)	-	(14,808)	(11,366)	-	(11,366)	(3,442)
Other financial income and expenses		(5,966)	-	(5,966)	(2,390)	-	(2,390)	(3,576)
Exchange gains and losses, and inflation accounting		(3,172)	-	(3,172)	(2,716)	-	(2,716)	(456)
Gain (loss) on assets accounted at fair value		1,663	-	1,663	(45)	-	(45)	1,708
		(49,465)	**-**	**(49,465)**	**(34,933)**	**-**	**(34,933)**	**(14,532)**
Profit (loss) before tax		**224,485**	**(14,738)**	**209,747**	**250,320**	**(6,584)**	**243,736**	**(33,989)**
Current and deferred income tax	**Note 34**							
Current tax		(65,713)	4,087	(61,626)	(68,724)	1,819	(66,905)	5,279
Deferred tax		6,904	-	6,904	1,949	-	1,949	4,955
		(58,809)	**4,087**	**(54,722)**	**(66,775)**	**1,819**	**(64,956)**	**10,234**
Net profit (loss)		**165,676**	**(10,651)**	**155,025**	**183,545**	**(4,765)**	**178,780**	**(23,755)**
Net profit (loss) attributable to Minority interests		(114)	-	(114)	255	-	255	(369)
Net profit (loss) attributable to the Group		**165,790**	**(10,651)**	**155,139**	**183,290**	**(4,765)**	**178,525**	**(23,386)**

(*) Transactions with related parties have not been reported separately because not material both at single entity and at consolidated level. Please refer to note 39 for more details.
(**) Please note that some of the operating cost, operating income and cost items pertaining to 2022 were reclassified in order to provide a more accurate representation.

Earnings and dividend per share (€ per share)		FY 2023	FY 2022
Earnings per share	**Note 38**		
- Basic		0.69285	0.79570
- Diluted		0.68809	0.78699
Dividend per share (*)		0.29	0.29

(*) Dividend proposed by the Board of Directors at the Shareholders General Meeting convened on April 24th, 2024.

STATEMENT OF CONSOLIDATED COMPREHENSIVE INCOME

(€ thousands)

		FY 2023	FY 2022
Net income (loss) for the period		**155,025**	**178,780**
Other comprehensive income (loss) that will not be reclassified subsequently to profit or loss:			
Remeasurement of defined benefit plans	**Note 20**	(4,501)	11,942
Tax effect on components of other comprehensive income that will not be reclassified subsequently to profit or loss		762	(2,150)
Total other comprehensive income (loss) that will not be reclassified subsequently to profit or loss after the tax effect (A)		**(3,739)**	**9,792**
Other comprehensive income (loss) that will be reclassified subsequently to profit or loss			
Gains/(losses) on cash flow hedging instruments	**Note 8**	(13,191)	27,561
Gains/(losses) from Foreign Currency Basis Spread on hedging instruments	**Note 8**	516	790
Gains/(losses) on exchange differences from translation of financial statements of foreign entities		(57,935)	(11,734)
Tax effect on components of other comprehensive income that will be reclassified subsequently to profit or loss		3,132	(6,978)
Total other comprehensive income (loss) that will be reclassified subsequently to profit or loss after the tax effect (B)		**(67,478)**	**9,639**
Total other comprehensive income (loss) (A)+(B)		**(71,217)**	**19,431**
Comprehensive income (loss) for the period		**83,808**	**198,211**
Attributable to the Group		84,274	198,237
Attributable to Minority interests		(466)	(26)

STATEMENT OF CHANGES IN CONSOLIDATED EQUITY

(€ thousands)

		Share capital	Share premium reserve	Legal reserve	Other reserves	Treasury shares reserve	Stock grant reserve	Cash flow hedge reserve	Foreign Curr. Basis Spread Reserve	Actuarial gains and losses	Retained earnings	Translation differences	Profit (loss) for the period	Total Shareholders' equity	Minority interests	Total net equity
Balance at 01/01/2022		**4,528**	**202,712**	**934**	**3,636**	**(28,841)**	**38,566**	**(1,033)**	**(993)**	**(7,010)**	**594,266**	**(39,372)**	**157,785**	**925,178**	**2,103**	**927,281**
Allocation of profit (loss) for 2021											157,785		(157,785)	-		-
Share capital increase														-		-
Treasury shares						(53,093)								**(53,093)**		**(53,093)**
Dividend distribution											(58,237)			**(58,237)**		**(58,237)**
Notional cost of stock grants	**Note 35**						12,520							**12,520**		**12,520**
Other changes						32,039	(15,904)				(2,231)			**13,904**	(236)	**13,668**
- Stock Grant						*32,039*	*(15,904)*				*(14,828)*			***1,307***		***1,307***
- Inflation accounting											*13,149*			***13,149***		***13,149***
- Other changes											*(552)*			***(552)***	*(236)*	***(788)***
Total comprehensive income (loss) for the period								20,946	601	9,792	(174)	(11,453)	178,525	**198,237**	(26)	**198,211**
- Hedge accounting	**Note 8**							*20,946*	*601*					***21,547***		***21,547***
- Actuarial gains (losses)										*9,792*				***9,792***		***9,792***
- Deferred taxes accounted for within Net Equity											*(174)*			***(174)***		***(174)***
- Translation differences												*(11,453)*		***(11,453)***	*(281)*	***(11,734)***
- Result for FY 2022													*178,525*	***178,525***	*255*	***178,780***
Balance at 12/31/2022		**4,528**	**202,712**	**934**	**3,636**	**(49,895)**	**35,182**	**19,913**	**(392)**	**2,782**	**691,409**	**(50,825)**	**178,525**	**1,038,509**	**1,841**	**1,040,350**

(€ thousands)

		Share capital	Share premium reserve	Legal reserve	Other reserves	Treasury shares reserve	Stock grant reserve	Cash flow hedge reserve	Foreign Curr. Basis Spread Reserve	Actuarial gains and losses	Retained earnings	Translation differences	Profit (loss) for the period	Total Shareholders' equity	Minority interests	Total net equity
Balance at 01/01/2023		**4,528**	**202,712**	**934**	**3,636**	**(49,895)**	**35,182**	**19,913**	**(392)**	**2,782**	**691,409**	**(50,825)**	**178,525**	**1,038,509**	**1,841**	**1,040,350**
Allocation of profit (loss) for 2022											178,525		(178,525)	-		-
Share capital increase														-		-
Treasury shares														-		-
Dividend distribution											(65,361)			**(65,361)**		(65,361)
Notional cost of stock grants	**Note 35**						27,305							**27,305**		27,305
Other changes						32,400	(21,188)				4,980			**16,192**	(616)	15,576
- Stock Grant						*32,400*	*(21,188)*				*(7,106)*			***4,106***		*4,106*
- Inflation accounting											*12,890*			***12,890***		*12,890*
- Other changes											*(804)*			***(804)***	*(616)*	*(1,420)*
Total comprehensive income (loss) for the period								(10,025)	392	(3,739)	90	(57,583)	155,139	**84,274**	(466)	83,808
- Hedge accounting	**Note 8**							*(10,025)*	*392*					***(9,633)***		*(9,633)*
- Actuarial gains (losses)										*(3,739)*				***(3,739)***		*(3,739)*
- Deferred taxes accounted for within Net Equity											*90*			***90***		*90*
- Translation differences												*(57,583)*		***(57,583)***	*(352)*	*(57,935)*
- Result for FY 2023													*155,139*	***155,139***	*(114)*	*155,025*
Balance at 12/31/2023		**4,528**	**202,712**	**934**	**3,636**	**(17,495)**	**41,299**	**9,888**	**-**	**(957)**	**809,643**	**(108,408)**	**155,139**	**1,100,919**	**759**	**1,101,678**

STATEMENT OF CONSOLIDATED CASH FLOWS (*)

(€ thousands)

	FY 2023	FY 2022
OPERATING ACTIVITIES		
Net profit (loss)	155,025	178,780
Amortization, depreciation and impairment:		
- *intangible fixed assets*	93,506	80,110
- *property, plant, and equipment*	54,839	51,440
- *right-of-use assets*	119,292	108,491
Provisions, other non-monetary items and gain/losses from disposals	35,871	13,889
Group's share of the result of associated companies	(550)	(306)
Financial income and expenses	50,017	35,239
Current and deferred taxes	54,720	64,956
Cash flow from operating activities before change in working capital	**562,720**	**532,599**
Utilization of provisions	(10,871)	(9,074)
(Increase) decrease in inventories	(11,361)	(16,212)
Decrease (increase) in trade receivables	(49,121)	(22,507)
Increase (decrease) in trade payables	24,152	80,235
Changes in other receivables and other payables	27,490	(28,825)
Total change in assets and liabilities	**(19,711)**	**3,617**
Dividends received	198	342
Interest received (paid)	(51,985)	(33,080)
Taxes paid	(77,679)	(44,856)
Cash flow generated from (absorbed by) operating activities (A)	**413,543**	**458,622**

(€ thousands)

	FY 2023	FY 2022
INVESTING ACTIVITIES:		
Purchase of intangible fixed assets	(66,313)	(58,788)
Purchase of tangible fixed assets	(75,340)	(56,846)
Consideration from sale of non-current assets	1,795	9,342
Cash flow generated from (absorbed by) operating investing activities (B)	**(139,858)**	**(106,292)**
Purchase of subsidiaries and business units net of cash and cash equivalents acquired or dismissed	(108,469)	(84,572)
Increase (decrease) in payables for business acquisitions	(13,154)	(2,917)
Cash flow generated from (absorbed by) acquisition activities (C)	**(121,623)**	**(87,489)**
Cash flow generated from (absorbed by) investing activities (B+C)	**(261,481)**	**(193,781)**
FINANCING ACTIVITIES:		
Increase (decrease) in financial payables	(15)	(128,336)
(Increase) decrease in financial receivables	50,390	(57)
Hedging instruments	(1,483)	-
Fees paid on long-term borrowings	(1,413)	-
Principal portion of lease payments	(116,187)	(107,298)
Other non-current assets and liabilities	(773)	(6,172)
Dividend distributed	(65,361)	(58,237)
Treasury shares purchase	-	(53,093)
Capital increases and minority shareholders' contributions and dividends paid to third parties by subsidiaries	(215)	(608)
Cash flow generated from (absorbed by) financing activities (D)	(135,057)	(353,801)
Net increase in cash and cash equivalents (A+B+C+D)	**17,005**	**(88,960)**
Cash and cash equivalents at beginning of period	**179,654**	**268,546**
Effect of exchange rate fluctuations on cash & cash equivalents	(3,511)	68
Flows of cash and cash equivalents	17,005	(88,960)
Cash and cash equivalents at end of period	**193,148**	**179,654**

(*) Transactions with related parties have not been reported separately because not material both at single entity and at consolidated level. Please refer to note 39 for more details.

Related-party transactions relate to lease of the main office and certain stores, to recharges of maintenance costs and general services of the above-mentioned buildings and to commercial transactions, personnel costs and loans. Such loans are detailed in Note 39.

SUPPLEMENTARY INFORMATION TO THE STATEMENT OF CONSOLIDATED CASH FLOWS

The fair values of the assets and liabilities acquired, which are described in the following note 3, are summarized in the table below:

(€ thousands)

	FY 2023	FY 2022
- Goodwill	81,339	69,121
- Customer lists	31,082	25,814
- Trademarks and non-competition agreements	5	80
- Other intangible fixed assets	504	295
- Property, plant, and equipment	8,727	2,911
- Right-of-use assets	1,209	2,658
- Current assets	6,523	9,293
- Provisions for risks and charges	2	-
- Current liabilities	(11,989)	(10,418)
- Other non-current assets and liabilities	(7,623)	(10,904)
- Third parties equity	1,653	-
Total investments	**111,432**	**88,850**
Net financial debt acquired	1,169	1,292
Total business combinations	**112,601**	**90,142**
(Increase) decrease in payables through business acquisition	13,154	2,917
Cash flow absorbed by (generated from) acquisitions	**125,755**	**93,059**
(Cash and cash equivalents acquired)	(4,132)	(5,570)
Net cash flow absorbed by (generated from) acquisitions	**121,623**	**87,489**

NOTES

I. General Information

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

The parent company, Amplifon S.p.A. is based in Via Ripamonti 133, Milan, Italy. The Group is controlled directly by Ampliter S.r.l. (42.12% as at 31 December 2023), held for a 100% by Amplifin S.r.l., which is fully controlled by Susan Carol Holland.

The consolidated financial statements at 31 December 2023 have been prepared in accordance with International Financial Reporting Standards (IFRS) and the regulations implementing 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 31 December 2023. International Financial Reporting Standards endorsed after that date and before the preparation of these financial statements are adopted in the preparation of this annual report only if early adoption is allowed by the endorsing regulation, by the reporting standard itself and the Group has elected to do so.

The publication of the consolidated financial statements of the Amplifon Group for the year closed on 31 December 2023, carried out in accordance with European Commission Delegated Regulation n. 2019/815, as amended, was authorized by the Board of Directors on 7 March 2024. This annual report is subject to the approval of the Annual Shareholders' Meeting of Amplifon S.p.A. convened on 24 April 2024.

The accounting policies adopted in the preparation of the annual report and a summary of the accounting principles and interpretations to be applied in the future are detailed in section 45.

2. Impact of the conflict in Ukraine, in Middle East, and climate change on the Group's performance and financial position

The Group has no business activities, direct or indirect, in either Ukraine, Russia or Belarus and limited activities in surrounding countries. The military conflict in Ukraine, therefore, has not yet had any direct impact on the Group's performance or business. That said, in 2022 the Russian-Ukrainian conflict caused a strong increase in inflation worldwide causing the central banks to tighten monetary policies and raise interest rates which stabilized somewhat in 2023 but, however, continue to be very high. The economic recovery that characterized the first post pandemic phase slowed rapidly and the short/medium-term prospects remain uncertain and hard to assess with the possibility that an economic recession may materialize or persist. With regard to the conflict in the Middle East, the Amplifon Group has around 25 points of sale in Israel which generate sales equal to approximately 1% of annual consolidated revenues.

While the hearing aid market has always proven to be resilient even in times of economic crisis, as hearing solutions and services are non-discretional products which benefit people's physical, emotional and relational health significantly, and customers are assisted by public and private insurances, as well as consumer loans, the current inflationary environment and uncertainty about the future costs of basic necessities could cause a few potential customers, as was the case in Europe in 2023, to postpone the purchase of a hearing aid temporarily, particularly if needed in the medium-term. Although the Group monitors the changing macroeconomic environment and the relative impact on the business constantly, it cannot be excluded that the situation described above could cause the demand for the Group's services and products to slow even though, as mentioned before, Amplifon operates in a market segment which in the past, albeit in situations that are not directly comparable, has proven to be less sensitive than others to changes in the general economic cycle.

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

3. Acquisitions and goodwill

The Group continued with external growth in 2023 and acquired 343 points of sale for a total cash-out of €108,469 thousand, amount that includes the consolidated debt and the best estimate of the earn-out linked to sales and profitability targets payable over the next few years.

More in detail, in 2023:

- 189 points of sale were acquired in China;
- 49 points of sale were acquired in Canada;
- 45 points of sale were acquired in Germany;
- 25 points of sale were acquired in France;
- 23 points of sale were acquired in the United States;
- 6 points of sale were acquired in Poland;
- 3 points of sale were acquired in Spain;
- 2 points of sale were acquired in Mexico;
- 1 point of sale was acquired in Italy;

In detail:

SHARE DEALS (*)

Company name	Date	Location
NewEar	02/01/2023	France
Ghama	02/01/2023	France
Adagio	02/01/2023	France
Audition Guidel	02/01/2023	France
Octave Audition	02/01/2023	France
Argenteuil Acoustique Médicale	03/01/2023	France
SAS Galy	03/01/2023	France
Labo Audio	04/01/2023	France
N.C. Audition	04/01/2023	France
Toumelin	05/01/2023	France
Pornic Audition	05/01/2023	France
Audio Montfermeil	06/01/2023	France
LCA Rodez	06/01/2023	France
Audition du Segala	09/01/2023	France
Amplitude Audition	09/01/2023	France
Boulben Audition - Majuni	09/01/2023	France
OSX Solutions Auditives	10/01/2023	France
Nouvelle Audition	10/01/2023	France
Ondes DBR	11/01/2023	France
Living Sounds Hearing Centre Ltd.	02/01/2023	Canada
Professional Hearing Services Ltd.	02/06/2023	Canada
Sackville Hearing Centre Limited	03/01/2023	Canada
Hometown Hearing Centre Inc	09/01/2023	Canada
Newlife Hearing Inc.	11/07/2023	Canada
Shanxi Tingdaoai Hearing Technology Co.Ltd	02/09/2023	China
Henan Shengjia Hearing Aids Co., Ltd.	04/09/2023	China
Fuzhou Tingan Medical Device Co. Ltd	09/01/2023	China
Sichuan Meilingting Medical device Co.ltd	10/01/2023	China
Xi'an Ansheng Medical Equipment Co.	11/01/2023	China
Ningxia Listening Shunan Medical Equipment Co.	11/01/2023	China
Yunnan Hearing Sound Medical Technology Co.	12/01/2023	China

(*) All the companies were 100% acquired and were consolidated on the acquisition date.

ASSET DEALS

Name	Date	Location
Milano Via Meda	05/12/2023	Italy
Arc-Lès-Gray	06/26/2023	France
SALESA	01/17/2023	Spain
Schmitka Künzell	01/01/2023	Germany
Knorr Radevormwald	01/01/2023	Germany
Knorr Ludwighshafen	01/01/2023	Germany
Pfister Bergisch Gladbach	02/15/2023	Germany
Sinus Hörakustik	03/15/2023	Germany
Hörgeräte Steneberg	05/01/2023	Germany
Pavel Hörgeräte Gaggenau	06/01/2023	Germany
Silvia Olbert	06/01/2023	Germany
Blau Hörgeräte GmbH & Co KG	06/30/2023	Germany
das HörConcept GmbH & Co. KG	07/15/2023	Germany
Hörgeräte Böhlefeld GmbH & Co. KG	07/15/2023	Germany
Koch Hörgeräte GmbH	08/02/2023	Germany
Pavel Hörgeräte Heiligenhafen GmbH	09/01/2023	Germany
Hörsysteme Herrmann GmbH	10/01/2023	Germany
Hörgerätezentrum Gabriele Jütz GmbH	10/15/2023	Germany
Symann Hörgeräte	11/01/2023	Germany
OTIS	05/01/2023	Poland
Baxter Hearing Specialists, LLC	03/10/2023	United States
Pandhandle Hearing Centers, Inc.	05/19/2023	United States
DeRamus Hearing Aid Center, Inc.	05/25/2023	United States
Beltone Hearing Aid Center, Inc.	07/12/2023	United States
Insta-Sound, Inc.	07/21/2023	United States
Bravo One Inc. and Echo Hearing Inc.	08/18/2023	United States
Reynolds Audiology, LLC	09/29/2023	United States
Hawkeye Hearing, Inc.	10/20/2023	United States
Allison Audiology & Hearing Aid Center - Lake Jackson, P.C.	10/26/2023	United States
William David Benson Sole Proprietorship	11/03/2023	United States
J.B.A. Investments, Inc.	11/17/2023	United States
Kemptville Hearing Clinic	08/01/2023	Canada
GAES MEXICO SA DE CV	02/01/2023	Mexico
Dreams-JZ	06/16/2023	China
Dreams-XY	06/21/2023	China
Fuzhou tingan medical device Co. Ltd.	09/01/2023	China
Zhejiang	09/22/2023	China
Dreams-CQ	10/01/2023	China
Sichuan Meilingting Medical device Co.ltd	10/01/2023	China
Xi'an Ansheng Medical Equipment Co.	11/01/2023	China
Ningxia Listening Shunan Medical Equipment Co.	11/01/2023	China
Yunnan Hearing Sound Medical Technology Co.	12/01/2023	China
SANSY2	10/12/2023	China

(€ thousands)

	Total Purchase Price	Cash acquired	Financial debts acquired	Total Cost	Expected annual turnover (*)	Contribution to turnover from the purchase date
Total share deals	60,256	(4,132)	1,169	57,293	18,086	17,522
Total asset deals	51,176	-	-	51,176	22,275	7,750
Total	**111,432**	**(4,132)**	**1,169**	**108,469**	**40,361**	**25,272**

(*) Annual turnover is the best available estimate of the turnover of the firm or business acquired during 2023.

Changes in goodwill and the amounts recognized during the year following acquisitions completed in the reporting period, broken down by Groups of Cash Generating Units, are detailed in the table below.

(€ thousands)

	Net carrying value at 12/31/2022	Business combinations	Disposals	Impairment	Other net changes	Net carrying value at 12/31/2023
EMEA	921,163	33,301	-	-	919	955,383
Americas	213,816	36,997	-	-	(13,635)	237,178
Asia Pacific	619,049	11,041	-	-	(23,077)	607,013
Total goodwill	**1,754,028**	**81,339**	**-**	**-**	**(35,793)**	**1,799,574**

“Business combinations“ refers to the temporary allocation to goodwill of the portion of the purchase price paid, comprehensive of the deferred portion and the contingent consideration (earn-out) of which in note 21 e 24, which is not directly attributable to the fair value of assets and liabilities but, rather, based on the assumption that the positive contribution to cash flow will last for an indefinite period of time.

“Other net changes“ are almost entirely attributable to foreign exchange differences.

The carrying amounts and the fair value of assets and liabilities, deriving from the temporary allocation of the purchase price paid for business combinations and non-controlling interests in subsidiaries, are summarized below.

(€ thousands)

	EMEA	Americas	Asia Pacific	Total
Cost of acquisitions of the period	**42,688**	**38,759**	**29,985**	**111,432**
Assets and liabilities acquired – Book value				
Current assets	777	1,640	-	2,417
Current liabilities	(3,924)	(3,383)	-	(7,307)
Net working capital	**(3,147)**	**(1,743)**	**-**	**(4,890)**
Other intangible, tangible and right-of-use assets	3,910	1,282	5,249	10,441
Provisions for risks and charges	2	-	-	2
Other non-current assets and liabilities	(1,110)	42	-	(1,068)
Non-current assets and liabilities	**2,802**	**1,324**	**5,249**	**9,375**
Net invested capital	**(345)**	**(419)**	**5,249**	**4,485**
Third Parties Equity	**-**	**1,653**	**-**	**1,653**
Net financial position	**2,843**	**120**	**-**	**2,963**
NET EQUITY ACQUIRED - BOOK VALUE	**2,498**	**1,354**	**5,249**	**9,101**
DIFFERENCE TO BE ALLOCATED	**40,190**	**37,405**	**24,736**	**102,331**
ALLOCATIONS				
Trademarks	4	-	-	4
Customer lists	13,681	3,708	13,695	31,084
Contract liabilities - Short and long-term	(5,027)	(3,300)	-	(8,327)
Deferred tax assets	317	-	-	317
Deferred tax liabilities	(2,086)	-	-	(2,086)
Total allocations	**6,889**	**408**	**13,695**	**20,992**
GOODWILL	**33,301**	**36,997**	**11,041**	**81,339**

Identification of the Groups of Cash Generating Units

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

The assets allocation to Groups of Cash Generating Units and the identification criteria of these groups are the same with respect to the financial Statements as at 31 December 2022.

The groups of cash generating units identified for the purpose of impairment testing are:

- EMEA that includes Italy, France, the Netherlands, Germany, Belgium, Switzerland, Spain, Portugal, the UK, Hungary, Poland, Israel, and Egypt;
- AMERICA which includes the individual businesses through which it operates in the US market (Franchising, Retail, and Managed Care) and the countries Canada, Argentina, Chile, Mexico, Panama, Ecuador, and Colombia;
- ASIA PACIFIC that includes Australia, New Zealand, India, and China.

The recoverable value of goodwill is assessed at the higher of fair value and value in use. As at 31 December 2023, management used value in use for its valuations.

Impairment tests

All the groups of cash-generating units were subject to IAS 36 compliant impairment tests, based on the value in use calculated using the discounted cash flow (DCF) method net of tax consistent with the post-tax discount rates used.

The value in use of the Groups of Cash Generating Units was determined by discounting the estimated future cash flows forecast in the three-year business plan (2024-2026) approved by the subsidiaries as well as from the Amplifon Group consolidated business plan (2024-2026) approved by the Board of Directors on 14 December 2023.

The impairment test was approved by the Board of Directors of the Parent Company before the approval of the Group Financial Statements.

The main assumptions that management used to estimate value in use include the discount rate (WACC), the growth rate (g), and the expected changes in revenues and costs during the period assumed for the calculation.

The rate adopted to discount the expected cash flows is the weighted average cost of capital (WACC) post-tax, which reflects the current market evaluations, and has been determined using the following drivers: the risk free interest rate per CGU which is equal to the yield on the ten-year government bond, the beta, the equity risk premium and the cost of debt.

More in detail, the beta and equity risk premium were determined in accordance with best practices using a widely recognized, international database (Damodaran) which takes into account market and macroeconomic risks to determine the Equity Risk Premium and the systematic risk of a financial asset and the specific risks of the market in which the Group operates to determine beta. The beta is calculated based on the arithmetic average of the betas for Healthcare Products, Healthcare Support Services and Retail special lines. The current global market conditions are characterized by persistent uncertainty and volatility, as well as high interest rates and inflation, resulting in the expectation that global economic growth will deteriorate. Particular attention was, therefore, paid to the sensitivity analysis and verifying that all the Groups of Cash Generating Units had sufficient headroom in the event there was an increase (in terms of percentage points) in the discount rates.

The perpetual growth rate for each country was adjusted to reflect the International Monetary Fund's forecast for inflation in 2027.

	EMEA	AMERICAS	ASIA PACIFIC
Growth rate	1.90%	3.23%	2.55%
WACC (*) 2023	8.05%	11.30%	8.85%
Cash flow time horizon (explicit assumption)	3Y	3Y	3Y
WACC (*) 2022	8.41%	11.82%	9.67%

(*) The WACC of the Groups of CGUs was determined by weighting the WACCs of each CGU found in the region based on the respective EBITDA recorded in the last year of the business plan.

No loss in value was identified as a result of impairment testing.

All the Groups of Cash Generating Units were also subjected to sensitivity analyses in order to determine the change in underlying assumptions which, in light of the impact of this change on other variables, would result in the Groups of Cash Generating Units' recoverable value being equal to its book value. This analysis, shown below, showed that only significant deviations from the business targets, in interest rates and perpetual growth rates, would reduce the recoverable value to a level close to the book value of all the Groups of Cash Generating Units.

	Negative changes (percentage points) in growth rate expected on the basis of each business plan which would make the CGU's recoverable value equal to its book value	Negative % changes in cash flow expected on the basis of each business plan which would make the CGU's recoverable value equal to its book value	Changes (percentage points) in the discount rates (WACC) which would make the CGU's recoverable value equal to its book value
EMEA	19 p.p.	67%	13 p.p.
AMERICAS	40 p.p.	73%	21 p.p.
ASIA PACIFIC	4 p.p.	32%	3 p.p.

CONSOLIDATED FINANCIAL STATEMENTS
CONSOLIDATED NON-FINANCIAL STATEMENT
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4. Intangible fixed assets with useful life

The following table shows the changes in intangible assets.

(€ thousands)

	Historical cost at 12/31/2022	Accumulated amortization and write-downs at 12/31/2022	Net book value at 12/31/2022	Historical cost at 12/31/2023	Accumulated amortization and write-downs at 12/31/2023	Net book value at 12/31/2023
Software	235,964	(143,068)	92,896	289,839	(171,112)	118,727
Licenses	23,024	(18,450)	4,574	29,731	(20,618)	9,113
Non-competition agreements	14,328	(7,749)	6,579	19,484	(14,614)	4,870
Customer lists	464,959	(258,275)	206,684	474,972	(276,910)	198,062
Trademarks and concessions	96,559	(44,113)	52,446	95,028	(50,803)	44,225
Other	22,665	(11,292)	11,373	14,056	(4,197)	9,859
Fixed assets in progress and advances	45,546	-	45,546	31,733	-	31,733
Total	**903,045**	**(482,947)**	**420,098**	**954,843**	**(538,254)**	**416,589**

(€ thousands)

	Net book value at 12/31/2022	Invest-ments	Disposals	Amortization	Business combinations	Impair-ment	Other net changes	Net book value at 12/31/2023
Software	92,896	25,336	8	(38,018)	3	-	38,502	118,727
Licenses	4,574	8,022	(574)	(5,889)	5	-	2,975	9,113
Non-competition agreements	6,579	1,714	-	(4,031)	-	-	608	4,870
Customer lists	206,684	40	(14)	(37,169)	31,082	-	(2,561)	198,062
Trademarks and concessions	52,446	-	-	(7,661)	4	(11)	(553)	44,225
Other	11,373	808	(370)	(680)	2	(16)	(1,258)	9,859
Fixed assets in progress and advances	45,546	30,393	(68)	-	495	(31)	(44,602)	31,733
Total	**420,098**	**66,313**	**(1,018)**	**(93,448)**	**31,591**	**(58)**	**(6,889)**	**416,589**

The change in "Business combinations" comprises:

- For €13,694 thousand, the temporary allocation of the price paid for acquisitions made in EMEA;
- For €4,204 thousand, the temporary allocation of the price paid for acquisitions made in Americas;
- For €13,693 thousand, the temporary allocation of the price paid for acquisitions made in APAC.

The increase in intangible fixed assets seen in the year (€66,313 thousand) is attributable mainly to investments in digital technology and information technology. The constant focus on the customer and the desire to increase control of operations fueled the significant work done on both technological infrastructures through the Symphony project, focused on providing customers with a highly hyper-personalized experience, as well as on the optimization of in-store systems and tools to support the Amplifon Product Experience, which has redefined Amplifon's entire customer journey. At the same time substantial work was also done on the operating and back-office processes. There has been a roll-out process with the gradual launch of a new ERP system based on the new integrated and interdependent solutions "Software as a Service" and "Platform as a Service" which provide the Amplifon Group with a customized cloud environment. Significant investments were also made in systems designed to streamline Group procurement and centralize purchasing.

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

5. Property, plant, and equipment

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

(€ thousands)

	Historical cost at 12/31/2022	Accumulated amortization and write-downs at 12/31/2022	Net book value at 12/31/2022	Historical cost at 12/31/2023	Accumulated amortization and write-downs at 12/31/2023	Net book value at 12/31/2023
Land	154	-	154	129	-	129
Buildings, constructions and leasehold improvements	298,991	(199,083)	99,908	321,929	(215,933)	105,996
Plant and machines	52,414	(42,077)	10,337	43,102	(34,441)	8,661
Industrial and commercial equipment	76,808	(58,052)	18,756	91,892	(71,140)	20,752
Motor vehicles	1,047	(776)	271	1,259	(838)	421
Computers and office machinery	80,108	(62,712)	17,396	90,415	(69,133)	21,282
Furniture and fittings	124,155	(91,452)	32,703	136,733	(100,349)	36,384
Other tangible fixed assets	5,673	(3,031)	2,642	6,686	(4,228)	2,458
Fixed assets in progress and advances	11,248	-	11,248	25,433	-	25,433
Total	**650,598**	**(457,183)**	**193,415**	**717,578**	**(496,062)**	**221,516**

(€ thousands)

	Net book value at 12/31/2022	Invest-ments	Disposals	Amortization	Business combinations	Impair-ment	Other net changes	Net book value at 12/31/2023
Land	154	-	-	-	-	-	(25)	129
Buildings, constructions and leasehold improvements	99,908	24,601	(224)	(25,154)	131	(174)	6,908	105,996
Plant and machines	10,337	2,164	-	(2,845)	444	(81)	(1,358)	8,661
Industrial and commercial equipment	18,756	5,921	(100)	(6,499)	237	(6)	2,443	20,752
Motor vehicles	271	245	(28)	(115)	33	(1)	16	421
Computers and office machinery	17,396	6,673	(73)	(9,106)	3,549	-	2,843	21,282
Furniture and fittings	32,703	9,983	(8)	(10,006)	2,017	(189)	1,884	36,384
Other tangible fixed assets	2,642	322	(1)	(666)	1	-	160	2,458
Fixed assets in progress and advances	11,248	25,431	(43)	-	2,315	3	(13,521)	25,433
Total	**193,415**	**75,340**	**(477)**	**(54,391)**	**8,727**	**(448)**	**(650)**	**221,516**

The investments made in the reporting period (€75,340 thousand) refer primarily to the network expansion with the opening of new stores and renewal of existing ones, as well as to the purchase of hardware needed for the implementation of Group Information Technology projects.

The change in "business combinations" comprises:

- for €2,723 thousand, the temporary allocation of the price paid for acquisitions made in EMEA;
- for €754 thousand, the temporary allocation of the price paid for acquisitions made in Americas;
- for €5,250 thousand, the temporary allocation of the price paid for acquisitions made in APAC.

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

6. Right-of-use assets

Right-of-use assets are reported here below:

(€ thousands)

	Historical cost at 12/31/2022	Accumulated amortization and write-downs at 12/31/2022	Net book value at 12/31/2022	Historical cost at 12/31/2023	Accumulated amortization and write-downs at 12/31/2023	Net book value at 12/31/2023
Stores and offices	777,889	(336,445)	441,444	880,210	(418,590)	461,620
Motor vehicles	24,819	(15,365)	9,454	31,377	(17,828)	13,549
Electronic machinery	1,657	(808)	849	4,644	(1,660)	2,984
Total	**804,365**	**(352,618)**	**451,747**	**916,231**	**(438,078)**	**478,153**

(€ thousands)

	Net book value at 12/31/2022	Increase	Decrease	Depreciation	Business combinations	Impair-ment	Other net changes	Net book value at 12/31/2023
Stores and offices	441,444	132,849	(5,454)	(112,125)	1,209	-	3,697	461,620
Motor vehicles	9,454	9,683	284	(6,195)	-	-	323	13,549
Electronic machinery	849	3,120	(13)	(972)	-	-	-	2,984
Total	**451,747**	**145,652**	**(5,183)**	**(119,292)**	**1,209**	**-**	**4,020**	**478,153**

The increase in right of use assets acquired in the year (€145,652 thousand) is explained by the renewal of existing leases, and the network expansion.

The decreases in right-of-use assets refer to anticipated terminations of rent contracts due to store relocations. There was not any incursion of significant costs or fees due to these early terminations.

The change in "business combinations" comprises:

- for €1,177 thousand, the temporary allocation of the price paid for acquisitions made in EMEA;
- for €32 thousand, the temporary allocation of the price paid for acquisitions made in Americas.

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

For more details refer to note 18.

7. Other non-current assets

(€ thousands)

	Balance at 12/31/2023	Balance at 12/31/2022	Change
Long-term financial receivables	12,915	9,204	3,711
Asset Plans and other restricted amounts	1,362	1,644	(282)
Other non-current assets	32,558	31,622	936
Total	**46,835**	**42,470**	**4,365**

More in detail:

- long-term financial receivables refer largely to the loans granted by American subsidiaries to franchisees for €12,457;
- Other non-current assets include:
  - €11,489 thousand in security deposits called for in the leases for stores and offices;
  - €15,580 thousand related to suspended costs, commissions, and other compensation payable for post-sales services to be rendered in the future relating mainly to agents in Italy.

The cash flow stemming from the contracts relating to both long-term financial receivables and other non-current assets are discounted when the interest rate applied differs from the market rate.

The following tables show the non-current assets in accordance with the accounting treatment applied.

(€ thousands) December 31st, 2023

Consolidated statement of financial position	Amortized cost	Fair Value through OCI	Fair Value through P&L
Non-current assets			
Financial assets measured at FV through P&L			
Financial long-term receivables	12,915		
Asset plans and other restricted amounts			1,362
Other non-current assets	32,558		

(€ thousands) December 31st, 2022

Consolidated statement of financial position	Amortized cost	Fair Value through OCI	Fair Value through P&L
Non-current assets			
Financial assets measured at FV through P&L			
Financial long-term receivables	9,204		
Asset plans and other restricted amounts			1,644
Other non-current assets	31,622		

8. Derivatives and hedge accounting

These are instruments not listed on official markets; entered into for the purpose of hedging interest rate and/or currency risk. The fair value of these instruments is determined using valuation models based on market-derived inputs (source: Bloomberg) such as forward rates, exchange rates, etc. The valuation is performed using the DCF method. Own risk and counterparty risk (credit/debit value adjustments) were taken into account. These credit/debit value adjustments were determined based on market information such as the value of CDS (Credit Default Swaps) and used to determine counterparty risk, also taking into account the mutual break clause if present.

The following table shows the fair values of the derivatives outstanding at the end of the comparative period and at the reporting date showing the fair value of those derivatives that qualify as fair value hedges and cash flow hedges and those that do not qualify for hedge accounting separately.

(€ thousands)	Fair value at 12/31/2023		Fair value at 12/31/2022	
Type	Assets	Liabilities	Assets	Liabilities
Fair value hedge	-	-	-	-
Cash flow hedge	12,933	-	42,235	-
Total hedge accounting	**12,933**	**-**	**42,235**	**-**
Non hedge accounting	549	242	631	-
Total	**13,482**	**242**	**42,866**	**-**

Cash Flow Hedges

In 2023, cash flow hedges were made against the interest rate risk relating to medium/long-term outstanding debt of €300.2 million at 31 December 2023.

At the end of January 2023, the Private Placement 2013-2025 was repaid in advance in full and the cross-currency swaps were, consequently, closed.

(€ thousands)

Hedging purpose	Hedged risk	Fair value at 12/31/2023		Fair value at 12/31/2022	
Hedging purpose	**Hedged risk**	**Assets**	**Liabilities**	**Assets**	**Liabilities**
Private Placement 2013-2025	Exchange and interest rates	-	-	16,385	-
Medium long-term bank loans	Interest rate	12,933	-	25,850	-
	Total	**12,933**	**-**	**42,235**	**-**

The following table details the gains or losses from the derivatives currently in place and the impact on the statement of financial position of the cash flow hedge reserve. Amounts are shown before the tax effect.

(€ thousands)	Recognized in net equity	Reclassified to the income statement - Effective portion	Reclassified to the income statement - Ineffective portion
	(Debit)/Credit	(Loss) Gain	(Loss) Gain
1/1/2022 - 12/31/2022	28,351	(6,010)	430
1/1/2023 - 12/31/2023	(12,675)	-	-

The maturity of the hedges is in line with the duration of the item hedged. Please refer to Note 17 for details.

Non-hedge accounting derivatives

Non-hedge accounting derivatives comprise forwards hedging the exchange risk on transactions in currency other than the Company's or the individual subsidiary's reporting currency.

Valuation Method

The following tables show the derivative instruments in accordance with the accounting treatment applied:

(€ thousands)	December 31st, 2023	
Consolidated statement of financial position	**Fair value Net Equity**	**Fair value through P&L**
Asset Derivative Instruments – Cash flow hedge	12,933	
Liability Derivative Instruments – Cash flow hedge		
Asset Derivative Instruments - Non-hedge accounting		549
Liability Derivative Instruments - Non-hedge accounting		242

(€ thousands)	December 31st, 2022	
Consolidated statement of financial position	**Fair value Net Equity**	**Fair value through P&L**
Asset Derivative Instruments – Cash flow hedge	42,235	
Liability Derivative Instruments – Cash flow hedge		
Asset Derivative Instruments - Non-hedge accounting		631
Liability Derivative Instruments - Non-hedge accounting		

The following table shows the fair value measurement on the basis of a hierarchy reflecting the level of significance of the data used for the valuation.

This hierarchy consists of the following levels:

1. listed (unadjusted) prices in active markets for identical assets and liabilities;
2. input data other than the above listed prices, but which can be observed directly or indirectly in the market;
3. input data on assets or liabilities not based on observable market data.

(€ thousands)	2023				2022			
	Level I	**Level 2**	**Level 3**	**Total**	**Level I**	**Level 2**	**Level 3**	**Total**
Assets								
Hedging instruments								
- Long-term		12,933		**12,933**		25,850		**25,850**
- Short-term		549		**549**		17,016		**17,016**
Liabilities								
Hedging instruments								
- Long-term		-		**-**		-		**-**
- Short-term		242		**242**		-		**-**

There were no transfers among the levels during the period.

9. Inventories

(€ thousands)

	Balance at 12/31/2023			Balance at 12/31/2022		
	Cost	Obsolescence provision	Net	Cost	Obsolescence provision	Net
Finished goods	100,268	(11,948)	88,320	89,755	(13,497)	76,258
Total	**100,268**	**(11,948)**	**88,320**	**89,755**	**(13,497)**	**76,258**

Movements in the provision for obsolescence for inventories in the year were as follows:

(€ thousands)

Balance at 12/31/2022	**(13,497)**
Provision	(1,143)
Utilization	2,634
Business combination	(8)
Translation differences and other movements	66
Balance at 12/31/2023	**(11,948)**

10. Trade receivables

Trade receivables are detailed in the following table:

(€ thousands)

	Balance at 12/31/2023	Balance at 12/31/2022	Change
Trade receivables	231,053	191,994	39,059
Trade receivables - Subsidiaries	161	22	139
Trade receivables - Parent company	13	32	(19)
Trade receivables - Associated companies and joint ventures	26	19	7
Total trade receivables	**231,253**	**192,067**	**39,186**

The breakdown of trade receivables is shown in the table below:

(€ thousands)

	Balance at 12/31/2023	Balance at 12/31/2022	Change
Trade receivables	247,722	206,954	40,768
Sales returns liabilities	(1,829)	(2,177)	348
Allowance for doubtful accounts	(14,840)	(12,783)	(2,057)
Total	**231,053**	**191,994**	**39,059**

The average collection time was around 31 days in 2023 and there is no significant concentration of credit risk.

€222,574 thousand of the trade receivables are held as part of a "held to collect" business model based on which contractual cash flows are collected at maturity and €25,148 thousand are held as part of a "hold to collect and sell" business model based on which contractual cash flows are collected at maturity or through a sale.

The face value of the factoring without recourse transactions carried out in the year amounted to €239,797 thousand (versus €181,763 thousand in the prior year) and relate primarily to receivables generated in the year and, therefore, did not have a significant impact on the comparison of working capital with the prior year. As of this year, factoring without recourse includes the receivables with the insurance companies of the German subsidiaries in the current period and in the comparison period for the sake of a better disclosure.

Movements in the allowance for doubtful accounts in the year were as follows:

(€ thousands)

Balance at 12/31/2022	**(12,783)**
Provisions	(4,341)
Reversals	2,786
Utilization for charges	(718)
Business combinations	(58)
Translation differences and other net charges	274
Balance at 12/31/2023	**(14,840)**

In compliance with the mandatory disclosure requirements in Italy as per Law n. 124 of 4/8/17 n. 124, please note that in 2023 Amplifon Italia S.p.A. received a total of €53,711 thousand (as shown in 51,021 invoices) from public entities, of which €46,732 thousand (as shown in 44,391 invoices) through financial operators, and €6,979 thousand (as shown in 6,630 invoices) through direct deposits.

II. Contract costs

(€ thousands)

	Balance at 12/31/2023	Balance at 12/31/2022	Change
Contract costs – Short-term	6,840	5,262	1,578
Contract costs – Long-term	11,275	11,131	144
Total	**18,115**	**16,393**	**1,722**

The contract costs, of €18,115 thousand, refer to the costs incurred to obtain or fulfil contracts capitalized in accordance with IFRS 15. These typically include commissions and bonuses paid to employees and agents for each sale made. These costs are deferred and recognized in the income statement based on the level to which the relative contractual performance obligations have been satisfied.

The significant changes in the contract cost balances are shown below:

(€ thousands)

Net value at 12/31/2022	**16,393**
Increase linked to customer contracts and reversals	1,790
Business combinations	-
Translation differences and other net changes	(68)
Net value at 12/31/2023	**18,115**

The impact of the contract costs on the income statement for the next years is shown below:

(€ thousands)

	2024	2025	2026	2027	2028 and beyond
Contract costs	7,237	5,209	3,118	1,735	816

12. Other receivables

(€ thousands)

	Balance at 12/31/2023	Balance at 12/31/2022	Change
Tax receivables	32,466	22,319	10,147
Other receivables	35,566	23,998	11,568
Non-financial prepayments and accrued income	32,152	26,293	5,859
Total	**100,184**	**72,610**	**27,574**

Tax receivables
Tax receivables comprise mainly tax advances for €10,069 thousand to be used to offset future tax payables, as well as €19,586 thousand in VAT and other indirect tax credits held based on a held to collect business model (cash flows collected at maturity).

Factoring without recourse of VAT credits amounted to €23,755 thousand in the reporting period with net proceeds reaching €23,156 thousand (€11,862 thousand and €11,590 thousand respectively on 31 December 2022).

Other receivables
Other receivables are held with a view to collecting the contractual cash flows at maturity.

Non-financial accrued income and prepaid expenses
More in detail, this item refers for:

- €12,199 thousand to services to be rendered in the future and for which revenue recognition is deferred (mainly post-sales services) relating primarily to agents in Italy;
- € 3,468 thousand to advertising;
- € 1,648 thousand to costs related to leases which do not qualify as lease components as defined by *IFRS16 – Leasing*;
- € 944 thousand to insurance;
- €13,883 thousand to other services and prepaid costs.

13. Other financial assets

(€ thousands)

	Balance at 12/31/2023	Balance at 12/31/2022	Change
Other financial assets	851	49,884	(49,033)
Financial prepayments and accrued income	50	102	(52)
Total	**901**	**49,986**	**(49,085)**

"Other financial assets" amounted to €901 thousand at 31 December 2023 and refer primarily to quotas of money market funds managed by top-tier financial institutions. This change is explained mainly by the disinvestment from these liquidity funds.

14. Cash and cash equivalents

(€ thousands)

	Balance at 12/31/2023	Balance at 12/31/2022	Change
Bank current accounts	190,356	177,045	13,311
Short-term bank deposits	1,262	1,024	238
Funds	117	101	16
Cash on hand	1,413	1,484	(71)
Total	**193,148**	**179,654**	**13,494**

Cash and cash equivalents amounted to €193,148 thousand at 31 December 2023, €13,494 thousand lower than the €179,654 thousand recorded at 31 December 2022. This change is explained mainly by the disinvestment from liquidity funds for €50,390 thousand, as well as the operating cash flow after lease payments, outlays for investments and acquisitions, as well as the payment of dividends to shareholders.

Cash and cash equivalents are deposited with top-rated banks and earn interest at market rates.

The ratings assigned to financial assets by S&P are broken down below:

(€ thousands)

		Rating S&P short-term					
	Balance at 12/31/2023	A-1+	A-1	A-2	A-3	B	Other (*)
Non-current assets							
Hedging instruments – long-term	12,933						
Current assets							
Hedging instruments – short-term	549						
Bank current accounts, short-term bank deposits, and funds	191,735	3,989	33,996	103,822	319	160	49,449
Cash on hand	1,413						

(*) The "Other" column refers primarily to time deposit balances with counterparties that are unrated, but which satisfy ECB's minimum capital requirements, as well as with institutions not domiciled in the European Union.

15. Share capital

At 31 December 2023 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 2022.

A total of 1,189,212 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.

In 2023 no treasury shares were purchased. A total of 642,148 treasury shares, or 0.284% of the Company's share capital, were held at 31 December 2023.

Information relating to the treasury shares held is shown below.

	N. of shares	Average purchase price (€)/ FV of transferred rights (Euro)	Total amount (€ thousands)
Held at 12/31/2022	**1,831,360**	**27.244**	**49,895**
Transfers due to exercise of performance stock grants	(1,189,212)	27.245	(32,400)
Held at 12/31/2023	**642,148**	**27.245**	**17,495**

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16. Net financial position

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

(€ thousands)

	Balance at 12/31/2023	Balance at 12/31/2022	Change
Cash (A)	193,148	179,654	13,494
Cash equivalents (B)	-	-	-
Short term investments (C)	883	49,968	(49,085)
Total Cash, Cash Equivalents and Short-Term Investments (A+B+C) (D)	**194,031**	**229,622**	**(35,591)**
Current financial payables (including bonds, but excluding current portion of medium/long-term debt) (E)	311,178	221,095	90,083
- Bank borrowings	*164,978*	*116,659*	*48,319*
- Private Placement 2013-2025	*-*	*103,131*	*(103,131)*
- Other financial payables and bank overdrafts	*146,507*	*19,697*	*126,810*
- Hedging derivatives	*(307)*	*(18,392)*	*18,085*
Current portion of medium/long-term financial debt (F)	129,077	130,329	(1,252)
- Financial accruals and deferred income	*6,001*	*6,012*	*(11)*
- Payables for business acquisitions	*9,554*	*24,601*	*(15,047)*
- Lease Liability – current portion	*113,522*	*99,716*	*13,806*
Current Financial Indebtedness (E+F) (G)	**440,255**	**351,424**	**88,831**
Net Current Financial Indebtedness (G-D) (H)	**246,224**	**121,802**	**124,422**
Non current financial payables (I)	753,337	826,797	(73,460)
- Bank borrowings – Non current portion	*362,199*	*452,202*	*(90,003)*
- Payables for business acquisitions – Non current portion	*7,229*	*5,705*	*1,524*
- Lease Liability – Non current portion	*383,909*	*368,890*	*15,019*
Bonds (J)	350,000	350,000	-
- Eurobond 2020-2027	*350,000*	*350,000*	*-*
Trade and other non current payables (K)	-	-	-
Non Current Financial Indebtedness (I+J+K) (L)	**1,103,337**	**1,176,797**	**(73,460)**
Total Financial Indebtedness (H+L) (M)	**1,349,561**	**1,298,599**	**50,962**

Excluding lease liabilities (€497,431 thousand at 31 December 2023), net financial debt amounted to €852,130 thousand at 31 December 2023, broken down as follows:

(€ thousands)

	Balance at 12/31/2023	Balance at 12/31/2022	Change
Cash and Cash Equivalents	193,148	179,654	13,494
Short Term Investments	883	49,968	(49,085)
Cash, Cash Equivalents and Short Term Investments	**194,031**	**229,622**	**(35,591)**
Current Financial Indebtedness (excluding lease liabilities)	326,733	251,708	75,025
Current Financial Indebtedness (excluding lease liabilities)	**132,702**	**22,086**	**110,616**
Non current Financial Indebtedness (excluding lease liabilities)	719,428	807,907	(88,479)
Total Financial Indebtedness (excluding lease liabilities)	**852,130**	**829,993**	**22,137**

The financial structure was strengthened by a few important transactions:

- at the end of January 2023 early repayment was made, in addition to the tranche falling due, of the remainder of the US Private Placement 2013-2025 (€85,371 at the hedging rate). The early repayment of the USPP and the subsequent elimination of the related financial covenants allowed the Amplifon Group to further improve financial flexibility;
- at the end of May 2023, a new €300 million sustainability-linked revolving line of credit was obtained from a pool of banks. This new facility, with a 3-year term and an extension option for 2 additional years at the Company's discretion, provides Amplifon with greater financial flexibility, further strengthening its solid liquidity position, diversifying the sources of funding and extending the average debt maturity;
- in July 2023 Amplifon signed a €300 million loan agreement with the European Investment Bank (EIB) to finance its innovation and digitalization process (out of a total of €350 million in financing approved by the EIB). At the end of December 2023, €75 million of the loan, available for a period of 24 months, was utilized. These resources will contribute to the further innovation of Amplifon's products and services, providing an excellent and highly personalized hearing care experience thanks to the use of a full ecosystem built around the customer, in which the quantity and quality of the Company's services, data owned by the company, as well as digital technologies, play a key role.

Long-term net financial debt, excluding lease liabilities, amounted to €719,428 thousand at 31 December 2023 and to €807,907 thousand at 31 December 2022. The decrease of €88,479 thousand is attributable mainly to the reclassification of portions of long-term bank debt, expiring in the next 12 months, from long-to short-term, net the increases stemming from the EIB loan (for €75 million) and the utilization of an irrevocable revolving credit line with Banca Intesa for €60 million.

The short-term portion of net financial debt, excluding lease liabilities, increased by €110,616 thousand, going from €22,086 thousand at 31 December 2022 to €132,702 thousand at 31 December 2023 due primarily of the reclassification of portions of long-term debt maturing in the next 12 months.

The Group has unutilized, irrevocable lines of credit of €480 million which, in addition to the unutilized portion of the EIB loan of €225 million, the €101 million in available uncommitted credit lines and the cash generation expected for 2024, ensure enough liquidity to satisfy current obligations and support business needs.

More specifically, the short-term portion of the net financial position includes the short-term portion of long-term bank loans (€164,978 thousand), other bank debt of €146,299 thousand including hot money and utilization of short-term credit lines, interest payable on the Eurobond (€3,463 thousand), as well as on other bank borrowings (€1,252 thousand) and lastly, the best estimate of the deferred payments for acquisitions (€9,554 thousand), net of the €194,031 thousand in liquidity.

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

a. under the item "medium/long-term financial liabilities" described in the section 17 of the explanatory notes for the long-term portion.

(€ thousands)

	Balance at 12/31/2023
Eurobond 2020-2027	350,000
Loan with the European Investment Bank	75,000
Other medium/long-term debt	287,199
Fees on *Eurobond* 2020-2027 and bank loans	(1,932)
Medium/long-term financial liabilities	**710,267**

b. under the item "financial payables (current)", described in the section 27 of the explanatory notes for the current portion.

(€ thousands)

	Balance at 12/31/2023
Bank overdraft and other short-term debt (including current portion of other long-term debt)	311,485
Other financial payables	6,001
Fees on bank loans	(1,073)
Short-term financial liabilities	**316,413**

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

17. Financial liabilities

Financial liabilities breakdown is as follows:

(€ thousands)

	Balance at 12/31/2023	Balance at 12/31/2022	Change
Eurobond 2020-2027	350,000	350,000	-
Loan with the European Investment Bank	75,000	-	75,000
Other medium long-term bank loans	287,199	452,202	(165,003)
Fees on Eurobond 2020-2027 and bank loans.	(1,932)	(3,262)	1,330
Total medium/long-term financial liabilities	**710,267**	**798,940**	**(88,673)**
Short term debt	316,413	243,661	72,752
- of which current portion of short-term bank loans	*164,978*	*116,659*	*48,319*
- of which current portion of Private Placement 2013-2025	-	*103,131*	*(103,131)*
- of which debts for account overdrafts and other short-term liabilities	*146,299*	*18,212*	*128,087*
- of which fees for bank loans	*(1,073)*	*(1,245)*	*172*
Total short-term financial liabilities	**316,413**	**243,661**	**72,752**
Total financial liabilities	**1,026,680**	**1,042,601**	**(15,921)**

The main financial liabilities are detailed below.

- *Eurobond* 2020-2027

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

Issue Date	Debtor	Maturity	Nominal value (€/000)	Fair Value (€/000)	Nominal interest rate	Euro interest rate after hedging
02/13/2020	Amplifon S.p.A.	02/13/2027	350,000	321,692	1.125%	N/A
	Total in Euro		**350,000**	**321,692**		

- *Bank loans*

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

Issue Date	Debtor	Type	Maturity	Nominal value (€/000)	Outstanding debt (€/000)	Fair Value (€/000)	Nominal interest rate (*)	Outstanding debt hedged (€/000)	Interest rate after hedging (**)
12/15/2023	Amplifon S.p.A.	Amortizing	12/15/2032	75,000	75,000	79,529	3.653% (***)		
04/06/2020	Amplifon S.p.A.	Amortizing	04/06/2025	50,000	21,428	21,911	5.212%	21,428	0.880%
04/28/2020	Amplifon S.p.A.	Amortizing	04/28/2025	50,000	50,000	38,207	5.152%		
04/23/2020	Amplifon S.p.A.	Amortizing	06/30/2025	35,000	21,875	22,112	4.785%	21,875	0.785%
08/03/2020	Amplifon S.p.A.	Amortizing	06/30/2025	10,000	3,055	3,085	4.990%		
12/23/2021	Amplifon S.p.A.	Amortizing	12/23/2026	210,000	176,400	179,633	4.685%	176,400	0.963%
04/07/2020	Amplifon S.p.A.	Amortizing	04/07/2025	150,000	90,000	91,925	5.175%	60,000	1.05%
04/29/2020	Amplifon S.p.A.	Amortizing	04/29/2025	78,000	29,250	29,935	5.61%	20,475	1.414%
12/29/2023	Amplifon S.p.A.	RCF (no cleandown)	09/30/2026	60,000	60,000	61,901	5.034%		
	Total			**718,000**	**527,008**	**528,238**		**300,178**	

(*) The nominal interest rate comprises the benchmark rate (Euribor) plus the applicable spread.
(**) An Interest Rate Swap was used to hedge these loans against interest rate risk at the IRS rate plus a spread.
(***) The EIB is fixed rate through 12/15/2027; it will subsequently be adjusted to reflect current market conditions and the Group may chose either a fixed or a floating rate.

The current loans, broken down by maturity, are show below.

Debtor	Maturity (in thousands)	Average Interest rate 2023/360	Balance as at 12/31/2022 (€/000)	Repayments as at 12/31/2023 (€/000)	New loans (€/000)	Business combination (€/000)	Balance as at 12/31/2023 (€/000)	Short term portion (€/000)	Medium/Long term portion (€/000)
Private placement 2013-2025 Amplifon USA	**USD 8,000** 07/31/2023	4.46%	**7,500**	(7,500)			**-**		
Private placement 2013-2025 Amplifon USA	**USD 52,000** 07/31/2023	4.51%	**48,753**	(48,753)			**-**		
Private placement 2013-2025 Amplifon USA	**USD 50,000** 07/31/2025	4.66%	**46,878**	(46,878)			**-**		
Eurobond 2020-2027 2020-2027 Amplifon SpA	**EUR 350,000** 02/13/2027	1.125%	**350,000**				**350,000**		**350,000**
BEI fixed interest rate 2023- 2032 Amplifon SpA	**EUR 75,000** 12/15/2032	3.65%	**-**		75,000		**75,000**		**75,000**
UBI amortizing due date 04/30/2023 Amplifon SpA *Euribor* 3m +1.10	**EUR 7,538** 04/30/2023	1.16%	**7,538**	(7,538)			**-**		
Mediobanca bullet due date 03/22/2024 Amplifon SpA *Euribor* 6m +1.55%	**EUR 60,000** 03/22/2024	4.84%	**60,000**	(60,000)			**-**		
BNL amortizing due date 04/06/2025 Amplifon SpA *Euribor* 6m +1.25%	**EUR 35,714** 04/06/2025	4.42%	**35,714**	(14,286)			**21,428**	**14,286**	**7,142**
Unicredit Amortizing due date 04/07/2025 Amplifon SpA *Euribor* 6m + margin grid	**EUR 120,000** 04/07/2025	4.21%	**120,000**	(30,000)			**90,000**	**60,000**	**30,000**
BPM amortizing due date 04/28/2025 Amplifon SpA *Euribor* 6m +1.05%	**EUR 50,000** 04/28/2025	4.28%	**50,000**				**50,000**	**25,000**	**25,000**
CDP/MPS amortizing due date 04/29/2025 Amplifon SpA *Euribor* 6m +1.65%	**EUR 48,750** 04/29/2025	4.78%	**48,750**	(19,500)			**29,250**	**19,500**	**9,750**
Credit Agricole amortizing due date 06/30/2025 Amplifon SpA *Euribor* 6m +1.10%	**EUR 31,500** 06/30/2025	4.27%	**31,500**	(9,625)			**21,875**	**10,500**	**11,375**
Sparkasse amortizing due date 06/30/2025 Amplifon SpA *Euribor* 3m +1.05%	**EUR 5,065** 30/06/2025	4.26%	**5,065**	(2,010)			**3,055**	**2,031**	**1,024**
Pool, (UCI, MB, BNL/BNP,Caixa) due date 12/23/2026 Amplifon SpA *Euribor* 6m + margin grid	**EUR 210,000** 12/23/2026	4.19%	**210,000**	(33,600)			**176,400**	**33,600**	**142,800**
Intesa RCF no cleandown due date 09/30/2026 Amplifon SpA *Euribor* 6m +1.15%	**EUR 60,000** 03/22/2024	5.03%	**-**		60,000		**60,000**		**60,000**
Total long-term loans			**1,021,698**	**(279,690)**	**135,000**	**-**	**877,008**	**164,917**	**712,091**
Others			**1,011**	**(892)**	**1,101**	**93**	**302**	**209**	**93**
TOTAL			**1,022,709**	**(280,582)**	**136,101**	**93**	**877,310**	**165,126**	**712,184**

The maturities of financial debt at 31 December 2023 based on contractual obligations are shown below:

(€ thousands)

	Eurobond 2020-2027	Loan EIB	Bank loans	Total
2024			164,917	164,917
2025		5,000	122,091	127,091
2026		10,000	165,000	175,000
2027	350,000	10,000		360,000
2028		10,000		10,000
2029		10,000		10,000
2030		10,000		10,000
2031		10,000		10,000
2032		10,000		10,000
Total	**350,000**	**75,000**	**452,008**	**877,008**

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

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

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

The trigger events for these covenants and the "spikes" relative to significant acquisitions (i.e. increase in benchmark index for maximum 12 months and twice along the duration of the financial liability) are summarized below:

(€ thousands)

Primary Credit Facility Agreement	Leverage Ratio	Net Worth Ratio	Interest Cover	Spike
- Medium/long-term bilateral loans with top-tier banking institutions of €143 million. - Irrevocable credit lines with top-tier banking institutions of €125 million.	≤ 2.85	≤ 1.65	-	≤ 3.26 (Leverage Ratio) ≤ 2.20 (Net Worth Ratio)
- €21 million bank loan expiring in 2025. - Revolving irrevocable credit line of €15 million.	≤ 2.85	-	> 4.90	≤ 3.26 (Leverage Ratio)
- Medium/long-term bilateral loans with top-tier banking institutions of €51 million. - Irrevocable lines of credit with premier banks amounted to €115 million (of which €100 million is explained by the sustainability-linked facility).	≤ 2.85	≤ 1.65	> 4.90	≤ 3.26 (Leverage Ratio) ≤ 2.20 (Net Worth Ratio)

The loan negotiated at the end of 2021, which replaced the €210 million syndicated loan used for the GAES acquisition, the new €300 million revolving facility negotiated at the end of May 2023 (both of which are sustainability-linked) and the €300 million loan (utilized for €75 million), granted by the European Investment Bank are not subject to covenants. However, the financial covenants on the other credit facilities will also be extended to these lenders as a result of a most favored clause. The three financial covenants and the relative spikes, shown in the table above, are, therefore, applied to these credit lines to the extent that they are also applied to the other facilities.

As at 31 December 2023 these ratios were as follows:

	Value as at 12/31/2023
Net financial indebtedness excluding lease liabilities/Group net equity *(Net Worth Ratio)*	0.77
Net financial position excluding lease liabilities/EBITDA for the last four quarters *(Leverage Ratio)*	1.50
EBITDA for the last 4 quarters/Net financial expenses *(Interest Cover)*	18.03

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 12/31/2023
Group EBITDA FY 2023	526,849
Fair value of stock grant assignment	30,283
EBITDA normalized (from acquisitions and disposals)	6,620
Acquisitions and non-recurring costs	3,672
EBITDA for the covenant calculation	567,424

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.

Based on management's expectations (2024-2026 3-year Group's plan submitted to the Board of Directors of the Parent Company on 14 December 2023) at 31 December 2023 there are no foreseeable circumstances which could cause the covenants to be breached over the life of the plan.

The financial liabilities broken down by the accounting method used are shown below:

(€ thousands)	12/31/2023		
	Amortized cost	Fair value Net Equity	Fair Value through P&L
Total non-current financial liabilities	710,267		
Total current financial liabilities	316,413		

(€ thousands)	12/31/2022		
	Amortized cost	Fair value Net Equity	Fair Value through P&L
Total non-current financial liabilities	798,940		
Total current financial liabilities	243,661		

18. Lease liabilities

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

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

(€ thousands)

	Value at 12/31/2023	Value at 12/31/2022	Change
Short term lease liabilities	113,522	99,716	13,806
Long term lease liabilities	383,909	368,890	15,019
Total lease liabilities	**497,431**	**468,606**	**28,825**

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

(€ thousands)

	12/31/2023
Interest charges on leased assets	(14,808)
Right-of-use depreciation	(119,292)
Costs for short-term leases and leases for low value assets	(15,936)

The maturities of the Group's lease liabilities based on undiscounted contractual cash flows are summarized below:

Description	< 1 year	Between 1 and 2 years	Between 2 and 3 years	Between 3 and 4 years	Between 4 and 5 years	> 5 years
Undiscounted lease liabilities	136,011	102,129	86,934	68,527	55,108	138,866

The maturities of the Group's lease liabilities based on discounted contractual payments are summarized below:

Description	< 1 year	Between 1 and 2 years	Between 2 and 3 years	Between 3 and 4 years	Between 4 and 5 years	> 5 years
Lease liabilities	113,523	94,335	76,822	59,857	45,347	107,547

19. Provisions for risks and charges (medium/long-term)

(€ thousands)

	Value at 12/31/2023	Value at 12/31/2022	Change
Product warranty provision	1,191	1,261	(70)
Contractual risk provision	3,420	4,515	(1,095)
Agents' leaving indemnity	13,092	11,735	1,357
Other risk provisions	1,676	2,433	(757)
Total	**19,379**	**19,944**	**(565)**

(€ thousands)

	Net value as at 12/31/2022	Provision	Utilization	Reversals	Other net changes	Translation differences	Business combinations	Net value at 12/31/2023
Product warranty provision	1,261	748	(647)	-	(168)	(3)	-	1,191
Contractual risk provision	4,515	489	(1,165)	(434)	-	13	2	3,420
Agents' leaving indemnity	11,735	2,010	(672)	-	50	(31)	-	13,092
Other risk provisions	2,433	(184)	(239)	(263)	(19)	(52)	-	1,676
Total	**19,944**	**3,063**	**(2,723)**	**(697)**	**(137)**	**(73)**	**2**	**19,379**

The "Agents' leaving indemnity" refers mainly to Amplifon Italia S.p.A.'s provisions for the indemnity of €12,197 thousand.

The main assumptions used in the actuarial calculation of the agents' leaving indemnity of Amplifon Italia S.p.A. were:

	FY 2023
Economic assumptions	
Annual discount rate	3.08%
Demographic assumptions	
Probability of agency contract termination by the company	2.70%
Probability of agent's voluntary termination	8.25%
Mortality rate	RG48
Disability percentage	INPS tables divided by age and sex

The other provisions for risks include mainly the liabilities of reinsurance companies on lost & damage policies and the costs allocated for restoring premises to the original condition when leases expire.

20. Liabilities for employees' benefits (medium/long-term)

(€ thousands)

	Balance at 12/31/2023	Balance at 12/31/2022	Change
Defined-benefit plans	11,669	7,561	4,108
Other defined-benefit plans	758	766	(8)
Other provisions for personnel	536	613	(77)
Total	**12,963**	**8,940**	**4,023**

Provisions for defined-benefit plans mainly include the severance pay potentially owed by the Italian companies, as well as severance owed by the Swiss, French and Israeli subsidiaries.

The way in which these benefits are guaranteed varies based on the legal, tax and economic conditions of each country in which the Group operates.

The change in the provision for defined-benefit plans is detailed below:

(€ thousands)

	FY 2023
Net present value of the liability at the beginning of the year	**7,561**
Current service cost	396
Financial charges	125
Actuarial losses (gains)	4,501
Amounts paid	(1,050)
Translation differences	136
Reversal	-
Net present value of the liability at the end of the year	**11,669**

The current cost of severance indemnity is recognized under personnel expenses in the consolidated financial statements, while actuarial gains and losses are recognized in the statement of comprehensive income statement.

The main assumptions used in the actuarial estimate of the liability for employee benefits were as follows:

FY 2023

	Italy	France	Switzerland	Israel
Economic assumptions				
Annual discount rate	3.08%	3.65%	1.40%	5.77%
Expected annual inflation rate	2.00%	3.65%	2.00%	2.80%
Annual rate of increase of severance indemnity	3.00%	3.00%	2.00%	6.03%
Demographic assumptions				
Mortality rate	RG48 mortality tables published by the General Accounting Office of the State	INSEE 2022	BVG 2020 GT (generational)	Circular letter 2022-9-18
Disability percentage	INPS tables divided by age and sex	N/A	BVG 2020	Circular letter 2022-9-18
Retirement age	100% on meeting the requirements for compulsory national social insurance	60-67 years	100% on meeting the age requirements (65m/64f)	Male - 6 Female - 62

FY 2022

	Italy	France	Switzerland	Israel
Economic assumptions				
Annual discount rate	3.63%	3.65%	2.30%	2.29%
Expected annual inflation rate	2.30%	3.65%	1.50%	2.78%
Annual rate of increase of severance indemnity	3.225%	1.50%	2.00%	5.6%
Demographic assumptions				
Mortality rate	RG48 mortality tables published by the General Accounting Office of the State	INSEE 2021	BVG 2020 GT (generational)	Circular letter 2022-9-18
Disability percentage	INPS tables divided by age and sex	N/A	BVG 2020	Circular letter 2022-9-18
Retirement age	100% on meeting the requirements for compulsory national social insurance	60-67 years	100% on meeting the age r equirements (65m/64f)	Male – 67 Female - 62

Provisions for other benefits are explained primarily by the Australian subsidiaries (€699 thousand) which have an obligation for those benefits that are recognized when a given job seniority is reached.

21. Other long-term liabilities

(€ thousands)

	Value at 12/31/2023	Value at 12/31/2022	Change
Payables for business acquisitions	7,229	5,705	1,524
Other long-term debt	26,379	16,123	10,256
Total	**33,608**	**21,828**	**11,780**

Acquisition liabilities include the long-term portion of the contingent consideration (earn-out), estimated based on the economic information available at the end of the year 2023, to be paid on acquisitions of companies and business units made mainly in Germany, France, Belgium, Canada, the United States and China, if certain sales and/or profitability targets are reached, as well as the fair value of the put and call options on the remaining minority interests in Medtechnica Ortophone Ltd (Israel), as well as on an additional 9% of Hangzhou Amplifon Hearing Aid Co. Ltd (China) and its subsidiary Zhengzhou Yuanjin Hearing Technology Co. Ltd (China). The options are classified Level 3 on the fair value hierarchy scale.

Other long-term debt includes primarily the liabilities of reinsurance companies on loss & damage policies and the long-term portion of deferred payments to suppliers for the purchase of fixed assets. The increase in the reporting period is attributable mainly to the long-term portion of deferred payments to suppliers for the purchase of licenses for the "Software as a Service" and "Platform as a Service" platforms.

The following tables show the long-term liabilities according to the accounting treatment applied:

(€ thousands)	12/31/2023		
	Amortized cost	Fair value Net Equity	Fair Value through P&L
Payable for business acquisition		3,652	3,577
Other long-term debt	26,379		

(€ thousands)	12/31/2022		
	Amortized cost	Fair value Net Equity	Fair Value through P&L
Payable for business acquisition		2,576	3,129
Other long-term debt	16,123		

22. Trade payables

(€ thousands)

	Value at 12/31/2023	Value at 12/31/2022	Change
Trade payables – Joint ventures	2,973	1,716	1,258
Trade payables – Related parties	493	268	225
Trade payables – Third parties	355,489	323,599	31,889
Total	**358,955**	**325,583**	**33,372**

Trade payables do not bear interest and are paid within 60 to 120 days.

The Group adheres to a credit agreement (reverse factoring or indirect factoring) based on which suppliers can transfer their credits with the Group to a financial institute and receive early payment of their invoices. The Group did not eliminate the original liabilities to which the agreement applies from its accounts insofar as no legal release has been obtained nor have any substantive changes been made to the original liability as a result of the agreement. The agreement does not result in a significant lengthening of the Group's payment terms beyond the normal expirations established prior to adhering to the agreement or with the suppliers who do not adhere to the agreement. The Group, furthermore, may not postpone payment to the financial institute of its trade payables and does not have to pay additional interest to the financial institute on the amounts owed the suppliers. The amounts factored by the suppliers are classified as trade payables as the nature and purpose of the financial liabilities are not any different from that of the other trade payables. The trade payables which have yet to expire transferred to the factor by the suppliers amounted to €29,518 thousand at 31 December 2023.

23. Contract liabilities

(€ thousands)

	Value at 12/31/2023	Value at 12/31/2022	Change
Contract liabilities – Short-term	120,043	114,857	5,186
Contract liabilities – Long-term	153,716	153,613	103
Total	**273,759**	**268,470**	**5,289**

The contract liabilities refer to deferred income for goods and services provided to customers over time (after sales services, extended warranties, material rights, batteries). These are recognized in the income statement based on the level to which the different contractual performance obligations have been satisfied.

The changes in contract liabilities in the year are shown below:

(€ thousands)

Net value at 12/31/2022	**268,470**
Increase linked to customer contracts	73,299
Recognized revenues that were included in the opening balance	(75,384)
Business combinations	8,327
Currency translation differences and other net changes	(953)
Net value at 12/31/2023	**273,759**

The revenue recognized in 2023 stemming from fulfilled contractual obligations, included in the opening balance of contract liabilities at January 1st, 2023, amounted to €75,384 thousand.

More in detail, the contract liabilities that should be extinguished, resulting in the recognition of the revenue allocated, over the next years are shown below:

(€ thousands)

	2024	2025	2026	2027	2028 e oltre
Contract liabilities	120,255	73,635	43,961	24,439	11,469

For a description of the performance obligations relating to goods and services provided over time please refer to note 29.

24. Other payables

(€ thousands)

	Value at 12/31/2023	Value at 12/31/2022	Change
Other payables	163,133	149,855	13,278
Accrued expenses and deferred income	11,924	14,359	(2,435)
Sales returns - liability	6,044	3,582	2,462
Total other payables	**181,101**	**167,796**	**13,305**
Tax payables	74,433	74,785	(352)
Payables for business acquisitions	9,554	24,601	(15,047)
Total	**265,088**	**267,182**	**(2,094)**

The other payables mainly comprise: (i) €72,291 thousand relating to amounts owed personnel; (ii) €52,511 thousand relating to commissions and bonuses payable to agents; (iii) €28,215 thousand relating to social security liabilities; and (iv) €9,842 thousand relating to customer down-payments.

Acquisition liabilities include the short-term portion of the contingent consideration (earn-out) to be paid long-term on acquisitions of companies and business units made in Germany, France, Belgium, Canada, United States, and China if certain sales and/or profit targets are reached.

Tax payables include mainly: (i) €46,648 thousand in direct taxes; (ii) €19,751 thousand in withholding taxes; (iii) €8,034 thousand in VAT and other indirect taxes.

The provision for sales returns is calculated based on the best estimate of the liabilities for returns made through the direct channel.

The following table show other payables according to the accounting treatment applied:

(€ thousands)		12/31/2023	
	Amortized cost	Fair value Net Equity	Fair Value through P&L
Other debts	255,834		
Payables from business acquisitions			9,554

(€ thousands)		12/31/2022	
	Amortized cost	Fair value Net Equity	Fair Value through P&L
Other debts	242,581		
Payables from business acquisitions		4,253	20,348

25. Provisions for risks and charges (current portion)

(€ thousands)

	Value at 12/31/2023	Value at 12/31/2022	Change
Other provisions for risks	1,268	1,663	(395)
Total	**1,268**	**1,663**	**(395)**

The other provisions for risks include mainly the potential liabilities for costs allocated for restoring premises to the original condition when leases expire.

26. Liabilities for employees' benefits (current portion)

(€ thousands)

	Value at 12/31/2023	Value at 12/31/2022	Change
Other provisions for risks – current portion	3,713	3,616	97
Total	**3,713**	**3,616**	**97**

The amount refers to the current portion of liabilities for the employee benefits described in note 20.

27. Short-term financial debt

(€ thousands)

	Value at 12/31/2023	Value at 12/31/2022	Change
Bank current accounts	58,287	5,661	52,626
Short-term bank borrowings	88,012	12,551	75,461
Current portion of long-term debts	164,978	116,659	48,319
Current portion of the Private Placement 2013-2025	-	103,131	(103,131)
Payables to banks and other financing	**311,277**	**238,002**	**73,275**
Current portion of fees on loans	(1,073)	(1,245)	172
Short-term financial debt	208	892	(684)
Financial accrued expenses and deferred income	6,001	6,012	(11)
Total	**316,413**	**243,661**	**72,752**

For current share of medium-long term loans please see note 17.

Financial accruals and deferred income of €6,001 thousand relate primarily to the interest owed on the Eurobond 2020-2027 (€3,463 thousand) and other medium/long-term loans.

28. Deferred tax asset and liabilities

The net balance of deferred tax assets and liabilities at 31 December 2023 can be broken down as follows:

(€ thousands)

	Value at 12/31/2023	Value at 12/31/2022	Change
Deferred tax assets	82,701	81,780	921
Deferred tax liabilities	(98,451)	(106,683)	8,232
Net position	**(15,750)**	**(24,903)**	**9,153**

The net change in deferred tax assets and liabilities is provided below:

(€ thousands)

	Balance as at 12/31/2022	Recognized in P&L	Recognized in net equity	Businesses combinations	Exchange differences and other changes	Balance as at 12/31/2023
Deferred tax on severance indemnity and pension funds	2,335	486	762	-	501	4,084
Deferred tax on tax losses carried forward	2,470	(265)	-	-	(19)	2,186
Deferred tax on inventory	8,106	4,364	-	-	(10)	12,460
Deferred tax on tangibles, intangibles and goodwill	(36,727)	(7,896)	-	-	646	(43,977)
Deferred tax on trademarks and concessions	(47,928)	11,168	-	(2,086)	716	(38,130)
Deferred tax on other provisions	10,360	287	-	28	(756)	9,919
Deferred tax on contract liabilities and contract costs	13,774	(1,709)	-	289	(139)	12,215
Deferred tax on leasing	4,653	461	-	-	(48)	5,066
Substitute tax on the release of goodwill	6,400	-	-	-	-	6,400
Other deferred tax	11,654	8	3,132	-	(767)	14,027
Total	**(24,903)**	**6,904**	**3,894**	**(1,769)**	**124**	**(15,750)**

Deferred tax assets on prior year tax losses carried forward are as follows:

(€ thousands)

	Value at 12/31/2023	Value at 12/31/2022	Change
Germany	1,085	2,451	(1,366)
Israel	18	20	(2)
China	714	-	714
Portugal	369	-	369
Total	**2,186**	**2,471**	**(284)**

As at 31 December 2023 the following prior year fiscal losses did not originate deferred tax assets because the requirements of reasonable certainty for recoverability do not currently exist:

(€ thousands)

	Prior year tax losses	Rate	Deferred tax assets not recognized in the consolidated financial statements	Due date
Argentina	1,206	30.00%	362	5 years
Canada	24,121	26.50%	6,392	9-20 years
China	1,516	25.00%	379	1-5 years
Colombia	4,555	35.00%	1,594	6-12 years
India	12,048	26.00%	3,132	1-8 years
Mexico	8,518	30.00%	2,555	4-10 years
Panama	10	25.00%	3	2 years
Poland	876	19.00%	166	1-5 years
UK	98,365	25.00%	24,592	-
Hungary	2,484	9.00%	224	2-5 years
Total	**153,699**		**39,399**	

29. Revenues from sales and services

The breakdown of the Group's revenues by customer contract is shown below.

(€ thousands)

	FY 2023	FY 2022	Change
Revenues from sale of products	1,956,353	1,846,950	109,403
Revenues from services	303,731	272,176	31,555
Total revenues from sales and services	**2,260,084**	**2,119,126**	**140,958**
Goods and services provided at a point in time	1,956,353	1,846,950	109,403
Goods and services provided over time	303,731	272,176	31,555
Total revenues from sales and services	**2,260,084**	**2,119,126**	**140,958**

Consolidated revenues from sales and services amounted to €2,260,084 thousand in 2023, an increase of €140,958 thousand (+6.7%) compared to the prior year.

The increase against 2022 is explained for €169,450 thousand (+8.0%) by positive organic growth and for €46,337 thousand (+2.2%) by acquisitions, while the foreign exchange effect contributed negatively for €74,829 thousand (-3.5%). The revenues from the Argentinian subsidiary were impacted by the inflation accounting used in accordance with IAS29, which contributed positively to organic growth (+0.8%) and negatively to the foreign exchange effect.

Revenues from services rendered were €31,555 thousand higher and refer mainly to the deferred revenues for post-sales services which are recognised overtime based on the extent which the performance obligations have been satisfied.

For the breakdown of revenues by geographical area refer to Note 44 Segment Information.

The main goods and services provided by the Amplifon Group in 2023, as well as the nature and terms of the performance obligations, are described below.

Goods and services	Nature and fulfillment terms
Hearing aid and fitting	Part of a single and inseparable performance obligation, comprised of the hearing aid, fitting and personalization of the solution using computerized systems to satisfy each person's needs. The Group recognized the relative revenue when the fitting has been completed or at the end of the trial period, when provided.
Other goods	Batteries, cleaning kits, and other accessories. The Group recognizes the revenue relative to other goods when the goods are transferred, which can happen at the time of sale (ex. batteries, cleaning kits and other accessories) or over time.
After sales services	After sales services include: • Cleaning, regulation and revision of the hearing aid; • Periodic hearing tests; • Post – sales assistance; The Group recognizes the revenue generated by after sales services over the life of the contract, generally 4-5 years. The amount of the revenue recognized based on the input method.
Extended warranties	Extended warranties are provided in addition to mandatory warranties that the supplier must provide. The Group recognizes the revenue from extended warranties in equal amounts over the duration of the extension.
Material rights	*Material rights include, for example, discounts of future purchases or loyalty points.* The Group recognizes the revenue from material rights when the rights are exercised by the customer or when the probability that the customer exercises the remaining rights is remote.

The deferred revenues for goods transferred and services rendered over time which will be realized in subsequent years and included in the short- and long-term contract liabilities at 31 December 2023 are showed below:

(€ thousands)

	2024	2025	2026	2027	2028 and beyond
Revenues for goods and services provided over time	120,255	73,635	43,961	24,439	11,469

Services rendered over time refer mainly to after sales services, extended warranties, material rights and batteries (if delivered over time).

30. Operating costs

(€ thousands)

	FY 2023	FY 2022 (*)	Change
Cost of raw materials, consumables and supplies and change in inventories of raw materials, consumables and supplies	(348,857)	(351,846)	2,989
Personnel expenses – Points of sale	(506,617)	(464,370)	(42,247)
Commissions – Points of sale	(121,553)	(116,809)	(4,744)
Rental costs – Points of sale	(13,189)	(10,752)	(2,437)
Total	**(990,216)**	**(943,777)**	**(46,439)**
Other personnel expenses	(297,887)	(236,093)	(61,794)
Other rental costs	(2,747)	(1,738)	(1,009)
Other costs for services	(451,462)	(430,648)	(20,814)
Total other operating costs	**(752,096)**	**(668,479)**	**(83,617)**
Total operating costs	**(1,742,312)**	**(1,612,256)**	**(130,056)**

(*) Please note that some of the items pertaining to 2022 were reclassified in order to provide a more accurate representation.

The operating costs incurred in 2023 include non-recurring expenses of €14,738 thousand, explained for €12,433 thousand by the notional cost of the one-off assignment, free of charge, made by the shareholder Ampliter of 500,000 of its Amplifon shares to the Chief Executive Officer recognized in the reporting period in accordance with IFRS 2 "Share Based Payments", for €1,931 thousand by the second phase of the GAES integration, and for €374 thousand by the Bay Audio integration.

The decrease in "Cost of raw materials, consumables and supplies and change in inventories of raw materials, consumables and supplies" compared to the prior year is explained by the optimization strategies used and more advantageous negotiations with suppliers.

The lease and rental costs refer to leases not subject to IFRS 16 application (leases for low value assets, short-term leases, leases with variable payment terms).

The breakdown of "Personnel expenses – Points of sale" and "Other personnel expenses" is as follows:

(€ thousands)

	FY 2023	FY 2022 (*)	Change
Wages and salaries	(617,899)	(551,502)	(66,397)
Performance stock grant	(30,283)	(13,069)	(17,214)
Social contributions	(127,950)	(109,970)	(17,980)
Other personnel costs	(28,372)	(25,922)	(2,450)
Total	**(804,504)**	**(700,463)**	**(104,041)**

(*) Please note that some of the items pertaining to 2022 were reclassified in order to provide a more accurate representation.

Staff headcount by geographic area:

	12/31/2023		12/31/2022	
	Number	Average	Number	Average
Italy	785	767	742	731
France	1,601	1,621	1,581	1,504
Switzerland	317	312	306	302
Hungary	202	206	205	198
Germany	1,963	1,920	1,862	1,853
Spain	1,966	2,014	2,022	1,995
Portugal	244	251	243	231
Belgium	208	216	217	195
The Netherlands	671	667	661	669
Poland	221	212	197	188
United Kingdom	302	311	302	298
Israel	179	187	195	207
Egypt	173	183	182	184
Total EMEA	**8,832**	**8,867**	**8,715**	**8,555**
USA and Canada	1,423	1,333	1,108	1,029
Argentina	150	142	125	120
Chile	186	174	168	151
Ecuador	109	100	91	83
Panama	8	8	8	7
Colombia	107	93	73	64
Mexico	82	75	58	53
Total Americas	**2,065**	**1,925**	**1,631**	**1,507**
Australia	1,518	1,539	1,449	1,456
New Zealand	547	545	513	519
India	498	493	442	414
Singapore	13	13	10	10
China	906	630	435	409
Total Asia Pacific	**3,482**	**3,220**	**2,849**	**2,808**
Total Group	**14,379**	**14,012**	**13,195**	**12,870**

31. Other income and costs

The breakdown of the Group's other income and costs is shown below.

(€ thousands)

	FY 2023	FY 2022 (*)	Change
Other income and costs	9,077	11,839	(2,762)
Total	**9,077**	**11,839**	**(2,762)**

(*) Please note that some of the operating cost, operating income and cost items pertaining to 2022 were reclassified in order to provide a more accurate representation.

Other income and costs amounted to €9,077 thousand in 2023 and relate primarily to a few deferred payments on acquisitions of companies and business units which are not to be paid as the specific sales and/or profitability targets were not reached.

32. Amortization, depreciation and impairment

The breakdown of the Group's amortization, depreciation and impairment is shown below.

(€ thousands)

	FY 2023	FY 2022	Change
Amortization of intangible fixed assets	*(93,448)*	*(80,085)*	*(13,363)*
Depreciation of property, plant, and equipment	*(54,391)*	*(51,131)*	*(3,260)*
Depreciation of right-of-use assets	*(119,292)*	*(108,491)*	*(10,801)*
Amortization and depreciation	(267,131)	(239,707)	(27,424)
Impairment	(506)	(333)	(173)
Total	**(267,637)**	**(240,040)**	**(27,597)**

Amortization, depreciation, and impairment amounted to €267,637 thousand in 2023, an increase of €27,597 thousand against the comparison period. The change is explained primarily by higher investments in intangible assets, property, plant and equipment, and rights of use assets described in Note 4, Note 5, and Note 6 respectively.

33. Financial income, expenses, and value adjustments to financial assets

The breakdown of the Group's financial income, expenses and value adjustments to financial assets is shown below.

(€ thousands)

	FY 2023	FY 2022	Change
Proportionate share of the result of associated companies valued at equity and gains/(losses) on disposals of equity investments	**555**	**309**	**246**
Interest income on bank accounts	2,077	598	1,479
Interest expenses on short and long-term bank loans	(29,814)	(19,322)	(10,492)
Interest income and expenses	**(27,737)**	**(18,725)**	**(9,012)**
Interest expenses on lease liabilities	**(14,808)**	**(11,366)**	**(3,442)**
Other financial income and charges	**(5,966)**	**(2,390)**	**(3,576)**
Exchange rate gains and inflation accounting	21,469	14,070	7,399
Exchange rate losses and inflation accounting	(24,641)	(16,785)	(7,856)
Gains/(losses) on financial assets at fair value – Non-hedge accounting derivatives	1,663	(45)	1,708
Exchange rate differences and gains/(losses) on financial assets at fair value	**(1,509)**	**(2,761)**	**1,252**
Total	**(49,465)**	**(34,933)**	**(14,532)**

Interest payable on financial indebtedness, net the higher interest received on liquidity investments, amounted to €27,737 thousand at 31 December 2023, versus €18,725 thousand at 31 December 2022. The increase is attributable mainly to higher interest rates which impacted utilization of short-term credit lines and hot money transactions used to support treasury activities, as well as the remaining portion of long-term loans which were not swapped to fixed rate.

The interest payable on leases recognized in accordance with lease accounting amounted to €14,808 thousand at 31 December 2023 compared to €11,366 thousand at 31 December 2022.

Other financial income and charges amounted to €5,966 thousand at 31 December 2023 compared to €2,390 thousand at 31 December 2022. The change is attributable mainly to higher charges for factoring and other working capital management transactions.

The change in "Gains/(losses) on financial assets at fair value" is attributable mainly to the impact of inflation accounting on the Argentinian subsidiary, the increase in currency management costs for a total of €1,016 thousand and the gains on assets measured at fair value.

Interest rate risk - sensitivity analysis:

The Amplifon Group's exposure to changes in interest rates is mitigated significantly by the fact that a large part of the medium/long-term debt is fixed rate as a result of interest rate hedges or because the debt is fixed rate.

More in detail:

- as a result of hedges, the average rate on the loans granted by Unicredit for € 100 million, BNL for €50 million, CDP/MPS for €54.6 million, Credit Agricole for €35 million, and the refinancing of the GAES acquisition for € 210 million, is 1.00%;
- the bond issued in February 2020 has a fixed rate of 1.125%;
- the € 75 million EIB loan has a fixed rate of 3.635%.

The impact on the income statement of plausible changes in interest rates, applied to the consolidated figures at 31 December 2023, is shown below.

(€ thousands)

2023	Note	Balance at 12/31/2023	Increase/ decrease in interest rates (in %)	Impact on profit before tax
Current assets				
Bank current accounts and short-term bank deposits	14	191,735	2%	3,834
Non current liabilities				
Medium-long term bank loans with variable interest rate		(96,999)	2%	(1,940)
Current liabilities				
Bank current accounts	27	(58,287)	2%	(1,162)
Short-term bank borrowings	27	(88,012)	2%	(1,760)
Current portion of medium-long term bank loans with variable interest rate		(54,831)	2%	(1,097)
Total impact on profit before tax				**(2,125)**

(€ thousands)

2023	Note	Balance at 12/31/2023	Increase/ decrease in interest rates (in %)	Impact on profit before tax
Current assets				
Bank current accounts and short-term bank deposits	14	191,735	-2%	(3,834)
Non current liabilities				
Medium-long term bank loans with variable interest rate		(96,999)	-2%	1,940
Current liabilities				
Bank current accounts	27	(58,287)	-2%	1,162
Short-term bank borrowings	27	(88,012)	-2%	1,760
Current portion of medium-long term bank loans with variable interest rate		(54,831)	-2%	1,097
Total impact on profit before tax				**2,125**

Currency risk - sensitivity analysis:

The intercompany loans between the American and Canadian companies, are considered equity investments insofar as they are not interest bearing and are not expected to be repaid. Any changes in exchange rates are, therefore, charged directly to the translation reserve without passing through the income statement. In 2021 Amplifon S.p.A. also granted a loan in Australian dollars to the Australian subsidiary Bay Audio which was hedged against exchange risk using a forward. This loan was repaid in full at the beginning of 2023.

Overall, derivatives are used to hedge the exchange risk stemming from financial transactions, while natural hedges are used to cover the risk stemming from operational transactions and the rendering of intercompany services.

Given the management of foreign exchange risk described in note 42, the residual currency risk on receivables, payables and future revenue streams which has not been hedged is not significant.

34. Income taxes

The breakdown of the Group's income taxes is shown below.

(€ thousands)

	FY 2023	FY 2022	Change
Current income tax	(61,626)	(66,905)	5,279
Deferred income tax	6,904	1,949	4,955
Total	**(54,722)**	**(64,956)**	**10,234**

(€ thousands)

	FY 2023	FY 2022	Change
Profit (loss) before tax	209,747	243,736	(33,989)
Tax for the year	(54,722)	(64,956)	10,234
Tax rate	**-26.1%**	**-26.7%**	**0.6%**

The following table reconciles tax recognized in the consolidated financial statements to theoretical tax charge calculated on the basis of Italy's current tax rates.

(€ thousands)

	December 2023 Tax effect	%	December 2022 Tax effect	%
Reconciliation with the effective tax rate:				
Effective tax/effective tax rate	**54,722**	**26.1%**	**64,956**	**26.7%**
Non-recognition of deferred taxes on the year's losses and earnings which were not taxed due to carried forward tax losses.	(1,763)	-0.8%	(380)	-0.2%
Effect of companies taxed in countries other than Italy	(1,508)	-0.7%	(1,915)	-0.8%
Deferred tax adjustments and other one-off adjustments	5,062	2.4%	1,813	0.7%
Non-deductible expense net of non-taxable income	(626)	-0.3%	527	0.2%
Effective tax rate net of IRAP and CVAE	**55,886**	**26.6%**	**65,002**	**26.7%**
IRAP, CVAE and other taxes not tied to income tax	(5,547)	-2.6%	(6,505)	-2.7%
Effective tax/theoretical tax rate	**50,339**	**24.0%**	**58,497**	**24.0%**

The Group tax rate is in 2023 equal to 26.1% compared to the 26.7% from last year.

35. Performance stock grant

There are three Performance Stock Grant plans in the Amplifon Group: the 2014-2021 plan, the 2019-2025 plan, and the 2023-2028 plan, which are described below.

General characteristics of the Performance Stock Grant Plan 2014-2021

On 28th April 2014 the Board of Directors of the Parent Company – as resolved by the Shareholders' Meeting held on 16th April 2014 and based on the recommendations of the Remuneration and Appointments Committee – approved the regulations of the Performance Stock Grant Plan 2014-2021 with the following general characteristics:

- the plan provides for the grant of rights, each of which gives the right to a Company share to be awarded at the end of the vesting period (3.5 years) to beneficiaries falling within one of the following clusters:
  1. Executives & Senior Managers;
  2. International Key Managers and Group & Country Talents;
  3. High Performing Audiologists & Sales Managers.
- the vesting of the rights and, therefore, the award of the related shares is subject to the following main condition that as of the date of grant of the shares the beneficiary is an employee of one of the companies of the Group and no notice period subsequent to resignation and/or withdrawal is under way. Furthermore, for the Cluster 1 and Cluster 2 the plan foresees further conditions to attribute the financial instruments:
  - Cluster 1: achievement of Group 3 years business targets;
  - Cluster 2: level of the individual performance of the beneficiary are not lower, in all the reference periods, to fully meets expectations
- the exercise of the vested rights should be performed within the deadline of the exercise period (2.5 years from the date of vesting of the rights) and is subject to a minimum threshold value of the Amplifon Spa share defined by the Board of Directors of the Parent Company for each assignment cycle.

For each cycle of assignment, the Board of Directors of the Parent Company is empowered, with sub-delegation, to identify the beneficiaries and to set the number of rights to be granted to each beneficiary. The Board of Directors may at any time make changes to the Regulations as may be necessary and/or appropriate in connection with, in particular, the case of changes to the applicable law.

On 21st April 2015, following the proposal of the Board of Directors of 3rd March 2015 and heard the opinion of the Remuneration and Appointments Committee, the Shareholders' Meeting of the Parent Company discussed and approved the modifications to the stock plan for the period 2014-2021 (the "New Plan of Performance Stock Grant").

In particular, the amendment approved by the ordinary Shareholders' Meeting concerns the extension of the plan also to collaborators not related to the Company by employment contracts and the subsequent variation in the identification of the beneficiaries who are currently defined as employees and collaborators of a Group entity, belonging to the following categories:

- Cluster 1: Executives & Senior Managers;
- Cluster 2: International Key Managers; Group & Country Talents;
- Cluster 3: High Performing Audiologists & Sales Managers.

This extension allowed to include also the agents working in Italy, Spain, and Belgium with the aim to adequately sustain, also in terms of retention, the different business models through which the Amplifon Group operates.

On 29th April 2015 the Board of Directors of the Parent Company, approved the modification to the operative regulation of the plan, in line with the changes approved by the ordinary Shareholders' Meeting.

On 18th April 2016, following the proposal of the Board of Directors of the Parent Company and heard the opinion of the Remuneration and Appointments Committee, the ordinary Shareholders' Meeting discussed and approved the modifications to the share plan for the period 2014-2021. The purpose of the modification is to align the plan to a new provision introduced in France as the result of Law n. 2015-990 dated August 6th, 2015 (the "Macron Law"). The amendment allows the beneficiaries and the Company to take advantage of a more favorable fiscal and social contribution regime. The provisions that, in line with the Macron Law, have been amended, regard in particular:

a) the elimination of an exercise period of 2.5 years;
b) the introduction of specific "closed periods" during which the employees cannot sell the shares obtained in relation to the incentive plan.

All the key characteristics of the plan, among which the number of available rights, the timing and conditions for the rights' maturation remain unchanged.

The amendment affects only French beneficiaries and does not have any retroactive effects on previous awards to French beneficiaries.

Below are reported the details of the cycles of assignment of the New Performance Stock Grant plan 2014-2021 currently in place:

A) Stock grant 27th April 2017

STOCK GRANT 27th APRIL 2017 – GENERAL RULES

	FY 2023		FY 2022	
	N. rights granted	Market Price (€)	N. rights granted	Market Price (€)
Rights at 1st January	**83,055**	**27.82**	**388,235**	**47.45**
Rights granted in the period	-	-	-	-
Upside rights	-	-	-	-
(Rights converted in the period)	83,055	34.51 (*)	305,180	27.09 (*)
(Rights cancelled in the period)	-	-	-	-
Rights at 31st December	**-**	**-**	**83,055**	**27.82**

(*) Average weighted market price at the exercises.

B) Stock grant 25th October 2017

STOCK GRANT 25th OCTOBER 2017 – GENERAL RULES

	FY 2023		FY 2022	
	N. rights granted	Market Price (€)	N. rights grant	Market Price (€)
Rights at 1st January	**-**	**-**	**1,000**	**47.45**
Rights granted in the period	-	-	-	-
Upside rights	-	-	-	-
(Rights converted in the period)	-	-	1,000	27.37 (*)
(Rights cancelled in the period)	-	-	-	-
Rights at 31st December	**-**	**-**	**-**	**-**

(*) Average weighted market price at the exercises.

C) Stock grant 2nd May 2018

STOCK GRANT 2nd MAY 2018 – GENERAL RULES

	FY 2023		FY 2022	
	N. rights granted	Market Price (€)	N. rights granted	Market Price (€)
Rights at 1st January	**505,055**	**27.82**	**568,535**	**47.45**
Rights granted in the period	-	-	-	-
Upside rights	-	-	-	-
(Rights converted in the period)	417,940	29.93 (*)	63,480	31.46 (*)
(Rights cancelled in the period)	5,200	-	-	-
Rights at 31st December	**81,915**	**31.34**	**505,055**	**27.82**

(*) Average weighted market price at the exercises.

D) Stock grant 30th October 2018

STOCK GRANT 30th OCTOBER 2018 – GENERAL RULES

	FY 2023		FY 2022	
	N. rights granted	Market Price (€)	N. rights granted	Market Price (€)
Rights at 1st January	**29,950**	**27.82**	**46,050**	**47.45**
Rights granted in the period	-	-	-	-
Upside rights	-	-	-	-
(Rights converted in the period)	29,950	25.77 (*)	16,100	35.57 (*)
(Rights cancelled in the period)	-	-	-	-
Rights at 31st December	**-**	**-**	**29,950**	**27.82**

(*) Average weighted market price at the exercises.

General characteristics of the Stock Grant Plan 2019-2025

On May 7th 2019 the Board of Directors of the Parent Company– as resolved by the ordinary Shareholders' Meeting held on 17th April 2019 and heard the opinion of the Remuneration and Appointments Committee – has approved the 2019 stock grant assignment in relation to the Stock Grant Plan 2019 – 2025 with the following general characteristics:

- The Stock Grant Plan 2019-2025 provides for different guidelines according to the category the beneficiaries belong to:
  - Long-Term Incentive Plan (LTI) Beneficiaries: the employees and the self-employees, of a Group Company – identified by virtue of the band to which the organizational position of the same employee and/or associate belongs to, in the context of the Company's banding system, subject to possible review on an annual basis;
  - Amplifon Extraordinary Award Plan (AEA) Beneficiaries: the employees and the self-employees of a Group Company, identified based on retention, promotability and extraordinary recognition criteria.
- With reference to all beneficiaries of the plan, unless otherwise provided elsewhere in these rules, the assigned rights granted will vest (the "vested rights") provided that as of the date falling on the last day of the aggregate reference period, the beneficiary is an employee, or a self-employee of a Group Company and no notice period is under way. With regard to the Long-Term Incentive Plan (LTI) beneficiaries, the vesting of the assigned rights is also subject to the achievement of the business objectives indicated in the Letter of Assignment of the Rights.
- The shares corresponding to the vested rights shall be awarded to the beneficiary within 90 business days from the date of the notice of vesting of the assigned rights, subject to the implementation (also by the beneficiary) of all the fulfilments (including those of accounting and/or administrative nature) relating thereto.
- Assignments made under Stock Grant Plan 2019-2025 will not be subject to distinctions made of the different assignments under French Law n. 2015-990 of 6 August 2015 (the "Macron Law").

Below are reported the details of the cycles of assignment of the Performance Stock Grant plan 2019-2025 currently in place:

A) Stock grant 7th May 2019

STOCK GRANT 7th MAY 2019 – GENERAL RULES

	FY 2023		FY 2022	
	N. rights granted	Market Price (€)	N. rights granted	Market Price (€)
Rights at 1st January	**-**	**-**	**478,780**	**47.45**
Rights granted in the period	-	-	-	-
Upside rights	-	-	210,750	-
(Rights converted in the period)	-	-	689,530	31.52 (*)
(Rights cancelled in the period)	-	-	-	-
Rights at 31st December	**-**	**-**	**-**	**-**

(*) Average weighted market price at the exercises.

B) Stock grant 30th October 2019

STOCK GRANT 30th OCTOBER 2019 – GENERAL RULES

	FY 2023		FY 2022	
	N. rights granted	Market Price (€)	N. rights granted	Market Price (€)
Rights at 1st January	**-**	**-**	**53,200**	**34.04**
Rights granted in the period	-	-	-	-
Upside rights	-	-	11,500	-
(Rights converted in the period)	-	-	62,200	31.47 (*)
(Rights cancelled in the period)	-	-	2,500	-
Rights at 31st December	**-**	**-**	**-**	**-**

(*) Average weighted market price at the exercises.

C) Stock grant 30th July 2020

STOCK GRANT 30th JULY 2020 – GENERAL RULES

	FY 2023		FY 2022	
	N. rights granted	Market Price (€)	N. rights granted	Market Price (€)
Rights at 1st January	**391,367**	**27.82**	**404,800**	**47.45**
Rights granted in the period	-	-	-	-
Upside rights	184,250	-	-	-
(Rights converted in the period)	575,617	35.08 (*)	-	-
(Rights cancelled in the period)	-	-	13,433	-
Rights at 31st December	**-**	**-**	**391,367**	**27.82**

(*) Average weighted market price at the exercises

D) Stock grant 30th October 2020

STOCK GRANT 30th OCTOBER 2020 – GENERAL RULES

	FY 2023		FY 2022	
	N. rights granted	Market Price (€)	N. rights granted	Market Price (€)
Rights at 1st January	**84,150**	**27.82**	**91,250**	**47.45**
Rights granted in the period	-	-	-	-
Upside rights	1,000	-	-	-
(Rights converted in the period)	82,650	35.07 (*)	-	-
(Rights cancelled in the period)	2,500	-	7,100	-
Rights at 31st December	**-**	**-**	**84,150**	**27.82**

(*) Average weighted market price at the exercises

E) Stock grant 3rd May 2021

STOCK GRANT 3rd MAY 2021 – GENERAL RULES

	FY 2023		FY 2022	
	N. rights granted	Market Price (€)	N. rights granted	Market Price (€)
Rights at 1st January	**331,233**	**27.82**	**358,100**	**47.45**
Rights granted in the period	-	-	-	-
Upside rights	-	-	-	-
(Rights converted in the period)	-	-	-	-
(Rights cancelled in the period)	10,400	-	26,867	-
Rights at 31st December	**320,833**	**31.34**	**331,233**	**27.82**

F) Stock grant 28th October 2021

STOCK GRANT 28th OCTOBER 2021 – GENERAL RULES

	FY 2023		FY 2022	
	N. rights granted	Market Price (€)	N. rights granted	Market Price (€)
Rights at 1st January	**45,800**	**27.82**	**56,050**	**47.45**
Rights granted in the period	-	-	-	-
Upside rights	-	-	-	-
(Rights converted in the period)	-	-	-	-
(Rights cancelled in the period)	5,700	-	10,250	-
Rights at 31st December	**40,100**	**31.34**	**45,800**	**27.82**

G) Stock grant 17th December 2021

STOCK GRANT 17th DECEMBER 2021 – GENERAL RULES

	FY 2023		FY 2022	
	N. rights granted	Market Price (€)	N. rights granted	Market Price (€)
Rights at 1st January	**1,000**	**27.82**	**5,300**	**47.45**
Rights granted in the period	-	-	-	-
Upside rights	-	-	-	-
(Rights converted in the period)	-	-	-	-
(Rights cancelled in the period)	-	-	4,300	-
Rights at 31st December	**1,000**	**31.34**	**1,000**	**27.82**

H) Stock grant 5th May 2022

STOCK GRANT 5th MAY 2022 – GENERAL RULES

	FY 2023		FY 2022	
	N. rights granted	Market Price (€)	N. rights granted	Market Price (€)
Rights at 1st January	**406,050**	**27.82**	**-**	**-**
Rights granted in the period	-	-	438,750	36.75
Upside rights	-	-	-	-
(Rights converted in the period)	-	-	-	-
(Rights cancelled in the period)	32,500	-	32,700	-
Rights at 31st December	**373,550**	**31.34**	**406,050**	**27.82**

I) Stock grant 27th October 2022

STOCK GRANT 27th OCTOBER 2022 – GENERAL RULES

	FY 2023		FY 2022	
	N. rights granted	Market Price (€)	N. rights granted	Market Price (€)
Rights at 1st January	**89,700**	**27.82**	**-**	**-**
Rights granted in the period	-	-	89,700	24.52
Upside rights	-	-	-	-
(Rights converted in the period)	-	-	-	-
(Rights cancelled in the period)	9,000	-	-	-
Rights at 31st December	**80,700**	**31.34**	**89,700**	**27.82**

J) Stock grant 28th November 2022

STOCK GRANT 28th NOVEMBER 2022 – GENERAL RULES

	FY 2023		FY 2022	
	N. rights granted	Market Price (€)	N. rights granted	Market Price (€)
Rights at 1st January	**8,400**	**27.82**	**-**	**-**
Rights granted in the period	-	-	8,400	28.02
Upside rights	-	-	-	-
(Rights converted in the period)	-	-	-	-
(Rights cancelled in the period)	-	-	-	-
Rights at 31st December	**8,400**	**31.34**	**8,400**	**27.82**

General characteristics of the Stock Grant Plan 2023-2028

On May 2nd 2023 the Board of Directors of the Parent Company– as resolved by the ordinary Shareholders' Meeting held on 21st April 2023 and heard the opinion of the Remuneration and Appointments Committee – has approved the 2023 stock grant assignment in relation to the Stock Grant Plan 2023 – 2028 with the following general characteristics:

- The Stock Grant Plan 2023-2028 provides for different guidelines according to the category the beneficiaries belong to:
  - Long-Term Incentive Plan (LTI) Beneficiaries: the employees and the self-employees, of a Group Company – identified by virtue of the band to which the organizational position of the same employee and/or associate belongs to, in the context of the Company's banding system, subject to possible review on an annual basis;
  - Amplifon Extraordinary Award Plan (AEA) Beneficiaries: the employees and the self-employees of a Group Company, identified based on retention, promotability and extraordinary recognition criteria.
- With reference to all beneficiaries of the plan, unless otherwise provided elsewhere in these rules, the assigned rights granted will vest (the "vested rights") provided that as of the date falling on the last day of the aggregate reference period, the beneficiary is an employee, or a self-employee of a Group Company and no notice period is under way. With regard to the Long-Term Incentive Plan (LTI) beneficiaries, the vesting of the assigned rights is also subject to the achievement of the business objectives indicated in the Letter of Assignment of the Rights;
- The shares corresponding to the vested rights shall be awarded to the beneficiary within 90 business days from the date of the notice of vesting of the assigned rights, subject to the implementation (also by the beneficiary) of all the fulfilments (including those of accounting and/or administrative nature) relating thereto.
- Assignments made under Stock Grant Plan 2023-2028 will not be subject to distinctions made of the different assignments under French Law n. 2015-990 of 6 August 2015 (the "Macron Law").

Below are reported the details of the cycles of assignment of the Stock Grant plan 2023-2028, including new assignments that have taken place in the year 2023:

A) Stock grant 3rd May 2023

The assumptions adopted in the calculation of the fair value are the following:

	Assignment – General Rule	Assignment – French Rule
Model used	**Binomial (Cox-Ross-Rubinstein method)**	
Price at grant date	33.12 €	
Threshold	- €	
Exercise Price	0.00	
Volatility	34.13%	
Risk free interest rate	3.189%	
Maturity (in years)	3	
Vesting Date	3 months later after the date of approval from the Board of the project of Consolidated Financial Statement as of 12.31.25 (i.e. March 2026)	
Expected Dividend Yield	0.79%	
Fair Value	32.52 €	

STOCK GRANT 3rd MAY 2023 – GENERAL RULES

	FY 2023		FY 2022	
	N. rights granted	Market Price (€)	N. rights granted	Market Price (€)
Rights at 1st January	**-**	**-**	**-**	**-**
Rights granted in the period	517,500	33.12	-	-
Upside rights	-	-	-	-
(Rights converted in the period)	-	-	-	-
(Rights cancelled in the period)	27,400	-	-	-
Rights at 31st December	**490,100**	**31.34**	**-**	**-**

B) Stock grant 31st October 2023

The assumptions adopted in the calculation of the fair value are the following:

	Assignment – General Rule / Assignment – French Rule
Model used	**Binomial (Cox-Ross-Rubinstein method)**
Price at grant date	25.38 €
Threshold	- €
Exercise Price	0.00
Volatility	33.92%
Risk free interest rate	3.394%
Maturity (in years)	3
Vesting Date	3 months later after the date of approval from the Board of the project of Consolidated Financial Statement as of 12.31.25 (i.e. March 2026)
Expected Dividend Yield	0.84%
Fair Value	25.92 €

STOCK GRANT 31st OCTOBER 2023 – GENERAL RULES

	FY 2023		FY 2022	
	N. rights granted	Market Price (€)	N. rights granted	Market Price (€)
Rights at 1st January	**-**	**-**	**-**	**-**
Rights granted in the period	73,900	25.38	-	-
Upside rights	-	-	-	-
(Rights converted in the period)	-	-	-	-
(Rights cancelled in the period)	-	-	-	-
Rights at 31st December	**73,900**	**31.34**	**-**	**-**

C) Stock grant 13th November 2023

The assumptions adopted in the calculation of the fair value are the following:

	Assignment – General Rule / Assignment – French Rule
Model used	**Binomial (Cox-Ross-Rubinstein method)**
Price at grant date	26.96 €
Threshold	- €
Exercise Price	0.00
Volatility	33.33%
Risk free interest rate	3.353%
Maturity (in years)	3
Vesting Date	3 months later after the date of approval from the Board of the project of Consolidated Financial Statement as of 12.31.25 (i.e. March 2026)
Expected Dividend Yield	0.84%
Fair Value	26.76 €

STOCK GRANT 13th NOVEMBER 2023 – GENERAL RULES

	FY 2023		FY 2022	
	N. rights granted	Market Price (€)	N. rights granted	Market Price (€)
Rights at 1st January	**-**	**-**	**-**	**-**
Rights granted in the period	23,900	26.96	-	-
Upside rights	-	-	-	-
(Rights converted in the period)	-	-	-	-
(Rights cancelled in the period)	-	-	-	-
Rights at 31st December	**23,900**	**31.34**	**-**	**-**

Sustainable value sharing plan 2022-2027

The Board of Directors of Amplifon S.p.A. held on May 3rd, 2022, based on the resolution of the Ordinary Shareholders' Meeting held on April 22nd, 2022, and having consulted with the Compensation and Nomination Committee, approved the Sustainable Value Sharing Plan 2022-2027.

The Co-Investment Scheme, originally intended only for the Company's Chief Executive Officer/General Manager, was subsequently amended by the Shareholders' Meeting held on April 21st, 2023, and approved by the Board of Directors of Amplifon S.p.A. on May 2nd, 2023, so that it could also be intended for Executives with Strategic Responsibilities and certain key resources of the Group (beneficiaries).

The Scheme is a composite incentive tool that achieves its effects through two distinct phases, the second of which is only eventual and depends on the development of the first ("Phase A" and "Phase B", respectively).

Phase A: the Target MBO achieved and hypothetically due to the Beneficiaries under the applicable MBO Plan for the previous fiscal year will not be paid out. Instead, the Beneficiaries will receive a certain number of rights (the "Co-invested Rights") that will entitle them to receive shares at the end of the vesting period of Phase B described below, or earlier if Phase B does not vest.

Phase B: : If, in a given fiscal year, the Beneficiaries receive Co-invested Rights under the mechanism described above, they will participate in an additional and separate incentive tool based on financial instruments, wherein the Company allocates additional rights to them, equal in number to the Co-invested Rights. These rights (the "Matched Rights") will entitle the Beneficiaries to receive shares provided that certain performance targets linked to value generation and sustainable success of the Group are met by the end of the vesting period (the "Matched Rights").

Below are reported the details of the assignment of the Sustainable Value Sharing Plan 2022-2027, including new assignments that have taken place in the year 2023.

A) Assignment of 31st May 2022

31st MAY 2022 – GENERAL RULES

	FY 2023		FY 2022	
	N. rights granted	Market Price (€)	N. rights granted	Market Price (€)
Rights at 1st January	**48,000**	**27.82**	**-**	**-**
Rights granted in the period	-	-	48,000	35.00
Upside rights	-	-	-	-
(Rights converted in the period)	-	-	-	-
(Rights cancelled in the period)	-	-	-	-
Rights at 31st December	**48,000**	**31.34**	**48,000**	**27.82**

B) Assignment of 29th May 2023

The following assumptions were used to determine the fair value:

	PHASE A	PHASE B
Valuation Model	Binomial (Cox-Ross-Rubinstein method)	Binomial (Cox-Ross-Rubinstein method)
FV	32.10 €	26.04 €
KPI	-	ESG/TSR
Exercise price	0.00	-
Volatility (3 years)	33.84%	33.84%
Risk-free interest rate	3.438%	3.438%
Vesting (in years)	3	3
Vesting date	3 months after the Board approves the draft Consolidated Financial Statements as at 12.31.25 (i.e., June 2026)	3 months after the Board approves the draft Consolidated Financial Statements as at 12.31.25 (i.e., June 2026)
Expected dividend yield	0.79%	0.79%

29th MAY 2023 – GENERAL RULES

	FY 2023		FY 2022	
	N. rights granted	Market Price (€)	N. rights granted	Market Price (€)
Rights at 1st January	**-**	**-**	**-**	**-**
Rights granted in the period	122,620	33.35	-	-
Upside rights	-	-	-	-
(Rights converted in the period)	-	-	-	-
(Rights cancelled in the period)	-	-	-	-
Rights at 31st December	**122,620**	**31.34**	**-**	**-**

Other "Share Based Payments"

On January 5th, 2023, the controlling shareholder Ampliter S.r.l. ("Ampliter") arranged a plan that provides for the one-time, free-of-charge allocation of 500,000 Amplifon shares owned by Ampliter during the 2022-2024 term of office in favor of the CEO.

The shares are transferred free of charge in five batches, the first of 260,000 Shares, vested on April 21st, 2023, and the subsequent batches of 60,000 Shares each, with a final vesting date set for November 30th, 2024.

This assignment, which was arranged in full autonomy by Ampliter, although it does not provide for any monetary outlay by Amplifon, based on IFRS 2 "Share Based Payments" accounting standard involves the recognition of a one-time notional cost in the P&L.

The valuation of the rights is based on a Level 1 Fair Value, which is the price of the underlying instruments.

In particular, the average price for the 5 days prior to the grant was used, which was €27.43.

Residual life of awarded stock grant

RIGHTS ASSIGNED UP TO 12/31/2023

		Vesting				Exercise	
Plans	**Assignment date**	**< 1 year**	**1-5 years**	**5-10 years**	**Total**	**N. of rights**	**Average expiring date**
New Performance Stock Grant 2014 – 2021	05/02/2018					81,915	0 years[1]
	of which General Rules					81,915	0 years
	10/30/2018					-	0 years
	of which General Rules					-	0 years
Stock Grant Plan 2019 - 2015	05/03/2021	320,883			320,883		
	10/28/2021	40,100			40,100		
	12/17/2021	1,000			1,000		
	05/05/2022		373,550		373,550		
	10/27/2022		80,700		80,700		
	11/28/2022		8,400		8,400		
Stock Grant Plan 2023 - 2028	05/03/2023		490,100		490,100		
	10/28/2023		73,900		73,900		
	11/13/2023		23,900		23,900		
Sustainable Value Sharing Plan 2022-2027	05/31/2022		48,000		48,000		
	05/29/2023		122,620		122,620		
	Total	**361,983**	**1,221,170**		**1,583,153**	**81,915**	

The notional cost for the Stock Grant and the Sustainable Value Sharing Plan amounted to €17,850 thousand in the year, along with the non-recurring costs for Ampliter S.r.l.'s plan of € 12,433 thousand.

1 For the Chief Executive Officer / General Manager and Managers with Strategic Responsibilities, at the end of the vesting period, the plan provides for a lock-up period of a further year with reference to 30% of the vested shares.

36. Subsidiaries with relevant minority interests, joint ventures and associate companies

The following table shows the main income statement and statement of financial position figures of the subsidiaries with relevant minority interests (as a reference please consider the annex regarding the consolidation area). The figures are shown before intragroup eliminations.

(€ thousands)

	12/31/2023	12/31/2022
Non-current assets	15,016	11,634
Current assets	4,217	6,509
Non-current liabilities	1,471	1,061
Current liabilities	6,838	5,084
Revenues	14,040	13,819
Net profit (loss) for the year	(344)	638
Dividends paid to minorities	137	236
Net financial positions	476	3,369
Cash flows	(1,199)	658

The income statement and statement of financial position highlights of the Dutch joint venture Comfoor BV, accounted for using the equity method, are provided below. The company is active in the hearing protection sector.

(€ thousands)

	12/31/2023	12/31/2022
Non-current assets	298	722
Current assets	6,027	5,320
Non-current liabilities	263	293
Current liabilities	1,740	1,604
Revenues	11,688	10,775
Amortization, depreciation and impairment	(384)	(476)
Interest income and expenses	(5)	(13)
Net profit (loss)	1,099	612
Net financial position	2,221	1,506
Cash flows	721	(68)

A reconciliation of the economic-financial figures with the carrying amount of the equity investment in the joint venture recognized in the consolidated financial statements is provided below:

(€ thousands)

	Value at 12/31/2023	Value at 12/31/2022
Net equity of joint ventures	4,859	4,145
% held	50%	50%
Book value	2,430	2,072

37. Non-recurring significant events

The following table shows the impact of the non-recurring transactions referred to in the financial statements above, which relate to four main streams including:

- the notional cost of the free, one-off assignment made by the shareholder Ampliter of 500,000 of its Amplifon shares to the Chief Executive Officer, recognized in the reporting period in accordance with IFRS 2 "Share Based Payments";
- the costs relating to the Bay Audio acquisition;
- the costs relating to the second phase of the GAES integration;
- the charitable donation made to the UNHCR for the emergency in Ukraine.

(€ thousands)

		FY 2023	FY 2022
Operating costs	Notional cost of the Amplifon shares assigned by the shareholder Ampliter to the CEO	(12,433)	-
	Costs related to Bay Audio integration	(374)	(2,780)
	Costs related to second phase of the GAES integration	(1,931)	(2,804)
	Costs related to the charitable donation to the UNHCR for the Ukraine emergency.	-	(1,000)
EBITDA		**(14,738)**	**(6,584)**
Profit (loss) before tax		**(14,738)**	**(6,584)**
Impact of the above items on the tax burden for the period		4,087	1,189
Total net profit (loss)		**(10,651)**	**(4,765)**

38. Earnings (losses) per share

Basic EPS

Basic earnings 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 year, considering purchases and disposals of treasury shares as cancellations and issues of shares respectively.

Earnings per share is determined as follows:

Earnings per share	FY 2023	FY 2022
Net profit (loss) attributable to ordinary shareholders (€ thousand)	155,139	178,525
Average number of shares outstanding in the year	223,912,788	224,363,318
Average earnings per share (€ per share)	0.69285	0.79570

Diluted EPS

Diluted earnings per share is obtained by dividing the net income for the year attributable to ordinary shareholders of the parent company 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 cancellations and issues of shares respectively.

The 'potential ordinary share' categories refer to the possible conversion of Group employees' stock options and stock grants. 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-dilutive effects.

Weighted average diluted number of shares outstanding	FY 2023	FY 2022
Average number of shares outstanding in the year	223,912,788	224,363,318
Weighted average of potential and diluting ordinary shares	1,549,870	2,482,185
Weighted average of shares potentially subject to options in the period	225,462,658	226,845,503

The diluted earnings per share was determined as follows:

Diluted earnings per share	FY 2023	FY 2022
Net profit attributable to ordinary shareholders (€ thousands)	155,139	178,525
Average diluted number of outstanding shares	225,462,658	226,845,503
Average diluted earnings per share (€)	0.68809	0.78699

39. Transactions with parent companies and related parties

The parent company, Amplifon S.p.A. is based in Via Ripamonti 133, Milan, Italy. The Group is controlled directly by Ampliter S.r.l. (42.12% of share capital and 59,17% of voting rights), held for a 100% by Amplifin S.r.l., which is fully controlled by Susan Carol Holland.

In accordance with CONSOB Regulation n. 17221 of 12 March 2010, on 3 November 2010, Amplifon S.p.A.'s Board of Directors, after receiving a favorable opinion from the Committee of Independent Directors, adopted the regulation relative to the procedures for and obligations inherent in related party transactions ("Regulation for Related Party Transactions"). The Regulation for Related Party Transactions was recently updated after having been approved by the Board of Directors on 29 April 2021 and took effect on 1 July 2021.

Other 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.

Parent company and other related parties

(€ thousands)	12/31/2023		FY 2023		
	Trade receivables	Trade payables	Revenues from sales and services	Operating costs	Interest income and expenses
Amplifin S.r.l.	13		-	(60)	3
Total – Parent Company	**13**		**-**	**(60)**	**3**
Comfoor BV (Olanda)	26	2,973	75	(1,121)	-
Ruti Levinson Institute Ltd (Israele)	45		83		
Afik - Test Diagnosis & Hearing	55		468		1
Aids Ltd (Israele)	**55**		**468**		**1**
Total – Associated companies	**126**	**2,973**	**626**	**(1,121)**	**1**
Total related parties	**139**	**2,973**	**626**	**(1,181)**	**4**
Total as per financial statement	**231,253**	**358,955**	**2,260,084**	**(1,739,782)**	**(27,737)**
% of financial statement total	**0.06%**	**0.83%**	**0.03%**	**0.07%**	**-0.01%**

The trade receivables refer primarily to:

- trade receivables payable by associated companies (primarily in Israel) acting as resellers to which the Group supplies hearing aids.
- amounts payable by Amplifin S.r.l. for the recovery of maintenance costs and condominium fees;
- amounts payable by Amplifin S.r.l. for the relative portion of costs pertaining to the restructuring of the headquarters.

The trade payables and operating costs refer mainly to commercial transactions with Comfoor BV and Comfoor GmbH, a joint venture from which hearing protection devices are purchased and then distributed in Group stores.
The lease for the Milan headquarters (leased to Amplifon by the parent company Amplifin S.r.l.) is recognized under right-of-use depreciation for €1,815 thousand, interest on leases for €458 thousand, lease liabilities of €12,023 thousand, and right-of-use asset of €10,884 thousand.

The assignment of Amplifon shares by Ampliter S.r.l. to the CEO described in note 35, is a transaction between related parties and not a transaction with related parties.

Other related parties

The total remuneration of Group Directors, members of Board of Auditors and Key Managers for the period amounted to €24,357 thousand and is made up as follows:

REMUNERATION OF GROUP DIRECTORS, STATUTORY AUDITORS, AND KEY MANAGERS (INCLUDING OF SUBSIDIARIES):

(€ thousands)

						Variable non-equity Remuneration							
First and last names	Office	Period of which the Office was held	Expiry of Office	Fixed Remuneration	Remuneration for participation in Committees	Bonuses and other incentives	Profit Sharing	Non-monetary benefits	Other Remuneration	Total	Fair Value Equity Remuneration	Severance indemnities and non-competition agreements	GRAND TOTAL
Susan Carol Holland	Chairman	01/01/2023-12/31/2023	approval of 2024 financial statements	300	-	-	-	9	-	**309**	-	-	**309**
Enrico Vita	Chief Executive Officer	01/01/2023-12/31/2023	approval of 2024 financial statements	400	-	-	-	-	-	**400**	-	-	**400**
	General Manager	Permanent		1,106	-	1,620*	-	44	2	**2,773**	3,627	-	**6,399**
Maurizio Costa	Independent Director	01/01/2023-12/31/2023	approval of 2024 financial statements	65	35(1)	-	-	-	-	**100**	-	-	**100**
Laura Donnini	Independent Director	01/01/2023-12/31/2023	approval of 2024 financial statements	65	40(2)	-	-	-	-	**105**	-	-	**105**
Maria Patrizia Grieco	Independent Director	01/01/2023-12/31/2023	approval of 2024 financial statements	65	20(3)	-	-	-	-	**85**	-	-	**85**
Veronica Diquattro	Independent Director	01/01/2023-12/31/2023	approval of 2024 financial statements	65	20(3)	-	-	-	-	**85**	-	-	**85**
Lorenza Morandini	Independent Director	01/01/2023-12/31/2023	approval of 2024 financial statements	65	25(4)	-	-	-	-	**90**	-	-	**90**
Lorenzo Pozza	Independent Director	01/01/2023-12/31/2023	approval of 2024 financial statements	65	45(5)	-	-	-	-	**110**	-	-	**110**
Giovanni Tamburi	Director	01/01/2023-12/31/2023	approval of 2024 financial statements	65	-	-	-	-	-	**65**	-	-	**65**
Raffaella Pagani	Chair of the Board of Statutory Auditors	01/01/2023-12/31/2023	approval of 2023 financial statements	75	-	-	-	-	-	**75**	-	-	**75**
Arienti Patrizia	Standing Auditor	01/01/2023-12/31/2023	approval of 2023 financial statements	50	-	-	-	-	-	**50**	-	-	**50**
Righetti Dario	Standing Auditor	01/01/2023-12/31/2023	approval of 2023 financial statements	50	-	-	-	-	-	**50**	-	-	**50**
Grand Total				**2,436**	**185**	**1,620**	**0**	**53**	**2**	**4,296**	**3,627**	**0**	**7,923**
Other Key Managers with Strategic Responsibilities of the Group (15) *** ***(Key Managers)*** **F. Bardelli** **A. Bonacina** **R. Cattaneo** **A. Ciccolini** **F. Dal Poz** **E. Di Vincenzo** **C. Finotti** **G. Galli** **R. Hassan** **P. Lazzarini** **F. Morichini** **A. Muir** **I. Pazzi** **G. Pizzini** **G. Vironda"**		Permanent		4,673	-	4,377 **	-	894	103	**10,046**	6,265	123	**16,434**
			Grand Total	**7,109**	**185**	**5,997**	**0**	**947**	**105**	**14,342**	**9,892**	**123**	**24,357**

(1) Remuneration as Chair of the Remuneration and Appointments Committee and for participation in the Independent Committee (Related Parties)
(2) Remuneration as Chair of the Independent Committee (Related Parties) and for participation in the Risk, Control and Sustainability Committee, and the Supervisory Body
(3) Remuneration for participation in the Remuneration and Appointments Committee
(4) Remuneration for participation in the Independent Committee (Related Parties) and for participation in the Risk, Control and Sustainability Committee
(5) Remuneration as Chair of the Risk, Control and Sustainability Committee and as Chair of the Supervisory Board
(*) Amounts subject to variations based on data approved by the Board of Directors on 07/03/2024. This amount includes (i) the pay-out relating to the recognition of the individual results, (ii) excluding the potential co-investment of the beneficiary in the Sustainable Value Sharing Plan 2022-2027, as the beneficiary's right to co-invest in shares will occur following the publication of this document
(**) Amounts subject to variations based on data approved by the Board of Directors on 07/03/2024. This amount includes (i) the pay-out relating to the recognition of the individual results, (ii) excluding the potential co-investment of the beneficiaries in the Sustainable Value Sharing Plan 2022-2027, as the beneficiaries' right to co-invest in shares will occur following the publication of this document. This amount includes, in addition to the amount paid as short-term variable remuneration (MBO), other bonuses paid to Key Managers whose value is equal to 892.091 €
(***)The remuneration figures shown also take into account 3 Executives with Strategic Responsibilities terminated during 2023"

The stock grants awarded to the members of Board of Directors, General Managers and Key Managers (including those employed by subsidiaries) are detailed below.

INCENTIVE PLANS BASED ON FINANCIAL INSTRUMENTS, OTHER THAN STOCK OPTIONS, FOR THE MEMBERS OF THE BOARD OF DIRECTORS, THE GENERAL MANAGER AND MANAGERS WITH STRATEGIC RESPONSIBILITIES

			FINANCIAL INSTRUMENTS GRANTED IN PREVIOUS FINANCIAL YEARS, NOT VESTED DURING THE FINANCIAL YEAR		FINANCIAL INSTRUMENTS GRANTED DURING THE FINANCIAL YEAR					FINANCIAL INSTRUMENTS VESTED DURING THE FINANCIAL YEAR AND NOT AWARDED	FINANCIAL INSTRUMENTS VESTED DURING THE FINANCIAL YEAR AND ASSIGNABLE		FINANCIAL INSTRUMENTS ACCRUED FOR THE FINANCIAL YEAR
First and last names	Office	Plan	Number and type of financial instruments	Vesting Period	Number and type of financial instruments	Fair Value at grant date (euro)	Vesting Period	Grant Date	Market Price at grant date (euro)	Number and type of financial instruments	Number and type of financial instruments	Value at the date of Vesting	Fair value (thousands of euro)
Enrico Vita	Chief Executive Officer and General Manger	Stock Grant Plan 2019-2025 (30th July 2020)	90,000	Jun - 2023 (1)	-	-	-	-	-	-	135,000	33.22	1293
		Stock Grant Plan 2019-2025 (3rd May 2021)	70,000	Jun - 2024 (1)	-	-	-	-	-	-	-	-	662
		Stock Grant Plan 2019-2025 (5th May 2022)	65,000	Jun - 2025 (1)	-	-	-	-	-	-	-	-	641
		Stock Grant Plan 2023-2028 (3rd May 2023)	-	-	78,000	32.52	Jun - 2026 (1)	03/05/23	33.22	-	-	-	454
		Sustainable Value Sharing Plan 2022-2027 (31st May 2022) - Coinvested Shares (3)	24,000	Giu - 2025	-	-	-	-	-	-	-	-	209
		Sustainable Value Sharing Plan 2022-2027 (31st May 2022) - Matched Shares (3)	24,000	Giu - 2025	-	-	-	-	-	-	-	-	139
		Sustainable Value Sharing Plan 2022-2027 (29th May 2023) - Coinvested Shares (4)	-	-	24,500	32.10	Jun - 2026	29/05/23	33.03	-	-	-	126
		Sustainable Value Sharing Plan 2022-2027 (29th May 2023) - Matched Shares (4)	-	-	24,500	26.04	Jun - 2026	29/05/23	33.03	-	-	-	103
Total			**273,000**	**-**	**127,000**	**-**	**-**	**-**	**-**	**-**	**135,000**	**-**	**3,627**
Other Key Managers with Strategic Responsibilities of the Group (15) (2) (Key Managers) F. Bardelli A. Bonacina R. Cattaneo A. Ciccolini F. Dal Poz E. Di Vincenzo C. Finotti G. Galli R. Hassan P. Lazzarini F. Morichini A. Muir I. Pazzi G. Pizzini G. Vironda"		Stock Grant Plan 2020-2022 (30th July 2020)	164,000	Jun - 2023 (1)	-	-	-	-	-	-	242,000	33.22	2,271
		Stock Grant Plan 2020-2022 (30th October 2020)	24,000	Jun - 2023 (1)	-	-	-	-	-	-	24,000	33.22	120
		Stock Grant Plan 2019-2025 (3rd May 2021)	122,500	Jun - 2024 (1)	-	-	-	-	-	-	-	-	1,158
		Stock Grant Plan 2019-2025 (5th May 2022)	155,000	Jun - 2025 (1)	-	-	-	-	-	-	-	-	1,529
		Stock Grant Plan 2019-2025 (3rd May 2023)	-	-	134,600	32.52	Jun - 2026 (1)	05/03/23	33.22	-	-	-	783
		Stock Grant Plan 2019-2025 (31st October 2023)	-	-	18,500	25.92	Jun - 2026 (1)	10/31/23	25.48	-	-	-	25
		Stock Grant Plan 2019-2025 (13th November 2023)	-	-	23,900	26.76	Jun - 2026 (1)	11/13/23	26.96	-	-	-	34
		Sustainable Value Sharing Plan 2022-2027 (29th May 2023) - Coinvested Shares (4)	-	-	36,810	32.10	Jun - 2026	05/29/23	33.03	-	-	-	190
		Sustainable Value Sharing Plan 2022-2027 (29th May 2023) - Matched Shares (4)	-	-	36,810	26.03	Jun - 2026	05/29/23	33.03	-	-	-	154
Total			**465,500**	**-**	**250,620**	**-**	**-**	**-**	**-**	**-**	**266,000**	**-**	**6,265**
Grand Total			**738,500**	**-**	**377,620**	**-**	**-**	**-**	**-**	**-**	**401,000**	**-**	**9,891**

(1) For the Chief Executive Officer/General Manager and Managers with Strategic Responsibilities, at the end of the vesting period, the plan provides for a lock-up period of a further year with reference to 30% of the vested shares
(2) The grants represented also consider 3 Executives with Strategic Responsibilities terminated during 2023
(3) The amounts shown represent 2023 accrued fair value related to the 2022-2027 Sustainable Value Sharing Plan, cycle 2022-2024, following the beneficiary's investment of its 2021 MBO
(4) The amounts shown represent 2023 accrued fair value related to the 2022-2027 Sustainable Value Sharing Plan, cycle 2023-2025, following the beneficiaries' investment of their 2022 MBO"

40. Guarantees provided, commitments, and contingent liabilities

Guarantees provided to third parties

This comprised the following as at 31 December 2023:

(€ thousands)

	Value at 12/31/2023	Value at 12/31/2022
Guarantees provided to third parties	34,220	46,241
Total	**34,220**	**46,241**

Regarding the guarantees relating to financial liabilities recognized in the consolidated financial statements, only the amount of the guarantee in excess of the liability recognized in the financial statements is shown, in addition to the interest not yet paid (if applicable).

The guarantees provided refer mainly to:

- sureties issued in favor of third parties for leases amounting to €12,019 thousand;
- miscellaneous guarantees, totaling €22,201 thousand, which include letters of patronage issued on behalf of subsidiaries to third parties.

Commitments

No commitments are recognized in the consolidated financial statements as 31 December 2023.

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. The usual periodic tax audits will continue, but to date no particular findings have emerged and, at any rate, the Group is confident in the correctness of its actions.

41. Transactions arising from atypical/unusual transactions

Pursuant to Consob Communication of 28 July 2006, it should be noted that during 2023 the Group carried out no atypical and/or unusual transactions, as defined by the Communication.

42. Financial risk management

With a view to structured management of treasury activities and financial risks, the Group had already adopted a Treasury Policy in 2012 which contains guidelines for the management of:

- currency risk
- interest rate risk
- credit risk
- price risk
- liquidity risk.

This policy is updated periodically in order to guarantee proactive risk management.

Currency Risk

Currency Risk includes the following types of risk:

- foreign exchange transaction risk, that is the risk that the value of a financial asset or liability, a forecasted transaction or a firm commitment, fluctuates due to changes in exchange rates;
- foreign exchange translation risk, that is the risk that the translation of the assets, liabilities, costs and revenues relating to net investment in a foreign operation into the reporting currency gives rise to an exchange gain or loss.

The Amplifon Group's foreign exchange transaction risk relates to:

- the currency risk stemming from the Procurement and Supply Chain activities carried out by the parent company which involves the the direct management of the purchase of hearing aids and accessories, along with the resale to the subsidiaries. The purchases from suppliers are generally made in the same currency used in the subsidiaries' invoices with payment terms that are similar to those negotiated with the suppliers which limits the exchange risk. This risk is, therefore, limited to the intercompany transactions linked to the supply of products to subsidiaries located in the places where a currency other than the Euro is used;
- other transactions in which the purchase costs or sales revenue are denominated in currencies other than the local currency as is the case in a few countries of lesser importance (Israel, Canada and the Central and Latin American subsidiaries), where the purchasing costs are incurred in Euros and US dollars;
- other intercompany transactions (medium/long-term and short-term loans, charge backs based on intercompany service agreements, other centralized, intercompany dividends, etc.) which result in currency risk for the companies operating in currencies other than that of the intercompany transaction;
- the period between the signing and closing of any commitments to purchase equity interests.

Foreign exchange translation risk arises from investments in the United States and Canada, the United Kingdom, Switzerland, Hungary, Poland, Israel, Australia, New Zealand, India, China, Chile, Argentina, Ecuador, Colombia, Panama, Mexico and Egypt.

Group Strategy:

Foreign Exchange Transaction Risk

The Group's strategy aims to minimize the impact of currency volatility on the income statement and calls for risks stemming from significant positions in currencies other than the currency used in the financial statements of each company to be hedged.

With regard to operational transactions, including those stemming from the Parent Company's Global Procurement activities, the intercompany services provided and cash-pooling, the risk is covered, when possible, by using a natural hedge which aims to balance active and passive positions for each company by maintaining currency deposits which can be used to cover any differences. Any risk exposure linked to differences in assets and liabilities that cannot be managed using bank deposits in foreign currency will be adequately hedged using instruments deemed adequate. These include, for example, currency forwards.

Any exposures to exchange risks stemming from financial transactions are hedged using derivatives. These derivatives are typically used to hedge exchange risk relative to: (i) bonds issued in US dollars by Amplifon S.p.A. and subscribed by Amplifon USA Inc, and (ii) an intercompany loan granted by Amplifon S.p.A. to the Australian subsidiary Bay Audio Pty Ltd.

With regard to exposures derived from financial transaction, the foreign exchange risk is hedged using derivatives. More in detail, in the past these derivatives have been used to hedge exchange risk related to: (i) bonds issued in US dollars by Amplifon S.p.A. and subscribed by Amplifon USA Inc, and (ii) an intercompany loan granted by Amplifon S.p.A. to the Australian subsidiary Bay Audio Pty Ltd. Both of these were repaid in full at the beginning of 2023.

The loans between the Australian and New Zealand companies and between the American and Canadian companies are considered equity investments insofar as the loans are non-interest-bearing and not expected to be repaid. The impact of exchange differences is recognized directly in the translation reserve at equity without passing through the income statement.

The risks arising from other intercompany transactions worth less than €1 million (or the equivalent if denominated in another currency) are not hedged as the amounts are not material.

Foreign Exchange translation risk

The foreign exchange translation risk, in accordance with the Group Treasury Policy, is not hedged.

Overall, the impact of the foreign exchange translation risk can be seen in the Group's Euro denominated EBITDA which was around €17 million lower than the Group's total EBITDA.

Approximately €8 million of this difference is attributable to the Argentinian subsidiary. The latter operates in a high-inflation country but, as the size of the subsidiary is immaterial, the impact on the Group is not significant.

Interest rate risk

Interest rate risk involves the following situations:

- fair value risk, namely the risk that the value of a fixed rate financial asset or liability changes due to fluctuations in market interest rates;
- cash flow risk, namely the risk that the future cash flows of a floating rate financial asset or liability fluctuate due to changes in market interest rates.

In the Amplifon Group fair value risk arises on the issue of €350 million in Eurobonds and the €75 million EIB loan which are fixed rate.

The cash flow risk stems from floating rate bank loans. The Group's strategy is to minimize cash flow risk, especially with respect to long-term exposures, through a balanced mix of fixed- and floating-rate loans and assessing whether to switch floating-rate borrowings to fixed-rate when each loan is taken out, as well as over the life of the loans including in light of the current market rates. In any event, at least 50% of the debt must be hedged against interest rate risk. At 31 December 2023, the Group's medium/long- term debt amounted to €877 million; €725 million of which fixed rate or had been swapped to fixed rate debt; €110 of which million will be maturing in the next 12 months. The unutilized irrevocable lines of credit total €480 million. The unutilized portion of the IEB loan amounts to € 225 million.

Credit risk

Credit risk is the risk that the issuer of a financial instrument defaults on its obligations resulting in a financial loss for the investor.

In the Amplifon Group credit risk arises from:

(i) sales made as part of ordinary business operations;
(ii) the use of financial instruments that require settlement of positions with other counterparties;
(iii) the loans granted to members of the indirect channel and commercial partners in the United States for investments and business development

With regard to the risk (i) above, the only positions with a high unit value are amounts due from Italian public-sector entities for which the risk of insolvency, while it exists, is remote and further mitigated by the fact that each quarter they are factored without recourse by specialized factoring companies. Conversely, there is credit risk associated with the sales to private individuals based on instalment payment plans and arising from sales to US indirect channel operators (franchisees). This credit risk, however, is spread out over a number of partners and the amount owed by any single individual is limited. The largest of these amounts does not exceed a few million US dollars. Due to typical business risks, some may not be able to honor their debts. This would result in higher working capital and credit losses. While each subsidiary is responsible for collection of receivables, the Group, through its Corporate functions, has set up a centralized system of monthly reporting relative to trade receivables in order to monitor the composition and due dates for each country, and shares credit recovery initiatives and commercial policies with local management. Payment options like installment plans or loans (with terms limited to a few months) are offered to private customers, the majority of which do, however, use cash. These are managed by external finance companies which advance the whole amount of the sale to Amplifon, while the situation of the indirect channel in the US is closely monitored by local management.

The risk referred to in (ii) above, notwithstanding the inevitable uncertainties linked to sudden and unforeseeable counterparty default, is managed by making diversified investments with the main national and international investment grade financial institutions and through the use of specific counterparty limits with regard to both liquidity invested and/or deposited and to the notional amount of the derivatives. The counterparty limits are determined based on the short-term ratings of each counterparty or, if a public rating is not available, on capital ratios (Tier 1).

The risk referred to in (iii) above refers to receivables that are typically guaranteed personally by the loan beneficiaries and repayments are generally made when the invoices for the purchases of hearing aids are paid.

Price Risk

This arises from the possibility that the value of a financial asset or liability may change due to fluctuations in market prices (other than those caused by currency or interest-rate fluctuations) due to both characteristics specific to the financial asset or liability or the issuer of the financial liability, as well as changes related to market factors. This risk is typical of financial assets not listed on an active market, which may not be easy to liquidate quickly at a level close to their fair value. The Amplifon Group does not have investments in these kinds of instruments and, therefore, this risk currently does not exist.

Liquidity Risk

Liquidity Risk typically arises when an entity is experiencing difficulty finding sufficient funds to meet its obligations and includes the risk that the counterparties that have granted loans and/or lines of credit may request repayment.

The current environment of rising interest rates can impact refinancing costs. In this situation, it's possible that costs could be higher with respect to debt currently being refinanced.

At the end of the year, available short-term credit lines amounted to €232 of which €131 million utilized, while the irrevocable credit lines amounted to €555 million of which €75 million utilized. Out of the €300 million loaned by EIB, only €75 million have been utilized. The debt is primarily long-term.

Hedging instruments

In accordance with company strategy, hedging instruments are used by the Group exclusively to mitigate interest rate and currency risk and consist solely in financial derivatives. In order to maximize the effectiveness of these hedges the Group's strategy calls for:

- large counterparties with excellent credit standing and transactions which fall within the limits determined in the treasury policy in order to minimize counterparty risk;
- the use of instruments which match, to the extent possible, the characteristics of the risk hedged;
- monitoring of the adequacy of the instruments used in order to check and, possibly, optimize the structure of the instruments used to achieve the purposes of the hedge.

The Group's Treasury Policy also defines the rigorous criteria to be used when selecting counterparties.

The derivatives used by the Group are generally plain vanilla financial instruments. More in detail, the types of derivatives used include:

- cross currency swaps;
- foreign exchange forwards.

On initial recognition these instruments are measured at fair value. At subsequent reporting dates the fair value of derivatives must be re-measured and:

(i) if these instruments fail to qualify for hedge accounting, any changes in fair value that occur after initial recognition are taken to profit and loss;
(ii) if these instruments subsequently qualify as fair value hedges, from that date any changes in the fair value of the derivative are taken to profit and loss; at the same time, any fair value changes due to the hedged risk are recorded as an adjustment to the book value of the hedged item and the same amount is recorded in profit and loss; any ineffectiveness of the hedge is taken to profit and loss;
(iii) if these instruments qualify as cash flow hedges, from that date any changes in the fair value of the derivative are taken to net equity; changes in the fair value of the derivative that are recognized in net equity are subsequently reclassified in the income statement in the period in which the hedged transaction affects profit and loss; when the object of the hedge is the purchase of a non-financial asset, changes to the fair value of the derivative taken to net equity are reclassified to adjust the purchase cost of the asset hedged (basis adjustment); any ineffectiveness of the hedge is recognized in profit and loss.

The Group's hedging strategy is reflected in the accounts as described above as of the moment the following conditions are satisfied:

- the hedging relationship, its purpose and the overall strategy are formally defined and documented; the documentation includes the identification of the hedging instrument, the hedged item, the nature of the risk to be neutralized and the procedures whereby the entity will assess the effectiveness of the hedge;

- the effectiveness of the hedge may be reliably assessed and there is a reasonable expectation, confirmed by evidence, that the hedge will be highly effective for the period in which the hedged risk exists;
- the hedged risk relates to changes in cash flow connected to a future transaction, the latter is highly probable and entails exposure to changes in cash flow which could affect profit and loss.

Derivatives are recognized as assets if their fair value is positive and as liabilities if their fair value is negative. These balances are shown under current assets or liabilities if related to derivatives which do not qualify for hedge accounting, conversely, they are classified consistently with the hedged item.

In detail, if the hedged item is classified as a current asset or liability, the positive or negative fair value of the hedging instrument is included under current assets or liabilities; if the hedged item is classified as a non-current asset or liability, the positive or negative fair value of the hedging instrument is included under non-current assets or liabilities.

The Group does not have any net investment hedges.

43. Translation of foreign companies' financial statements

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

	12/31/2023		12/31/2022	
	Average exchange rate	Year-end exchange rate	Average exchange rate	Year-end exchange rate
Panamanian balboa	1.0813	1.1050	1.0530	1.0660
Australian dollar	1.6288	1.6263	1.5167	1.5693
Canadian dollar	1.4595	1.4642	1.3695	1.4440
New Zealand dollar	1.7622	1.7504	1.6582	1.6798
Singapore dollar	1.4523	1.4591	1.4512	1.4300
US dollar	1.0813	1.1050	1.0530	1.0666
Hungarian florin	381.85	382.80	391.29	400.87
Swiss franc	0.9718	0.9260	1.0047	0.9847
Egyptian lira	33.1581	34.1589	20.1636	26.3990
New Israeli shekel	3.9880	3.9993	3.5345	3.7554
Argentinian peso (*)	892.9239	892.9239	188.5033	188.5033
Chilean peso	908.20	977.07	917.83	913.82
Colombian peso	4675.00	4267.52	4473.28	5172.47
Mexican peso	19.1830	18.7231	21.1869	20.8560
Chinese renminbi	7.6600	7.8509	7.0788	7.3582
Indian rupee	89.3001	91.9045	82.6864	88.1710
British pound	0.8698	0.8691	0.8528	0.8869
Polish zloty	4.5420	4.3395	4.6861	4.6808

(*) Argentina is a high-inflation country; therefore, pursuant to IAS 29, the items recognized in the income statement were converted based on the exchange rate at the end of the reporting period.
The average exchange rate of the Argentine peso at 31 December 2023 was 314.1127 and 136.7767 at 31 December 2022.

44. Segment information

In accordance with IFRS 8 "Operating Segments", the schedules relative to each operating segment are shown below.

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

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

These areas of responsibility, which coincide with the geographical segments (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 segment, through operating profit including amortization and depreciation (EBIT), along with the portion of the results of equity investments in associated companies valued 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 segment 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.

Income statement – FY 2023 (*)

(€ thousands)

	EMEA	AMERICAS	APAC	CORPORATE	ELIM.	CONSOLIDATED
Revenues from sales and services	1,485,278	429,577	344,738	491	-	2,260,084
Operating costs	(1,072,587)	(318,249)	(255,571)	(95,905)	-	(1,742,312)
Other income and costs	4,354	3,637	304	782	-	9,077
Gross operating profit by segment (EBITDA)	**417,045**	**114,965**	**89,471**	**(94,632)**	**-**	**526,849**
Amortization, depreciation and impairment						
Intangible assets amortization	(42,010)	(13,256)	(14,840)	(23,342)	-	(93,448)
Property, plant, and equipment depreciation	(33,544)	(6,557)	(11,528)	(2,762)	-	(54,391)
Right-of-use depreciation	(78,464)	(11,714)	(26,837)	(2,277)	-	(119,292)
Impairment losses and reversals of non-current assets	(309)	(6)	(191)	-	-	(506)
	(154,327)	**(31,533)**	**(53,396)**	**(28,381)**	**-**	**(267,637)**
Operating result by segment	**262,718**	**83,432**	**36,075**	**(123,013)**	**-**	**259,212**
Financial income, expenses and value adjustments to financial assets						
Group's share of the result of associated companies valued at equity and gains/losses on disposals of equity investments	555	-	-	-	-	555
Interest income and expenses						(27,737)
Interest expenses on lease liabilities						(14,808)
Other financial income and expenses						(5,966)
Exchange gains and losses, and inflation accounting						(3,172)
Gain (loss) on assets accounted at fair value						1,663
						(49,465)
Net profit (loss) before tax						**209,747**
Current and deferred income tax						
Current income tax						(61,626)
Deferred tax						6,904
						(54,722)
Net profit (loss)						**155,025**
Net profit (loss) attributable to Minority interests						(114)
Net profit (loss) attributable to the Group						**155,139**

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

Income statement – FY 2022 (*)

(€ thousands)

	EMEA	AMERICAS	ASIA PACIFIC	CORPORATE	ELIM.	CONSOLIDATED
Revenues from sales and services	1,417,163	381,294	320,146	523	-	2,119,126
Operating costs(**)	(1,012,216)	(283,805)	(239,229)	(77,006)	-	(1,612,256)
Other income and costs(**)	7,758	2,885	215	981	-	11,839
Gross operating profit by segment (EBITDA)	**412,705**	**100,374**	**81,132**	**(75,502)**	**-**	**518,709**
Amortization, depreciation and impairment						
Intangible assets amortization	(37,719)	(10,474)	(15,676)	(16,216)	-	(80,085)
Property, plant, and equipment depreciation	(34,432)	(4,805)	(9,133)	(2,761)	-	(51,131)
Right-of-use depreciation	(75,620)	(8,142)	(22,465)	(2,264)	-	(108,491)
Impairment losses and reversals of non-current assets	(295)	64	(20)	(82)	-	(333)
	(148,066)	**(23,357)**	**(47,294)**	**(21,323)**	**-**	**(240,040)**
Operating result by segment	**264,639**	**77,017**	**33,838**	**(96,825)**	**-**	**278,669**
Financial income, expenses and value adjustments to financial assets						
Group's share of the result of associated companies valued at equity and gains/losses on disposals of equity investments	309	-	-	-	-	309
Interest income and expenses						(18,725)
Interest expenses on lease liabilities						(11,366)
Other financial income and expenses						(2,390)
Exchange gains and losses, and inflation accounting						(2,716)
Gain (loss) on assets accounted at fair value						(45)
						(34,933)
Net profit (loss) before tax						**243,736**
Current and deferred income tax						
Current income tax						(66,905)
Deferred tax						1,949
						(64,956)
Net profit (loss)						**178,780**
Net profit (loss) attributable to Minority interests						255
Net profit (loss) attributable to the Group						**178,525**

(*) The figures of the operating segments are net of the intercompany eliminations.
(**) Please note that some of the operating cost, operating income and cost items pertaining to 2022 were reclassified in order to provide a more accurate representation.

Statement of Financial Position as at December 31st, 2023(*)

(€ thousands)

	EMEA	AMERICAS	APAC	ELIM.	CONSOLIDATED
ASSETS					
Non-current assets					
Goodwill	955,383	237,178	607,013	-	1,799,574
Intangible fixed assets with finite useful life	300,231	50,646	65,712	-	416,589
Property, plant, and equipment	148,081	29,929	43,506	-	221,516
Right-of-use assets	373,293	44,949	59,911	-	478,153
Equity-accounted investments	2,444	-	-	-	2,444
Hedging instruments	12,933	-	-	-	12,933
Deferred tax assets	63,112	7,307	12,282	-	82,701
Deferred contract costs	9,988	1,257	30	-	11,275
Other assets	30,896	14,025	1,914	-	46,835
Total non-current assets					**3,072,020**
Current assets					
Inventories	70,314	8,729	9,277	-	88,320
Receivables	311,674	70,510	34,213	(84,960)	331,437
Deferred contract costs	5,776	914	150	-	6,840
Hedging instruments	549	-	-	-	549
Other financial assets					901
Cash and cash equivalents					193,148
Total current assets					**621,195**
TOTAL ASSETS					**3,693,215**
LIABILITIES					
Net Equity					**1,101,678**
Non-current liabilities					
Medium/long-term financial liabilities					710,267
Lease liabilities	305,426	37,599	40,884	-	383,909
Provisions for risks and charges	17,668	896	815	-	19,379
Liabilities for employees' benefits	12,119	143	701	-	12,963
Deferred tax liabilities	62,023	19,725	16,703	-	98,451
Payables for business acquisitions	5,088	2,141	-	-	7,229
Contract liabilities	139,036	12,341	2,339	-	153,716
Other long-term liabilities	21,773	511	4,095	-	26,379
Total non-current liabilities					**1,412,293**
Current liabilities					
Trade payables	327,768	70,879	45,073	(84,765)	358,955
Payables for business acquisitions	4,283	4,889	382	-	9,554
Contract liabilities	96,941	15,279	7,823	-	120,043
Other payables and tax payables	195,847	28,063	31,819	(195)	255,534
Hedging instruments	242	-	-	-	242
Provisions for risks and charges	586	682	-	-	1,268
Liabilities for employees' benefits	1,069	381	2,263	-	3,713
Short-term financial liabilities					316,413
Lease liabilities	81,704	10,834	20,984	-	113,522
Total current liabilities					**1,179,244**
TOTAL LIABILITIES					**3,693,215**

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

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

(€ thousands)

	EMEA	AMERICAS	APAC	ELIM.	CONSOLIDATED
ASSETS					
Non-current assets					
Goodwill	921,163	213,816	619,049	-	1,754,028
Intangible fixed assets with finite useful life	298,642	53,903	67,553	-	420,098
Property, plant, and equipment	136,721	21,006	35,688	-	193,415
Right-of-use assets	366,243	34,242	51,262	-	451,747
Equity-accounted investments	2,093	-	-	-	2,093
Hedging instruments	25,850	-	-	-	25,850
Deferred tax assets	60,867	10,206	10,707	-	81,780
Deferred contract costs	9,841	1,206	84	-	11,131
Other assets	30,361	10,494	1,615	-	42,470
Total non-current assets					**2,982,612**
Current assets					
Inventories	60,417	5,781	10,060	-	76,258
Receivables	270,798	54,107	33,985	(94,213)	264,677
Deferred contract costs	4,437	744	81	-	5,262
Hedging instruments	17,016	-	-	-	17,016
Other financial assets					49,986
Cash and cash equivalents					179,654
Total current assets					**592,853**
TOTAL ASSETS					**3,575,465**
LIABILITIES					
Net Equity					**1,040,350**
Non-current liabilities					
Medium/long-term financial liabilities					798,940
Lease liabilities	304,182	28,995	35,713	-	368,890
Provisions for risks and charges	17,712	787	1,445	-	19,944
Liabilities for employees' benefits	8,023	203	714	-	8,940
Deferred tax liabilities	61,419	26,053	19,211	-	106,683
Payables for business acquisitions	3,209	2,496	-	-	5,705
Contract liabilities	136,574	14,744	2,295	-	153,613
Other long-term liabilities	15,149	974	-	-	16,123
Total non-current liabilities					**1,478,838**
Current liabilities					
Trade payables	310,412	68,611	40,574	(94,014)	325,583
Payables for business acquisitions	7,585	17,016	-	-	24,601
Contract liabilities	91,613	15,034	8,210	-	114,857
Other payables and tax payables	192,769	19,919	30,092	(199)	242,581
Provisions for risks and charges	975	688	-	-	1,663
Liabilities for employees' benefits	789	393	2,434	-	3,616
Short-term financial liabilities					243,661
Lease liabilities	73,798	7,827	18,090	-	99,715
Total current liabilities					**1,056,277**
TOTAL LIABILITIES					**3,575,465**

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

45. Accounting policies

45.1. Presentation of the financial statements

The consolidated financial statements as at December 31, 2023 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.

45.2. 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;
- IRS and currency swaps (instruments not traded on regulated markets), marked to market at the reporting date based on the yield curve and market exchange rates, which are subject to credit/debit valuation adjustments based on market prices;
- the lease term duration was determined on a lease-by-lease basis and is comprised of the "non-cancellable" period along with the impact of any extension or early termination clauses if exercise of that clause is reasonably certain. This property valuation took into account circumstances and facts specific to each asset;
- discount rate of leases falling within the scope of IFRS 16 (incremental borrowing rate) determined based on the IRS (reference interbank rate used as an index for fixed-rate mortgage loans) in the individual countries in which Amplifon Group companies operate, for maturities commensurate with the duration of the specific rental contract, plus the Parent Company's credit spread and any costs for additional guarantees. In the rare instances when the IRS rate is not available (Egypt, Ecuador, Mexico and Panama), the risk-free rate was determined based on government bonds with maturities similar to the duration of the specific rental contract.

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

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

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

45.3. IFRS standards/interpretations

IFRS/interpretations approved by the IASB, endorsed in Europe and applied for the first time this year

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

Description	Endorsement date	Publication in the G.U.C.E.	Effective date	Effective date for Amplifon
Amendment to IAS 1 *"Presentation of Financial Statements"* and *"IFRS Practice Statement 2: Disclosure of Accounting Policies"* (issued on 12 February 2021)	2 Mar '22	3 Mar '22	1 Jan '23	1 Jan '23
IFRS 17 *"Insurance Contracts"* (issued on 18 May 2017); including amendments to *IFRS 17* (issued on 25 June 2020)	19 Nov '21	23 Nov '21	1 Jan '23	1 Jan '23
Amendment to IFRS 17 *"Insurance contracts"* and *IFRS 9* (issued on 9 December 2021)	8 Sep '22	9 Set '22	1 Jan '23	1 Jan '23
Amendment to IAS 12 *"Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction* (issued on 7 May 2021)	11 Aug '22	12 Aug '22	1 Jan '23	1 Jan '23
Amendment to IAS 8 *"Accounting policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates"* (issued on 12 February 2021)	2 Mar '22	3 Mar '22	1 Jan '23	1 Jan '23
Amendment to IAS 12 *"Income taxes: International Tax Reform – Pillar Two Model Rules"* (issued on 23 May 2023)	8 Nov '23	9 Nov '23	1 Jan '23	1 Jan '23

- Amendments to IAS 1 "Presentation of Financial Statements" and "IFRS Practice Statement 2 Disclosure of Accounting Policies" which strive to improve accounting policy disclosures, in order to provide investors and other primary users of the financial statements with more useful information, as well as help companies clarify the distinction between changes in accounting policies and changes in accounting estimates.
- IFRS 17 "Insurance Contracts" is a new standard which relates to the recognition and measurement, presentation and disclosure of insurance contracts which will substitute IFRS 4, issued in 2005. This standard is applicable to all types of insurance contracts, regardless of the issuer, as well as to a few guarantees and financial instruments with discretionary participation features.
- Amendments to IAS 12 "Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction" calls for exceptions to the "initial recognition exemption" provided in IAS 12.25 (b) and IAS 12.24. The provision impacts the calculation of the tax liability recorded upon "initial recognition".
- Amendments to IAS 8 "Accounting policies, Changes in Accounting Estimates and Errors" which allow the entities to distinguish between accounting principle and accounting estimates through the introduction of a new definition of "accounting estimates".

The Amplifon Group has applied the temporary exemption provided by the amendment to IAS 12, issued by the International Accounting Standards Board ("IASB") last May 23, 2023, regarding the recognition and related disclosure to be provided in the consolidated financial statements in relation to deferred tax assets and liabilities arising from the application of the minimum level of taxation ("Global Minimum Tax") provided by Directive (EU) 2022/2523 of 14 December 2022 (the "Directive"), under the ("Pillar Two").

Toward this end, on 28 December 2023, Legislative Decree No. 209 of 27 December 2023 implementing the international tax reform which came into effect on Dec. 29, 2023, containing the Italian provisions related to Pillar Two, was published in the Official Gazette.

In light of the above, a preliminary analysis was conducted aimed at estimating the potential expected impacts deriving from the application of Pillar Two at a Group level in 2024. In a first phase, the analysis was carried out on data for 2022 and 2023 in order to verify the application of the so-called transitional safe harbors. In a second phase, which was carried out in the jurisdictions in which the transitional safe harbors do not apply, the Pillar Two impact deriving from the GloBe rules was estimated for 2023. Based on these activities, it is believed that, currently, the Pillar Two rules should not lead to a material change for the Group in 2024.

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

Future IFRS standards/interpretations approved by IASB, endorsed in Europe

The following table shows the future IFRS standards interpretation approved by us and endorsed in Europe.

Description	Endorse-ment date	Publication in the G.U.C.E.	Effective date	Effective date for Amplifon
Amendments to IAS 1: *"Presentation of Financial Statements: Classification of liabilities as current or non-current", "Classification of Liabilities as Current or Non-current - Deferral of Effective Date" and "Non-current Liabilities with Covenants"* (issued on 23 January 2020, 15 July 2020 and 31 October 2022, respectively)	19 Dec '23	20 Dec '23	1 Jan '24	1 Jan '24
Amendments to IFRS 16 *"Leases: Lease Liability in a Sale and Leaseback"* (issued on 22 September 2022)	20 Nov '23	21 Nov '23	1 Jan '24	1 Jan '24

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

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

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

45.4. Future accounting standards and interpretations

IFRS standards/interpretations approved by IASB, but not endorsed in Europe

The following are the international accounting standards, interpretations, amendments to existing accounting standards and interpretations, or specific provisions contained in the standards and interpretations approved by the IASB which, at 31 December 2023, have yet to be endorsed for adoption in Europe.

Description	Effective date
Amendments to IAS 7 *"Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures: Supplier Finance Arrangements"* (issued on 25 May 2023)	Periods beginning on or after 1 Jan '24
Amendments to IAS 21 *"The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability"* (issued on 15 August 2023)	Periods beginning on or after 1 Jan '25

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

The amendments to IAS 21 proposed by IASB provide clarification as to exchange whether a currency is exchangeable and which exchange rate to be use if it is not.
The adoption of the standards and interpretations approved and not endorsed above is not expected to have a material impact on the measurement of the Group's assets, liabilities, costs and revenues.

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

45.5. Subsidiaries

SThe consolidation area includes companies which are controlled by the Group. Control is defined as the power to influence the financial and operating policies of a company. The existence of control over a company is determined on the basis of: (i) voting rights, including potential ones, that the Group is entitled to and by virtue of which the Group may exercise a majority of the votes that can be cast at ordinary Shareholders' meetings; (ii) the content of possible agreements between shareholders or the existence of specific clauses in the entity's by-laws which grant the Group the power to manage the company; (iii) control by the Group of a sufficient number of votes to exercise de facto control at ordinary Shareholders' meetings of the company.

Income statement items are included in the consolidated financial statements starting from the date control is acquired and up to the date such control ceases. All payables and receivables, as well as the revenue and expense items deriving from transactions between companies included in the consolidation are eliminated entirely; capital gains and losses deriving from transfers of assets between consolidated companies are also eliminated, as are the profits and losses arising from transfers of assets between consolidated companies that come to form inventories of the acquiring company, write-downs and reversals of holdings in consolidated companies, and intragroup dividends. Assets, liabilities, costs and revenues of subsidiaries are recorded in full, allocating to minority shareholders their share of net equity and of the net result.

The financial statements of subsidiaries are adjusted in order to make the measurement criteria consistent with those adopted by the Group.

The closing dates of subsidiaries are aligned with that of the parent company; where this is not the case, the subsidiaries prepare appropriate financial statements for consolidation purposes.

45.6. Jointly controlled companies

A joint control arrangement is an agreement based on which two or more parties have joint control. Joint control is the contractually agreed sharing of control of an arrangement which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

There are two types of joint control arrangements: joint operations and joint ventures.

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. These parties are referred to as joint operators.

With reference to investment in a joint operation, each part has to relocate:

a) Own assets, included share of jointly owned assets;
b) Own liabilities, included share of jointly owned liabilities;
c) Revenues from sales of own production share arises from joint operation activity;
d) Share of revenues from the production sale deriving from the jointly controlled activity;
e) Own costs, included parts of costs sustained with the other part.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement.

In consolidated financial statements investment in joint venture are valuated with equity method, accounted in income statement net profit and loss attributable to the group occurred in the period.

With equity method, investment carry amount represents assets and liabilities fair value of jointed at acquisition moment, as well goodwill arises at acquisition moment.

45.7. Associated companies

Investments in associates are accounted for using the equity method. A company is considered an associate if the Group participates in decisions relating to the company's operating and financial policies even if the latter is not a subsidiary nor subject to joint control. Under the equity method, on initial recognition, an investment in an associate is recognized at cost in the statement of financial position and the carrying amount is increased or decreased to recognize the investor's share of the profit or loss of the investee after the date of acquisition. The goodwill relating to the associate is included in the carrying amount and is not subject to amortization. The profits generated as a result of transactions carried out by the Group with associates are eliminated to the extent of the Group's interest in the associate. The financial statements of companies accounted for based on the equity method are adjusted to be in line with the Group's accounting policies.

45.8. Business combinations

Business combinations are accounted for in the financial statements as follows:

- acquisition cost is determined on the basis of the fair value of assets transferred, liabilities assumed, or the shares transferred to the seller in order to obtain control;
- the determination of the values of the assets and liabilities of the acquiree is made provisionally until the activities of determining the fair value of the assets and liabilities are completed. The completion of these activities must in any case take place within 12 months of the acquisition, where the latter are counted from the date on which the acquisition took place and accounted for the first time. If, in the period in which the allocation is made provisionally, different values should emerge from those initially recorded following new information on facts and circumstances that in any case existed at the acquisition date, the recognized values are adjusted retrospectively;
- acquisition-costs related to business combinations are recognized in the income statement for the period in which the costs were incurred;
- the fair value of the shares transferred is determined according to the market price at the exchange date;
- where the agreement with the seller provides for a price adjustment linked to the profitability of the business acquired, over a defined timeframe or at a pre-established future date (earn-out), the adjustment is included in the acquisition price as of the acquisition date and is measured at fair value as at the date of acquisition;
- at the acquisition date, the assets and liabilities, including contingent ones, of the acquired company are recognized at their fair value at that date. When determining the value of these assets we also consider the potential tax benefits applicable to the jurisdiction of the acquired company;
- when the carrying amounts of assets, liabilities and contingent liabilities recorded differ from their corresponding tax base at the acquisition date, deferred tax assets and liabilities are recognized;
- any difference between the acquisition cost of the investment and the corresponding share of the net assets acquired is recorded as goodwill, if positive, or it is charged to the income statement, if negative;
- income items are included in the consolidated financial statements starting from the date control is acquired and up to the date control ceases.

45.9. Functional currency, presentation currency and translation criteria applied to foreign currency items

The consolidated financial statements of the Amplifon Group are presented in Euros, the functional currency of the parent company, Amplifon S.p.A.

The financial statements of subsidiaries and jointly-controlled companies are prepared in the functional currency of each company. When this currency differs from the reporting currency of the consolidated financial statements, the financial statements are translated using the current exchange rate method: income statement items are translated using the average exchange rates of the year, asset and liability items are translated using year-end rates and net equity items are translated at historical rates. Exchange differences are recorded under “translation difference” in the consolidated net equity; when the company is disposed of, the cumulative differences booked in net equity are taken to the income statement.

Foreign currency transactions are recorded at the exchange rate at the transaction date. Monetary assets and liabilities denominated in foreign currency are translated at the exchange rate at the reporting date. Non-monetary assets and liabilities denominated in foreign currency and valued at cost are reported at the exchange rate used upon initial recognition. Non-monetary assets and liabilities denominated in foreign currency and recognized at fair value, at recoverable value, or realizable value, are translated using the exchange rate of the date when the value was determined.

Any exchange rate differences arising from the settlement of monetary assets and liabilities or from the translation at exchange rates that are different from those used upon initial recognition, during the year or in previous financial statements, are recognized in the income statement.

45.10. Intangible assets

Intangible assets purchased separately and those acquired through business combinations carried out prior to the adoption of the IFRS are initially measured at cost, whilst those acquired through business combinations completed after the date of transition to IFRS, are initially measured at fair value. Expenditure incurred after the initial acquisition is recorded as an increase in the cost of the intangible asset to the extent that the expenditure can generate future economic benefits.

Intangible assets having a finite useful life are amortized systematically over their useful lives and written down for impairment (see section 45.13). Amortization begins when an asset is available for use and ceases at the time of termination of the useful life or when an asset is classified as held for sale (or included in a disposal group classified as held for sale). Both the useful life and the amortization criterion are periodically reviewed and, where significant changes have occurred compared to the previously adopted assumptions, the amortization charge for the current year and subsequent ones is adjusted.

The periods of amortization are shown in the following table:

Asset Type	Years
Software	3-10
Licenses	1-15
Non-competition agreements	5
Customer lists	10-15
Trademarks and concessions	3-15
Other	5-9

45.11. Goodwill

Goodwill is recognized in the financial statements following business combinations and is initially recorded at cost, which is the excess of the cost of acquisition over the Group's share in the fair values of the assets, liabilities and contingent liabilities acquired.

Goodwill is classified as an intangible asset. As of the acquisition date, the goodwill acquired in a business combination is allocated to each of the acquirer's cash-generating units or groups of cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the acquiree are allocated to those units or groups of units.

Subsequent to initial recognition, goodwill is not amortized but valued at cost less any cumulative impairment losses (see section 45.13).

45.12. Tangible fixed assets

Tangible fixed assets are recorded at purchase or production cost, inclusive of ancillary costs that are directly attributable to the assets.

The carrying amount upon initial recognition of tangible fixed assets, or their significant elements (except for land), net of their residual value, is depreciated on a straight-line basis over their useful life and is written down for impairments (see section 45.13). Depreciation starts when the asset becomes available for use and ceases at the time of termination of the useful life or when it is classified as held for sale (or included as part of a disposal group classified as held for sale). The useful life and the depreciation rate, as well as the residual value, are periodically reviewed and, where significant changes have occurred compared to the previously adopted assumptions, the depreciation charge for the current year and subsequent ones is adjusted.

Maintenance costs that do not add value to an asset are charged to the income statement in the year in which they are incurred. Maintenance costs that add value to an asset are recorded with the fixed asset item to which they relate and are depreciated on the basis of the future remaining useful life of the asset.

Leasehold improvements, such as to premises, shops and branches held under operating leases, are capitalized and depreciated over the shorter of the term of the lease and the useful life of the tangible asset installed.

The periods of depreciation are shown in the following table:

Asset type	Years
Buildings, constructions and leasehold improvements	5-25
Plant and machinery	5-16
Industrial and commercial equipment	4-10
Motor vehicles	3-9
Computers and office machinery	3-7
Furniture and fittings	3-10
Other tangible fixed assets	4-8

45.13. Impairment of intangible fixed assets, tangible fixed assets, investments in associated companies and goodwill

The Group checks the recoverable value of an asset whenever an impairment indicator exists and, for intangible fixed assets with an indefinite life, other tangible assets and goodwill, the assessment is carried out yearly. The recoverable amount is defined as the higher of the asset's fair value less costs to sell and its value in use.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Value in use is determined with reference to the present value of the estimated future cash flows that are expected to be generated by the continued use of an asset and its disposal at the end of its useful life, discounted using a pre-tax discount rate that reflects current market assessments of the time value of money and the specific risks associated with the asset. Where the value in use of a specific asset cannot be determined due to the fact that the asset does not generate independent cash flows, value in use is estimated with reference to the cash-generating unit to which the asset belongs.

With regard to goodwill, the impairment test is performed for the smallest cash-generating unit that the goodwill relates to and which is used by the Group to evaluate, either directly or indirectly, the return on the investment which includes the goodwill itself.

Impairment losses are recognized in the income statement when the carrying value of an asset is higher than its recoverable value. Except for goodwill, for which impairment losses cannot be reversed, when there is an indication that an impairment loss is no longer justified or may have decreased, the carrying value of the asset is adjusted to its recoverable value. The increased carrying value of an asset due to an impairment reversal cannot, however, exceed the carrying value that the asset would have had (net of the write-down or depreciation) if the impairment had not been recognized in previous years. The reversal is immediately recognized in the income statement.

45.14. Leasing

When a contract is signed the Group assesses whether a contract is or contains a lease, namely if the contract conveys the right to use an asset for a period of time in exchange for consideration.

Accounting policies applicable to the Group as a lessee
The Group uses a single model to recognize and measure all leases, with the exception of short-term leases and leases for low value assets. The Group recognizes the lease liabilities and the right-of-use asset, namely the right to use the lease's underlying asset.

Right-of-use assets
The Group recognizes the right-of-use assets as of the commencement date of the lease (namely the date on which use of the underlying asset is conveyed). The right-of-use assets are valued at cost, net of any accumulated depreciation and impairment losses, adjusted to reflect any restated lease liabilities. The costs for the right-of-use assets include the lease liabilities recognized, the initial direct costs incurred and the lease payments made as of the commencement date or before the commencement date net of any incentives received.

The right-of-use assets are amortized on a straight-line basis from the commencement date to the end of their useful life consistent with the right granted or, if before, the end of the lease term.

The right-of-use assets are subject to impairment testing. Please refer to section 45.13. Loss of value of non-financial assets.

Lease liabilities
At the commencement date of the lease, the Group recognizes a lease liability equal to the payments that must be made in the future under the lease. The payments owed include fixed lease payments less any lease incentives, variable lease payments linked to an index or a rate, and the guaranteed residual amount due. The lease payments also include the exercise price of a purchase price if it is reasonably certain that the option will be exercised by the Group and any penalties for terminating the lease contemplated in the lease if the duration of the lease takes into account the exercise by the Group of the option to terminate the lease itself.

Variable lease payments that are not linked to an index or a rate are recognized as a cost in the period in which the event or the condition triggering the payment occurred.

When calculating the present value of payments owed, the Group uses the marginal borrowing rate at the commencement date if the implied borrowing rate is not easily determined. After the commencement date the amount of the lease liabilities will be increased in order to reflect interest owed and decreased to reflect payments made. The book value of the lease liabilities will also be restated if any changes are made to the lease terms or payment terms; it will also be restated if the value of the purchase option on the underlying asset is changed or if any changes in the index or rate used to determine future payments occur.

Concessions deriving from the effects of Covid-19

The Group applies the practical expedient that allows the lessee to disregard any concessions on the payment of rents received from 1 January 2020 and resulting from the effects of Covid-19 as a modification of the original contract changes. Therefore, the aforementioned concessions are accounted for as positive variable fees without going through a contractual amendment.

This exemption applies when the following conditions are met:

- the change in payments has left unchanged, with respect to the original conditions, the same amount to be paid, or has reduced the amount;
- the granting of payments is a direct consequence of the Covid-19 pandemic and the reduction in payments refers only to those originally due until June 2021 (for instance, it could be argued that a rent concession would satisfy this condition if it resulted in a reduction of lease payments due on or before 30th June 2022, and a corresponding increase in lease payments due after 30th June 2022);
- there are no substantial changes to other contractual terms or conditions of the lease.

Short-term leases and low value assets

The Group applies the exemption relative to leases for low value assets like, for example PCs, printers, electronic equipment and short-term leases, namely leases with a term of less than 12 months without purchase options, with the exception of the assets classed as “stores”. The rent payable under short-term leases and leases for low value assets are recognized as costs on a straight-line basis over the lease term.

The Group as lessor

Leases which leave all the risks and benefits associated with ownership of the asset are classified as operating leases. Lease income stemming for the operating lease must be recognized on a straight-line basis over the lease term and recognized as revenue in the income statement. The initial negotiation costs are added to the book value of the leased asset and are recognized on a straight-line basis over the lease term. Unplanned leases are recognized as revenue in the period in which they mature.

Sublease

The Group, as an intermediate lessor in a subleasing contract, classifies a sublease as a finance or operating lease as follows:

a) If the head lease is accounted for as a short-term lease, for which the Group has made use of the practical expedient, the sublease is classified as an operating lease;
b) otherwise, the sublease is classified by reference to the right-of-use asset arising from the head lease, rather than by reference to the underlying asset (for example, property unit, leased plants or machinery).

More in detail, if the sub-lease is classified as an operating lease, the head lessor continues to recognize the lease liabilities and the right-of-use assets in the head lease like any other lease.

If the net book value of the right-of-use asset in the head lease exceeds the income expected from the sub-lease, this might indicate that there has been a loss in the value of the right-to-use asset in the head lease. The loss in value of a right-of-use asset is measured in accordance with IAS 36.

If the sub-lease is classified as a finance lease, the head lessor eliminates the right-of-use asset from the head lease as of the commencement date of the sub-lease and continues to recognize the original lease liability as per the lessee’s accounting model.

45.15. Financial assets and liabilities

45.15.1. Financial assets (excluding derivatives)

The Group's financial assets are classified based on the business model used to manage them and the nature of the relative cash flows.

a) Financial assets valued at amortized cost

Financial assets that meet the following requirements are classified in this category:

(i) assets held as part of a business model where the objective of the entity's business model is collecting contractual cash flows; and
(ii) the cash flows contemplated under the contract refer solely to payments of principal and interest on the amount of principal to be repaid.

These are mainly trade receivables, loans and other receivables.

The trade receivables without a significant financing component are recognized at the price of the relative transaction (determined in accordance with IFRS 15 Revenue from contracts with customers).

The other receivables and loans are recognized in the financial statements at fair value plus any ancillary costs attributable directly to the transactions that generated them.

IAfter initial recognition, the effective interest rate applied to financial assets measured at amortized cost, with the exception of receivables without a significant financing component, is used to determine interest income which is recognized in profit or loss. The effects of this measurement are recognized among the financial components of income.

With reference to the impairment model, the Group evaluates the receivables by adopting an expected loss logic.

The Group used a simplified approach to measure trade receivables which does not call for periodic adjustments of the credit risk nor of the expected credit loss ("ECL") calculated over the life of the receivable ("lifetime ECL").

More in detail, the policy implemented by the Group calls for the stratification of trade receivables broken down into similar risk categories. Different percentages of impairment are applied to these categories based on the expected level of recoverability which refer to historical percentages and any forward-looking elements that could affect recoverability. The trade receivables are written off entirely if there is not a reasonable expectation of recoverability (i.e. past due above a certain level, bankruptcy and/or legal proceedings).

The Group uses a general approach for the measurement of the long-term financial receivables relating to the loans granted by American subsidiaries to franchisees and members of the Elite network in order support investment and development in the United States which requires the checking of any increase in the credit risk at the end of each reporting period.

Impairment recognized pursuant to IFRS 9 is presented in the income statement, net of any positive effects stemming from releases or reversals, as operating costs.

b) Financial assets at fair value recognized through the comprehensive income statement ("FVOCI")

Financial assets that meet the following requirements are classified in this category:

(i) assets held as part of a business model where the objective of the entity's business model is collecting contractual cash flows and selling the assets; and (ii) the cash flows contemplated under the contract refer solely to payments of principal and interest on the amount of principal to be repaid.

These include trade receivables that the Group sometimes used in factoring without recourse transactions.

These assets are initially recognized in the financial statements at their fair value plus any ancillary costs directly attributable to the transactions generating them. After initial recognition, the measurement is updated and any changes in fair value are recognized in the comprehensive income statement.

The impairment model used is describe in a) above.

c) Financial assets at fair value recognized through the consolidated income statement ("FVPL")

Financial assets which are not classified in the other categories (i.e. residual category). These are mainly derivatives.

Assets belonging to this category are initially recognized at fair value.

The ancillary costs incurred when the asset is recognized are immediately recognized in the consolidated income statement. After initial recognition, the FVPL are measured at fair value.

The gains and losses stemming from changes in fair value are recognized in the consolidated income statement for the reporting period under "Gains (losses) from assets measured at fair value".

The purchases and disposals of financial assets are accounted for on the settlement date.

Financial assets are derecognized from the financial statements when the related contractual rights expire, or when the Group transfers all the risks and rewards of ownership associated with the financial asset.

45.15.2. Financial liabilities (excluding derivatives)

Financial liabilities include financial payables, lease obligations and trade payables. Amounts payable to banks and other lenders are initially recognized at fair value less any directly attributable transaction costs and subsequently valued at amortized cost based on the effective interest rate. If there is a change in the forecast cash flow the value of the liabilities is recalculated in order to reflect this change based on the present value of the new future cash flows and the internal rate of return initially determined.

Whenever legal rights to compensation arise, the Group decides whether or not to show cash and cash equivalents net of bank overdrafts.

Trade payables are obligations to pay for goods and services acquired from suppliers as part of general business operations. The amounts owed suppliers are classified as current liabilities if the payment will be made within a year of the relative reporting period. Conversely, these payables are classified as non-current liabilities.

The trade and other payables are initially measured at fair value and subsequently using the amortized cost method.

When a financial liability is hedged against interest rate risk in a fair value hedge, any changes in fair value due to the hedged risk are not included in the amortized cost calculation. These changes are amortized starting from the moment fair value hedge accounting is discontinued.

With regard to lease liabilities, please refer to section 45.14. Leasing.

Financial liabilities are derecognized when the underlying obligation is extinguished, cancelled or fulfilled.

Contractual amendments relating to financial liabilities are assessed from a qualitative and quantitative point of view (using the 10% test) to determine whether they are of a substantial nature and therefore require a derecognition of the original debt In the event of non-substantial amendments, the Group recognizes the impact of those changes in the income statement.

In the case of put and call granted to minority shareholders and which guarantee them the settlement in cash in exchange for available liquidity or other financial assets, the Group, in accordance with IAS 32, records a financial liability equal to the best estimate of the exercise price of the option. This liability is subsequently remeasured at each closing date. Based on the Group's accounting policy any change in the value of the liability is recognized in net equity.

45.15.3. Derivative financial instruments

As of 1 January 2019 the Amplifon Group opted to apply the provisions of IFRS 9 relating to hedge accounting, rather than the provisions of IAS 39 used in the past.

The Group enters into derivative financial instruments for the purpose of neutralizing the financial risks it is exposed to and which it decides to hedge in accordance with its adopted strategy (see note 42).

The documentation which formalizes the hedging relationship for the purpose of the application of hedge accounting includes the identification of:

- the hedging instrument;
- the hedged item or transaction;
- the nature of the risk;
- the methods that the company intends to adopt to assess the effectiveness of the hedge in offsetting the exposure to changes in the fair value of the hedged item or the cash flows associated with the risk that is hedged against.

On initial recognition these instruments are measured at fair value. On subsequent reporting dates the fair value of derivatives must be re-measured and:

(i) if these instruments fail to qualify for hedge accounting, any changes in fair value that occur after initial recognition are taken to profit and loss;
(ii) if these instruments qualify as fair value hedges, from that date any changes in the fair value of the derivative are taken to profit and loss; at the same time, any fair value changes due to the hedged risk are recorded as an adjustment to the book value of the hedged item and the same amount is recorded in the income statement; any ineffectiveness of the hedge is recognized in profit and loss in an item separate from that in which changes in the fair value of the hedging instrument and the hedged item are recognized;
(iii) if these instruments qualify as cash flow hedges, starting from that date, any changes in the fair value of the derivative are recognized in net equity, but only to the extent of the effective amount of the hedge, with the amount of any hedge ineffectiveness being recognized in the income statement; changes in the fair value of the derivative that are recognized in net equity are subsequently transferred to the income statement in the period in which the transaction that is hedged against affects the income statement; when the hedged item is the purchase of a non-financial asset, changes to the fair value of the derivative taken to equity are reclassified and adjusted according to the purchase cost of the asset which is the hedged item (referred to as basis adjustment);
(iv) if these instruments qualify as hedges of net investment of a foreign operation, starting from that date any changes in the fair value of the derivative are adjusted as part of the "translation difference", to the extent of the effective amount of the hedge and the ineffective portion is charged to the income statement;
(v) hedging is carried out by the designated instrument, considered as a whole. In the case of options or forward contracts, however, only part of the derivative instrument is designated as the hedging instrument; the remainder is recognized in the income statement. More specifically, in the case of options, only the changes in fair value due to changes in the intrinsic value are designated as a hedging instrument; conversely, fair value changes of options due to changes in the time value are recognized in the income statement and are not considered in the assessment of the hedge effectiveness. In the case of forward contracts, only changes in fair value due to changes in the spot rate are designated as a hedging instrument; conversely fair value changes due to changes in the forward points are recognized in the income statement and are not considered in the assessment of the hedge effectiveness.

If the hedge becomes ineffective or the Group changes its hedging strategies, hedge accounting is discontinued. In particular, hedge accounting is discontinued prospectively when the hedge becomes ineffective or when there is a change in the hedging strategies.

If, in a fair value hedge, the hedged item is a financial instrument measured using the effective interest rate method, the adjustments made to the book value of the hedged item are amortized starting from the date when fair value hedge accounting is discontinued and the hedged item is no longer adjusted for fair value changes attributable to the hedged risk.

Financial instruments hedging exchange rate risk due to forecasted transactions and firm commitments are represented on the statement of financial position according to the cash-flow hedge accounting model.

Derivatives are recognized as assets if their fair value is positive and as liabilities if their fair value is negative. These balances are shown under current assets or liabilities if related to derivatives which do not qualify for hedge accounting criteria, conversely, they are classified according to the hedged item.

In particular, if the hedged item is classified as a current asset or liability, the positive or negative fair value of the hedging instrument is included under current assets or liabilities; if the hedged item is classified as a non-current asset or liability, the positive or negative fair value of the hedging instrument is included under non-current assets or liabilities.

45.16. Inventories

Inventories are valued at the lower of purchase or production cost and their net realizable value, represented by their open market value. Inventories are valued using the weighted average cost method.

45.17. Cash and cash equivalents and financial assets

The item cash and cash equivalents comprise liquid funds and financial investments with a maturity, at the acquisition date, of less than three months and for which there is an insignificant risk of a change in value. These financial assets are recorded at their nominal value.

45.18. Provisions for risks and charges

Provisions for risks and charges relate to costs and charges of a specific nature which are certain or probable and whose amount or timing is uncertain at the reporting date.

Provisions are recognized if the following conditions apply: (i) the Group has a present obligation (legal or constructive) that has arisen as a result of a past event; (ii) it is probable that the fulfilment of the obligation will require the use of resources which produce economic benefits; (iii) the amount can be estimated reliably.

The amount recognized as a provision in the financial statements represents the best estimate of the expenditure required by the company to settle the obligation at the reporting date or to transfer it to a third party.

When the financial effect of time is significant and the settlement dates of the obligations can be reliably estimated, the provision is discounted; when the provision is discounted, the increase in the provision due to the passage of time is recognised in the income statement as a finance cost.

Specifically:

- the agents' leaving indemnity includes the estimate of amounts due to agents, calculated using actuarial methods and having regard to the probability that such amounts will be paid, as well as the expectations as to the time of payment;
- the warranty and repair provision includes the estimate of costs for warranty services to be provided on products sold, calculated on the basis of historical/statistical data and the warranty period;
- the provision for risks arising from legal disputes includes the estimate of charges relating to legal disputes with employees or agents or associated with the provision of services.

45.19. Employees' benefits

Post-employment benefits are defined on the basis of pension plans, even if not formalized, which due to their characteristics can be classified as either defined-contribution or defined-benefit plans.

Under a defined-contribution plan the company's obligation is limited to the payment of the contributions agreed with the employees and it is determined on the basis of the contributions due at the end of the period, as reduced by any amounts already paid.

Under defined-benefit plans the liability recorded in the books is equal to: (a) the present value of the defined-benefit obligation at the reporting date; (b) plus any actuarial gains (minus any actuarial losses); (c) less any past service costs that have not yet been recorded; (d) less the fair value at the reporting date of plan assets (if any) out of which the obligations are to be settled directly.

Under defined-benefit plans, the cost charged to the income statement is equal to the algebraic sum of the following elements: (a) current service cost; (b) the financial charges arising from the increase in liability due to the passage of time; (c) the expected return on plan assets; (d) past service cost; (e) the effect of any curtailments or settlements under the plan.

Actuarial gains and losses are recognized in other comprehensive income.

Net financial charges on defined-benefit plans are recognized in profit or loss under financial income and charges.

45.20. Stock grant

The Group grants the right to participate in share capital plans (stock grants) to certain top executives and other beneficiaries who hold key positions within the Group. Stock grants are equity settled, and the beneficiary receives a free allotment of shares in Amplifon S.p.A. at the end of the vesting period.

The relative fair value is recognized in the income statement under personnel expenses over the period from the date they are granted to the vesting date and a corresponding amount is recorded in a net equity reserve. The fair value of stock grants is determined at the date they are granted, taking account of the market conditions at that date.

At each reporting date, the Group reviews the assumptions about the number of rights which are expected to be exercised and records the effect of any change in estimate in the income statement adjusting the corresponding net equity reserve.

In case of free stock allotment (i.e. “stock grant”), the corresponding increase in net equity is recognized at the end of the vesting period.

45.21. Revenues

Revenues from contracts with clients

The revenues from contracts with customers are recognized in accordance with IFRS 15.

Based on the five-step model introduced in IFRS 15, the Group records revenue after having identified the contracts with its customer and the relative performance obligations (transfer of control of goods and/or services), determined the consideration to which it is entitled upon satisfaction of each of the obligations, as well as the way these obligations will be satisfied (at a point in time or over time).

The Group will recognize revenue once the criteria for the identification of the contract with the customer are satisfied, the parties are involved in fulfilling the respective obligations and it is probable that the Group will receive the consideration to which it is entitled in exchange for the goods and services transferred to the customer.

The main performance obligations identified by the Amplifon Group involve: the hearing aid and fitting, which represent a single inseparable performance obligation, after sales care, extended warranties which are above and beyond normal supplier warranties, the material rights (discounts on future purchases and loyalty points) and accessories (batteries, cleaning kits) provided to the customer.

The goods and services may be sold separately or bundled.

The transaction price, which represents the amount the entity expects to receive from the customer for the goods and services provided, is allocated based on the stand-alone selling prices of the relative performance obligations.

The stand-alone selling price is determined based on observable prices when available, while for goods and services not sold separately (for example after sales services) and when observable market prices are not available the cost plus a margin method is used.

Any commercial discounts are allocated to the different performance obligations that make up the bundle sold to the customer, with the exception of after sales services in proportion to the weight of the relative stand-alone selling price.

Revenues are recognized when control of the goods and services has been transferred to the customer and performance obligations have been satisfied. This can happen at a point in time or over time.

Revenues realized over time, represented typically by after sales services, extended warranties, and accessories supplied over time, are recognized based on the level to which the different contractual performance obligations have been satisfied. More in detail, transfer over time is measured based on the input method, namely taking into account the work done (inputs) by the Group to fulfill each performance obligation.

The up-front fee paid by franchisees is considered a revenue stream generated over time and is recognized over the life of the franchising agreement.

Revenues realized at a point in time refer to the transfer of goods and services that the customer receives and consumes at the same time.

These are generally attributable to the sale of hearing aids and relative fitting, accessories and a few services that are sold separately. In these situations, revenue is recorded when control of the good of service is transferred to the customer.

The performance obligation to transfer control of the goods and services over time is recognized under “Contractual liabilities”.

The Group incurs costs to acquire and fulfill contracts over time. These costs, which typically include commissions and bonuses paid to employees and agents for each sale made that will be recovered through the revenues generated by the contract, are capitalized as contract costs and amortized based on the progress made in transferring the goods and services to the customer over time.

The contract costs are recognized as assets in a specific line of the financial statement (Short-term and long-term deferred assets arising from contract costs).

Public contributions

Public contributions received are presented as a reduction of the reference cost item or are shown among other revenues/income when not directly attributable to a specific cost item, taking into account the nature of the contribution itself.

45.22. Dividends

The dividends are recognized as profit (loss) for the year only when:

a) the entity's right to receive a dividend arises;
b) it's likely that the economic benefits stemming from the dividend will flow to the entity; and
c) the amount of the dividend can be reliably measured.

45.23. Current and deferred taxes

Current income tax payables and receivables are recorded at the amount that is expected to be paid to/received from the tax authorities at the rates enacted or substantially enacted, and the laws in force at the reporting date.

Deferred tax assets and liabilities are recognized on temporary differences between the value of assets and liabilities in the financial statements and the corresponding tax bases.

Deferred income taxes are not recognized: (i) when they derive from the initial recognition of goodwill or of an asset or liability in a transaction other than a business combination and which, at the time of the transaction, does not affect either the accounting profit or the taxable profit /loss; (ii) when they relate to temporary differences related to investments in subsidiaries and joint ventures, where the reversal of temporary differences may be controlled and it is probable that it will not occur in the foreseeable future.

Deferred tax assets, including those arising from unused tax losses and tax credits, are recorded only to the extent their recovery is highly probable.

Deferred tax assets are not discounted to present value and are calculated using the tax rates that are expected to apply when the taxes are paid or settled in the respective countries where the Group operates.

Deferred tax assets and liabilities are debited or credited directly to net equity if they relate to elements which are recognized directly in net equity. Deferred tax assets and liabilities are recorded respectively under non-current assets and liabilities and are offset only when a legally enforceable right to offset current tax assets against current tax liabilities exists and this will result in a lower tax charge. Moreover, when there is a legally enforceable right of set-off, deferred tax assets and deferred tax liabilities are offset only if at the time of their reversal they will not generate any current tax asset or liability.

When an asset is revalued for tax purposes and the revaluation does not relate to an accounting revaluation of an earlier period, or to one that is expected to be carried out in a future period, deferred tax assets are recognized in the income statement on the temporary difference arising as a result of the revaluation.

The current and deferred tax assets and liabilities must be recognized and measured in accordance with IAS 12 namely based on the taxable income (losses), the amounts for tax purposes, unused tax losses, unused tax credits, and tax rates determined based on IFRIC 23.

In the presence of uncertainties in the application of tax legislation, in accordance with IFRS 23 interpretation, the Group:

(i) in cases where it deems probable that the tax authority will accept the uncertain tax treatment, it determines the income taxes (current and/or deferred) to be recognized in the financial statements according to the tax treatment applied or which it plans to apply at the time of tax declaration;
(ii) in cases where it deems unlikely that the tax authority will accept the uncertain tax treatment, it reflects such uncertainty in the determination of income taxes (current and/or deferred) to be recognized in the financial statements;
(iii) the uncertain tax asset/liability are to be represented in the items that include the assets and liabilities for income taxes and not in other balance sheet items.

45.24. Value added tax

Revenues, costs and assets are recognized net of valued added tax (VAT), except where VAT applied to the purchase of goods or services is non-deductible, in which case it is recognized as part of the purchase cost of the asset or as part of the expense recorded in the income statement.

The net amount of indirect tax on sales which may be recovered from/paid to the Tax Authorities is included in the financial statements under other receivables or payables, depending on whether it is a debit or a credit balance.

45.25. Share capital, treasury shares, dividend distribution and other net equity items

Ordinary shares issued by the parent company Amplifon S.p.A. are classified as part of net equity. Any costs incurred to issue new shares, are classified as a reduction of net equity.

Purchases and disposals of treasury shares, as well as any gains or losses on purchase/disposal, are recognized in the financial statements as changes in net equity. Dividends distributed to the shareholders are recorded as a reduction in net equity and as a liability of the period when the dividend payment is approved by the Shareholders' Meeting.

45.26. Earnings (loss) per share

Earnings per share is determined by comparing the Group's net profit to the weighted-average number of shares outstanding during the accounting period. For the calculation of diluted earnings per share, the weighted average number of shares outstanding is adjusted assuming the conversion of all potential shares with a dilutive effect.

45.27. Accounting standards for hyperinflationary countries

The Group companies operating in hyperinflationary countries (Argentina) restate non-monetary assets and liabilities found in their original financial statements in order to eliminate any distortions due to the currency's loss of purchasing power. The inflation rate used in this instance corresponds with the consumer price index.

The companies operating in countries in which the cumulative three-year rate of inflation is close to or exceeds 100% use the hyperinflationary accounting measures and cease to do so when the cumulative three-year rate of inflation falls below 100%.

The gains or losses on the net monetary position are recorded in the income statement.

The financial statements drafted in currencies other than the euro by Group companies operating in hyperinflationary countries are converted into euros based on the exchange rate at the end of the reporting period both for balance sheet items and for economic ones.

46. Subsequent events

The Group's external growth continued in the first few months of 2024 with the following acquisitions:

- in January 2024 Amplfion entered Uruguay through the acquisition of the Audical Group, the main national player in the hearing care market with 25 direct points of sales and various distributors located throughout the country with annual sales of approximately €10 million.
- in January the Group also completed the acquisition of the business of one of the main Miracle-Ear franchisees in the United States, which has about 50 points of sale and annual sales of approximately 20 million US dollars, bringing the Group's direct retail points of sale in the U.S. market to around 350;
- lastly, thanks to the acquisition of an additional 30 points of sale since the beginning of the year, Amplifon's distribution network in China now exceeds 400 points of sale.

These transactions, together with the other bolt-on acquisitions finalized in the first two months of 2024, bring the Group's current global network to about 9,700 points of sale.

In January 2024, Amplifon S.p.A., as transferee, signed two agreements with a credit institution governing the purchase of tax credits deriving from the concessions contained in and governed by Article 119 of Law Decree No. 34/2020 (so-called Relaunch Decree) for a total of €46.3 million, of which €28.3 million for 2024, € 8.9 million for 2025 and €8.9 million for 2026. The transactions call for cash outlays over time and are aligned with the offsetting of the credits. As a result of the transaction, an asset will be recognized in the balance sheet which, starting in 2024 and for the next two years, will be used to offset the Company's existing and future tax liabilities, and a liability representing the deferred payment to the transferor bank.

Milan, March 7th, 2024

CEO
Enrico Vita

ANNEX I

Consolidation area

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 area of Amplifon S.p.A. at 31 December 2023.

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	Head office	Direct/Indirect ownership	Currency	Share Capital	% held as at 12/31/2023
Amplifon Rete	Milano (Italy)	I	EUR	19,250	2.6%
Amplifon Italia S.p.A.	Milano (Italy)	D	EUR	100,000	100.0%
Amplifon France SAS	Arcueil (France)	D	EUR	173,550,898	100.0%
SCI Eliot Leslie	Lyon (France)	I	EUR	610	100.0%
Audition 50	Granville (France)	I	EUR	40,000	100.0%
Surdité Toulorge	Cherbourg (France)	I	EUR	3,920	100.0%
NewEar	Guidel (France)	I	EUR	502,830	100.0%
Ghama	Guidel (France)	I	EUR	5,000	100.0%
Adagio	Guidel (France)	I	EUR	14,000	100.0%
Audition Guidel	Guidel (France)	I	EUR	1,500	100.0%
Octave Audition	Moret Loing et Orvanne (France)	I	EUR	10,000	100.0%
SAS Galy	Fronton (France)	I	EUR	5,000	100.0%
Labo Audio	Libourne (France)	I	EUR	50,000	100.0%
N.C. Audition	Saint-Genis-Laval (France)	I	EUR	1,000	100.0%
Toumelin	Pornichet (France)	I	EUR	7,622	100.0%
Pornic Audition	Pornic (France)	I	EUR	118,000	100.0%
Audio Montfermeil	Montfermeil (France)	I	EUR	1,000	100.0%
LCA Rodez	Rodez (France)	I	EUR	5,000	100.0%
Audition du Segala	Baraqueville (France)	I	EUR	1,500	100.0%
Amplitude Audition	Prades-le-Lez (France)	I	EUR	1,000	100.0%
Boulben Audition - Majuni	Queven (France)	I	EUR	15,000	100.0%
OSX Solutions Auditives	Vitry-Sur-Seine (France)	I	EUR	1,000	100.0%

Company name	Head office	Direct/Indirect ownership	Currency	Share Capital	% held as at 12/31/2023
Nouvelle Audition	Roquefort-Les-Pins (France)	I	EUR	5,000	100.0%
Ondes DBR	Baillargues (France)	I	EUR	3,000	100.0%
Amplifon Iberica SA	Barcelona (Spain)	D	EUR	26,578,809	100.0%
Microson S.A.	Barcelona (Spain)	D	EUR	61,752	100.0%
Amplifon LATAM Holding S.L.	Barcelona (Spain)	I	EUR	3,000	100.0%
Amplifon Portugal SA	Lisboa (Portugal)	I	EUR	15,520,187	100.0%
Amplifon Magyarország Kft	Budapest (Hungary)	D	HUF	723,500,000	100.0%
Amplibus Magyarország Kft	Budaörs (Hungary)	I	HUF	3,000,000	100.0%
Amplifon AG	Baar (Switzerland)	D	CHF	1,000,000	100.0%
Amplifon Nederland BV	Doesburg (The Netherlands)	D	EUR	74,212,052	100.0%
Auditech BV	Doesburg (The Netherlands)	I	EUR	22,500	100.0%
Electro Medical Instruments BV	Doesburg (The Netherlands)	I	EUR	16,650	100.0%
Beter Horen BV	Doesburg (The Netherlands)	I	EUR	18,000	100.0%
Amplifon Customer Care Service BV	Elst (The Netherlands)	I	EUR	18,000	100.0%
Amplifon Belgium NV	Bruxelles (Belgium)	D	EUR	495,800	100.0%
Amplifon RE SA	Luxembourg (Luxembourg)	D	EUR	3,700,000	100.0%
Pilot Blankenfelde Medizinisch-Elektronische Gerate GmbH	Blankenfelde-Mahlow (Germany)	D	EUR	34,595	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	3,348,280	100.0%
Amplifon UK Ltd	Manchester (United Kingdom)	D	GBP	130,951,168	100.0%
Amplifon Ltd	Manchester (United Kingdom)	I	GBP	1,800,000	100.0%
Ultra Finance Ltd	Manchester (United Kingdom)	I	GBP	75	100.0%
Amplifon Cell	Ta' Xbiex (Malta)	D	EUR	2,500,125	100.0%
Medtechnica Ortophone Ltd (*)	Tel Aviv (Israel)	D	ILS	1,100	90.0%
Amplifon Middle East SAE	Cairo (Egypt)	D	EGP	3,000,000	51.0%
Miracle Ear Inc.	St. Paul (United States)	I	USD	5	100.0%
Elite Hearing, LLC	Minneapolis (United States)	I	USD	1,000	100.0%
Amplifon Hearing Health Care. Inc.	St. Paul (United States)	I	USD	10	100.0%
Ampifon IPA, LLC	New York (United States)	I	USD	-	100.0%
Amplifon USA Inc.	Dover (United States)	D	USD	52,500,010	100.0%
METX, LLC	Waco (United States)	I	USD	-	100.0%
MEFL, LLC	Waco (United States)	I	USD	-	100.0%
METampa, LLC	Waco (United States)	I	USD	-	100.0%
MENM, LLC	Waco (United States)	I	USD	-	100.0%
ME Flagship, LLC	Wilmington (United States)	I	USD	-	100.0%
ME Pivot Holdings, LLC	Minneapolis (United States)	I	USD	2,000,000	100.0%
MEOH, LLC	Minneapolis (United States)	I	USD	-	100.0%

Company name	Head office	Direct/Indirect ownership	Currency	Share Capital	% held as at 12/31/2023
Miracle Ear Canada Ltd.	Vancouver (Canada)	I	CAD	129,901,200	100.0%
2829663 Ontario Inc	Milton (Canada)	I	CAD	-	100.0%
Ossicle Fort McMurray Inc	Fort McMurray (Canada)	I	CAD	-	100.0%
Southern Alberta Hearing Aid Ltd	Lethbridge (Canada)	I	CAD	-	100.0%
Burnaby Hearing Center Inc	Burnaby (Canada)	I	CAD	-	100.0%
Raindrop Hearing Clinici Inc	Toronto (Canada)	I	CAD	-	100.0%
The Hearing Clinic	Scarborough (Canada)	I	CAD	-	100.0%
Terrace Hearing Clinic Ltd.	Terrace (Canada)	I	CAD	-	100.0%
Lisa Reid Audiology Hearing Centres	Manitoba (Canada)	I	CAD	-	100.0%
Great to Hear, Inc	Manitoba (Canada)	I	CAD	35	100.0%
Ontario, Inc	Ontario (Canada)	I	CAD	1,000,100	100.0%
Living Sounds Hearing Centre Ltd.	Alberta (Canada)	I	CAD	100	100.0%
Professional Hearing Services Ltd./100391416 Ontario Ltd.	Ontario (Canada)	I	CAD	1,210	100.0%
Sackville Hearing Centre Limited	Nova Scotia (Canada)	I	CAD	1,020	100.0%
Hometown Hearing Centre Inc	Bancroft (Canada)	I	CAD	400	100.0%
Newlife Hearing Inc.	St. John's (Canada)	I	CAD	1,200	100.0%
GAES S.A. (Chile)	Santiago de Chile (Chile)	I	CLP	1,901,686,034	100.0%
GAES Servicios Corporativo de Latinoamerica SpA	Santiago de Chile (Chile)	I	CLP	10,000,000	100.0%
Audiosonic Chile S.A.	Santiago de Chile (Chile)	I	CLP	-	99.0%
GAES S.A. (Argentina)	Buenos Aires (Argentina)	I	ARS	120,542,331	100.0%
GAES Colombia SAS	Bogotà (Colombia)	I	COP	22,000,000,000	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	276,477,133	100.0%
Compañía de Audiologia y Servicios Medicos sa de cv	Aguascalientes (Mexico)	I	MXN	43,306,212	100.0%
GAES Panama S.A.	Panama (Panama)	I	PAB	510,000	100.0%
Amplifon Australia Holding Pty Ltd	Sydney (Australia)	D	AUD	392,000,000	100.0%
National Hearing Centres Pty Ltd	Sydney (Australia)	I	AUD	100	100.0%
National Hearing Centres Unit Trust	Sydney (Australia)	I	AUD	-	100.0%
Otohub Unit Trust (in liquidazione)	Brisbane (Australia)	D	AUD	-	100.0%
Otohub Australasia Pty Ltd	Brisbane (Australia)	D	AUD	10	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%
Bay Audio Pty Ltd	Sydney (Australia)	D	AUD	10,000	100.0%
Amplifon Asia Pacific Pte Limited	Singapore (Singapore)	I	SGD	1,000,000	100.0%
Auckland Hearing Ltd	Auckland (New Zealand)	I	NZD	-	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%

Company name	Head office	Direct/Indirect ownership	Currency	Share Capital	% held as at 12/31/2023
Amplifon India Pvt Ltd	Gurgaon (India)	I	INR	2,050,000,000	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%
Amplifon (China) Investment Co. Ltd	Shanghai (China)	D	CNY	353,250,000	100.0%
Hangzhou Amplifon Hearing Aid Co. Ltd (**)	Hangzhou (China)	D	CNY	11,000,000	60.0%
Zhengzhou Yuanjin Hearing Technology Co.. Ltd. (**)	Zhengzhou (China)	I	CNY	-	60.0%
Wuhan Amplifon Hearing Aids Co. Ltd	Wuhan (China)	I	CNY	20,000,000	100.0%
Shanghai Amplifon Hearing Technology Co. Ltd	Shanghai (China)	I	CNY	15,000,000	100.0%
Nanjing Amplifon Hearing Aid Co. Ltd	Nanjing (China)	I	CNY	15,000,000	100.0%
Shanxi Tingdaoai Hearing Technology co.ltd	Taiyuan (China)	I	CNY	30,000,000	100.0%
Henan Shengjia Hearing Aids Co., Ltd. (**)	Luoyang (China)	I	CNY	1,000,000	60.0%
Fuzhou Tingan Medical Device Co. Ltd	Fuzhou (China)	I	CNY	20,000,000	100.0%
Chongqing Amplifon Hearing Aids Co. Ltd.	Chongqing (China)	I	CNY	10,000,000	100.0%
Sichuan Meilingting Medical device Co.ltd	Chengdu (China)	I	CNY	9,000,000	100.0%
Xi'an Ansheng Medical Equipment Co.	Xi'an (China)	I	CNY	16,000,000	100.0%
Ningxia Listening Shunan Medical Equipment Co.	Yinchuan (China)	I	CNY	16,000,000	100.0%
Yunnan Hearing Sound Medical Technology Co.	Kunming (China)	I	CNY	16,000,000	100.0%

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

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

Companies valued using the equity method:

Company name	Head office	Direct/Indirect ownership	Currency	Share Capital	% held as at 12/31/2023
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

ANNEX II

Information pursuant to article § 149-duodecies of Consob Issuers' Regulations

The following table, drawn up pursuant to Article 149-duodecies of the Consob Issuers' Regulations, highlights the fees pertaining to 2023 for auditing services and for those other than audits provided by the auditing firm itself and by entities belonging to its network.

Description	Subject that provided the service	Recipient	Audit fees 2023
Independent audit services	KPMG S.p.A.	Parent Company - Amplifon S.p.A.	299,600
Services other than audits	KPMG S.p.A.	Parent Company - Amplifon S.p.A.	68,000
Total – Parent Company			***367,600***
Independent audit services	KPMG Network	Subsidiaries	1,383,298
	KPMG S.p.A.	Subsidiaries	134,300
Services other than audits	KPMG Network	Subsidiaries	28,723
Total Subsidiaries			***1,546,321***
Grand total			**1,913,921**

DECLARATION IN RESPECT OF THE CONSOLIDATED FINANCIAL STATEMENTS PURSUANT TO ARTICLE 154-BIS OF LEGISLATIVE DECREE NO. 58/98

We, the undersigned, Enrico Vita, Chief Executive Officer and Gabriele Galli, Executive Responsible for Corporate Accounting Information for Amplifon S.p.A., taking into account the provisions of article § 154-bis, paragraphs 3 and 4 of Law no. 58/98, certify:

- the adequacy, by reference to the characteristics of the business and
- the effective application of the administrative and accounting procedures for the preparation of the consolidated financial statements during the course of 2023.

We also certify that the consolidated financial statements at 31 December 2023:

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

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

Milan, March 7th, 2024

CEO	**Executive Responsible for Corporate Accounting Information**
Enrico Vita	Gabriele Galli

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

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(The accompanying translated consolidated financial statements of the Amplifon Group constitute a non-official version which is not compliant with the provisions of the Commission Delegated Regulation (EU) 2019/815. This independent auditors' report has been translated into English solely for the convenience of international readers. Accordingly, only the original Italian version is authoritative.)

Independent auditors' report pursuant to article 14 of Legislative decree no. 39 of 27 January 2010 and article 10 of Regulation (EU) no. 537 of 16 April 2014

To the shareholders of
Amplifon S.p.A.

Report on the audit of the consolidated financial statements

Opinion

We have audited the consolidated financial statements of the Amplifon Group (the "group"), which comprise the statement of financial position as at 31 December 2023, the income statement and the statements of comprehensive income, changes in equity and cash flows for the year then ended and notes thereto, which include material information on the accounting policies.

In our opinion, the consolidated financial statements give a true and fair view of the financial position of the Amplifon Group as at 31 December 2023 and of its financial performance and cash flows for the year then ended in accordance with the International Financial Reporting Standards endorsed by the European Union and the Italian regulations implementing article 9 of Legislative decree no. 38/05.

Basis for opinion

We conducted our audit in accordance with the International Standards on Auditing (ISA Italia). Our responsibilities under those standards are further described in the "*Auditors' responsibilities for the audit of the consolidated financial statements*" section of our report. We are independent of Amplifon S.p.A. (the "parent") in accordance with the ethics and independence rules and standards applicable in Italy to audits of financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in the audit of the consolidated financial statements of the current year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Measurement of goodwill

Notes to the consolidated financial statements: note 3 "Acquisitions and goodwill" and note 45 "Accounting policies"

Key audit matter	Audit procedures addressing the key audit matter
The consolidated financial statements at 31 December 2023 include goodwill of €1,800 million, mainly arising from the significant acquisitions carried out by the group. Annually or more frequently, if necessary, the directors check the recoverable amount of the goodwill by comparing its carrying amount to its value in use, calculated using a method that discounts expected cash flows. The key assumptions used to calculate value in use relate to the operating cash flows' forecasts over the calculation period and the discount and growth rates of those flows. The directors have forecast the operating cash flows for the explicit projection period (2024-2026) used for impairment testing on the basis of the 2024-2026 three-year business plans approved by the subsidiaries' boards of directors and the group's business plan for the same period approved by the parent's board of directors on 14 December 2023. Considering the materiality of the caption and that impairment testing entails a high level of judgement by the directors, especially forecasting operating cash flows, the recoverability of goodwill was a key audit matter.	Our audit procedures, which also involved our own valuation specialists, included: • understanding the process adopted to prepare the impairment test approved by the parent's board of directors; • understanding the process adopted to prepare the 2024-2026 three-year business plans from which the expected operating cash flows used for impairment testing have been derived; • checking any discrepancies between the previous year business plans' figures and actual figures, in order to check the accuracy of the estimation process adopted by the directors; • analysing the reasonableness of the assumptions used by the directors to determine the recoverable amount of goodwill, including the operating cash flows of the 2024-2026 three-year plans used by the parent; • analysing the reasonableness of the assumptions underlying the valuation model used by the parent to calculate the recoverable amount of goodwill; • checking the sensitivity analysis made by the directors in relation to the main assumptions used to test goodwill for impairment; • assessing the appropriateness of the disclosures provided in the notes.

Revenue recognition

Notes to the consolidated financial statements: note 29 "Revenue from sales and services" and note 45 "Accounting policies"

Key audit matter	Audit procedures addressing the key audit matter
The income statement includes revenue from sales and services of €2,260 million for 2023. The group recognises revenue from contracts with customers differently depending on when control over the goods or services is transferred to the customer and on the type of consideration to which it is entitled. Since sales, which generally cover a package of products and services at a stand-alone price,	Our audit procedures included: • understanding the process for the recognition of revenue, the related IT environment and related accounting policies; • assessing the design, implementation and operating effectiveness of controls deemed material for the purposes of our audit;

contain many contractual terms applied to customers, the group was required to identify and measure the various performance obligations and how they are satisfied. For the above reasons and considering the materiality of the caption, we believe that the recognition of revenue, and especially its accuracy and accruals-based accounting, are a key audit matter.	• comparing the main components of revenue to the budgeted and previous year figures and discussing the results with the relevant internal departments; • checking the documentation supporting a sample of sales, whether their performance obligations had been correctly identified, the transaction price allocated thereto and whether revenue has been recognised in profit or loss based on how the obligations were satisfied; • sending requests for written confirmation in order to obtain audit evidence supporting the trade receivables recognised in the consolidated financial statements; • assessing the appropriateness of the disclosures provided in the notes.

Responsibilities of the parent's directors and board of statutory auditors ("Collegio Sindacale") for the consolidated financial statements

The directors are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with the International Financial Reporting Standards endorsed by the European Union and the Italian regulations implementing article 9 of Legislative decree no. 38/05 and, within the terms established by the Italian law, for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The directors are responsible for assessing the group's ability to continue as a going concern and for the appropriate use of the going concern basis in the preparation of the carve-out consolidated financial statements and for the adequacy of the related disclosures. The use of this basis of accounting is appropriate unless the directors believe that the conditions for liquidating the parent or ceasing operations exist, or have no realistic alternative but to do so.

The *Collegio Sindacale* is responsible for overseeing, within the terms established by the Italian law, the group's financial reporting process.

Auditors' responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISA Italia will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISA Italia, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

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- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors;
- conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the group to cease to continue as a going concern;
- evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation;
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance, identified at the appropriate level required by ISA Italia, regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with the ethics and independence rules and standards applicable in Italy and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, the measures taken to eliminate those threats or the safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current year and are, therefore, the key audit matters. We describe these matters in this report.

Other information required by article 10 of Regulation (EU) no. 537/14

On 20 April 2018, the parent's shareholders appointed us to perform the statutory audit of its separate and consolidated financial statements as at and for the years ending from 31 December 2019 to 31 December 2027.

We declare that we did not provide the prohibited non-audit services referred to in article 5.1 of Regulation (EU) no. 537/14 and that we remained independent of the parent in conducting the statutory audit.

We confirm that the opinion on the consolidated financial statements expressed herein is consistent with the additional report to the *Collegio Sindacale*, in its capacity as audit committee, prepared in accordance with article 11 of the Regulation mentioned above.

KPMG

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Report on other legal and regulatory requirements

Opinion on the compliance with the provisions of Commission Delegated Regulation (EU) 2019/815

The parent's directors are responsible for the application of the provisions of Commission Delegated Regulation (EU) 2019/815 with regard to regulatory technical standards on the specification of a single electronic reporting format (ESEF) to the consolidated financial statements at 31 December 2023 to be included in the annual financial report.

We have performed the procedures required by Standard on Auditing (SA Italia) 700B in order to express an opinion on the compliance of the consolidated financial statements with Commission Delegated Regulation (EU) 2019/815.

In our opinion, the consolidated financial statements at 31 December 2023 have been prepared in XHTML format and have been marked up, in all material respects, in compliance with the provisions of Commission Delegated Regulation (EU) 2019/815.

Due to certain technical limitations, some information included in the notes to the consolidated financial statements when extracted from the XHTML format to an XBRL instance may not be reproduced in an identical manner with respect to the corresponding information presented in the consolidated financial statements in XHTML format.

Opinion pursuant to article 14.2.e) of Legislative decree no. 39/10 and article 123-bis.4 of Legislative decree no. 58/98

The parent's directors are responsible for the preparation of the group's reports on operations and on corporate governance and ownership structure at 31 December 2023 and for the consistency of such reports with the related consolidated financial statements and their compliance with the applicable law.

We have performed the procedures required by Standard on Auditing (SA Italia) 720B in order to express an opinion on the consistency of the report on operations and the specific information presented in the report on corporate governance and ownership structure indicated by article 123-bis.4 of Legislative decree no. 58/98 with the group's consolidated financial statements at 31 December 2023 and their compliance with the applicable law and to state whether we have identified material misstatements.

In our opinion, the report on operations and the specific information presented in the report on corporate governance and ownership structure referred to above are consistent with the group's consolidated financial statements at 31 December 2023 and have been prepared in compliance with the applicable law.

With reference to the above statement required by article 14.2.e) of Legislative decree no. 39/10, based on our knowledge and understanding of the entity and its environment obtained through our audit, we have nothing to report.

KPMG

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Statement pursuant to article 4 of the Consob regulation implementing Legislative decree no. 254/16

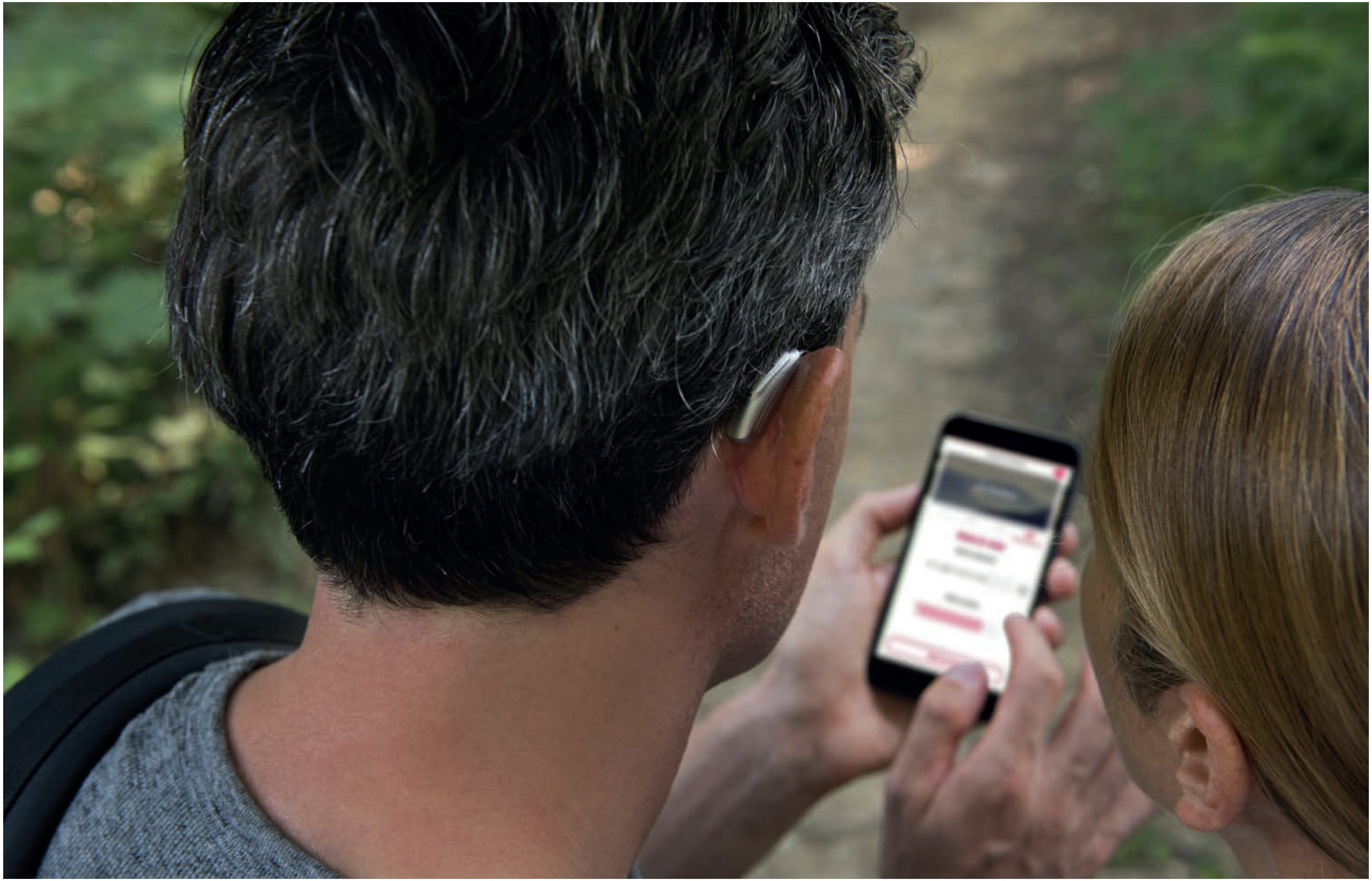
The directors of Amplifon S.p.A. are responsible for the preparation of a consolidated non-financial statement pursuant to Legislative decree no. 254/16. We have checked that the directors had approved such consolidated non-financial statement. In accordance with article 3.10 of Legislative decree no. 254/16, we attested the compliance of the consolidated non-financial statement separately.

Milan, 15 March 2024

KPMG S.p.A.

(signed on the original)

Claudio Mariani
Director



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