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ALA Group
Interim Financial Report at 30 June 2024

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MANAGEMENT REPORT

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CORPORATE BODIES

BOARD OF DIRECTORS [1]	
Chairman	Fulvio Scannapieco
CEO	Roberto Tonna
Directors	Vittorio Genna Matteo Scannapieco Andrea Costantini

BOARD OF STATUTORY AUDITORS [2]	
Chairman	Paolo Longoni
Standing Auditors	Francesca Sanseverino Pietro Carena
Alternate Auditors	Roberto Lorusso Caputi Daniela Tomaselli

AUDITING FIRM [3]	
Auditing Firm	PricewaterhouseCoopers S.p.A.

[1] In office until the approval of the 2024 Financial Statements as resolved by the Shareholders' Meeting of 28 April 2022
[2] Appointed by the Shareholders' Meeting of 29 April 2024 until the approval of the 2026 Financial Statements
[3] Appointed by the Shareholders' Meeting of 29 April 2024 until the approval of the 2026 Financial Statements

INTRODUCTION

The Group's Interim Financial Report at 30 June 2024 was prepared in accordance with the provisions of the "Euronext Growth Milan – Rules for Companies". The Consolidated Interim Financial Statements at 30 June 2024, included in the Interim Financial Report, were drawn up in compliance with OIC Accounting Standard 30 and with the provisions of Italian Legislative Decree 127/91 and the provisions of Article 2423 et seq. of the Italian Civil Code, as amended by Italian Legislative Decree 139/2015, appropriately supplemented by the accounting standards issued by the Italian Standard Setter OIC, and consist of the Consolidated Income Statement, the Consolidated Balance Sheet, the Consolidated Cash Flow Statement, as well as the Explanatory Notes and the Management Report.

The interim income, balance sheet and financial position at 30 June 2024 of the subsidiaries of ALA S.p.A. were duly adjusted, where necessary, for alignment with the uniform accounting standards adopted by the Group and in line with OIC Accounting Standard 30 "Interim Financial Statements".

The Group's Consolidated Interim Financial Statements at 30 June 2024 were approved by the Board of Directors on 23 September 2024, as indicated in the financial calendar available on the Company's website, with publication on the same date. These Consolidated Interim Financial Statements are audited on a voluntary and limited basis by PricewaterhouseCoopers S.p.A.

SIGNIFICANT EVENTS DURING THE PERIOD

In the first six months of 2024, the ALA Group once again registered record and sharply rising performance levels, thanks to the continued success of its business strategies and the effectiveness of its cost structure optimisation process.

In fact, the consolidated results at 30 June 2024 show a new and significant improvement in economic and financial performance, both when compared with the figures at 30 June 2023 and with the targets of the 2024 budget. In the first six months of 2024, the ALA Group also performed in line with the most recent and challenging estimates of stock market analysts, sustaining a run-rate in terms of value of production and EBITDA that was clearly up on the previous year and, as far as the company is aware, according to publicly available data, once again well above the reference market average.

The Company therefore continues to occupy a very solid competitive and high-potential position in growing sectors such as Aerospace, Defense and Rail.

In particular, in the period to 30 June 2024, the ALA Group recorded a value of production and EBITDA that were 21.9% and 37.2% higher, respectively, than in the first six months of 2023, achieving record performance levels in a market increasingly characterized by numerous challenges in supply chain management. These results are further confirmation of the resilience, potential and great capacity of the ALA Group to continue to grow and create value.

It should be noted that the Spanish subsidiaries SCP and Sintersa also performed above expectations. A little less than two years after joining the ALA Group, very satisfactory service performance and commercial and financial results above the expectations of the business plan drawn up at the time of acquisition continue to be recorded. This confirms the soundness of the scouting and due diligence work and the prospects for future growth.

In its role as a Supply Chain Integrator, the ALA Group continues to enjoy great success on a global scale as a reliable and agile partner able to simplify supply chain management on behalf of its customers while offering its suppliers a route-to-market and long-term collaboration in line with their industrial needs.

Driven by the Company's vision to become one of the world's leading Supply Chain Integrators for the most demanding high-tech industries, the ALA Group remains determined and absolutely focused on creating long-term sustainable value for its customers, shareholders, people and business partners and the communities it serves.

Sintersa opens operational branch in Italy

The ALA Group continues to work with great intensity to foster integration and to create as many business synergies as possible with its subsidiaries SCP and Sintersa. In February 2024, the ALA Group announced with great satisfaction the opening of the first foreign operational branch of its Spanish subsidiary Sintersa, located in northern Italy.

The presence of Sintersa in Italy, with its significant experience in sectors complementary to those of the ALA Group, in particular in the industrialisation, production, assembly, installation and repair of so-called “Electrical Interconnection Systems”, will allow the ALA Group to enter new strategic product and market segments and at the same time expand the ALA Group’s market share in the domestic market.

The opening of the Sintersa branch in Italy is a strong and concrete sign of the ALA Group’s commitment and focus on the specific needs of its customers, offering state-of-the-art solutions and a level of service second to none.

New Sintersa Seville operational headquarters

In April 2024, the subsidiary Sintersa finalised the preparation of the new operational headquarters in Seville and completed the relocation of all production activities in June 2024.

The new premises, adjacent to the previous ones and three times larger, totalling approx. 5,000 m^2, will allow Sintersa to support the ramp-up plans of already contracted cable harness production programs, as well as provide the necessary operational space to accommodate the success of new business development initiatives.

The new plant in Seville represents a significant step in the ALA Group’s growth strategy and will further consolidate its presence in the market by effectively responding to the growing demand for products and services for the Aerospace and Defense industry.

The Andalusia area in particular is characterized by the presence of large OEMs and Tier 1s and a steadily growing demand for major programs. Seville, together with Toulouse in France and Hamburg in Germany, is in fact one of the main aerospace centres in Europe and a strategic area for the sector.

ALA Canada

As a sign of the continued growth of the entire ALA Group, with a particular focus on its foreign subsidiaries, ALA North America completed in the first quarter of 2024, the bureaucratic process for the opening of its own office in Canada, initially to be set up as a Business Number.

This initiative is an integral part of the business development project in North America, which started in late 2023 with the opening of the new sales office in Fort Worth, Texas.

Sustainability Report and ESG Scoring

In April 2024, the Parent Company ALA S.p.A. also published its Sustainability Report for the 2023 financial year, a tool that is becoming increasingly important year after year in the transparent and continuous communication that the Group is committed to having with its stakeholders.

As for the previous edition, the document was drawn up in full compliance with the latest update of the Sustainability Reporting Standards published by the Global Reporting Initiative (GRI), which is internationally renowned as the global leader in sustainability reporting.

ALA Trees Forest

In the first six months of 2024, we reached a significant milestone in the ALA Group's commitment to sustainability: the ALA Trees Forest. In fact, we started a tree planting initiative in cooperation with Treedom as part of our ongoing efforts to reduce our ecological footprint and contribute positively to the environment.

The ALA Trees Forest initiative goes beyond simply planting trees; it is a tangible sign of our commitment to creating a positive impact on the planet. With the planting of 1,000 trees in Africa and South America, we add another concrete action to help build a healthier and more sustainable environment.

TP ICAP MIDCAP Conference 2024

At the end of May 2024, the Company participated for the third consecutive time in the "TP ICAP Midcap Conference 2024" in Paris. The event, held as usual at the impressive Pavillion Gabriel, enabled the participating companies to meet numerous international investors from all over Europe.

Investor Day

At the beginning of June 2024, the ALA Group hosted a Reverse Roadshow at its headquarters in Naples to meet national and international institutional investors. During the event, organized by TP ICAP Midcap, investors had the opportunity to meet the Company's Management Team, visiting both the Pozzuoli production site and the Naples headquarters, located inside the Mostra d'Oltremare. The event was an excellent opportunity to update investors on the important results achieved in 2023, present future growth strategies and discuss the latest Company news.

Industria Felix Award 2024

At the end of May 2024, at the "Città della Scienza" Auditorium in Naples, the 57th edition of the event "Industria Felix – L'Italia che compete" took place in the Campania region. On this occasion, the Parent Company ALA S.p.A. received the Industria Felix Award, distinguishing itself among the best companies in the business sector for its management and financial reliability.

Operations Management

With the aim of continuously improving its operational performance, the ALA Group's logistics platforms continued a series of efficiency improvement initiatives in the first six months of 2024.

We highlight, among others:

- (i) re-layout activities of workstations to improve their ergonomics and efficiency;
- (ii) the adoption of new storage methods and units to increase available warehouse space;
- (iii) the installation of screens for real-time display of performance against assigned targets;
- (iv) the introduction of a so-called two-level quality control process in order to optimise workloads between warehouse and quality operators and eliminate non-value-added steps;
- (v) the introduction of intelligent scales to automatically record information, such as the weight of products, which can then be used, for example, to estimate and optimise transport costs.

The collection of data necessary to ensure compliance with the new CBAM regulations has also begun.

IT (Information Technology) Infrastructure

The ALA Group strongly believes in and continues to invest in its IT infrastructure. In the first half of 2024, the ALA Group's corporate IT network was redesigned, reorganized and segmented to make it more efficient, more secure and at the same time easier to manage.

All hardware has been upgraded with state-of-the-art units and control software has been installed to ensure maximum access security, adopting a zero-trust policy in defining all Cyber Security procedures and processes.

Precisely with regard to identity management and access to the corporate network, a common and simplified approach was implemented through the use of the solution offered by Microsoft Entra, which allows access to numerous corporate services (PC, email, corporate network, VPN, ERP, etc.) through the use of a single username and password combination synchronised through Cloud software. This approach improves the user experience and significantly reduces the risk of cyber attacks.

RFID Technology

In the warehouse in Pozzuoli, Italy, an RFID-based tracking system was implemented for the first time in the history of the ALA Group. This system, connected to the SAP ERP system, uses RFID tags applied to the labels of the envelopes of products in the warehouse to ensure complete traceability, from receipt and quality control, through the various internal movements to exit at delivery. This is to the benefit of cycle-counting activities and stock accuracy. In addition, the ALA Group has invested together with Toshiba in a new, cutting-edge technology capable of legally certifying all material movements and sharing the same with customers as a further guarantee of the most complete traceability of the products received.

Material Planning

Material planning is one of the ALA Group's competitive advantages, having as its main objective the correct balance between the service levels contracted with customers and the level of stocks, a key element in the management of working capital for the Company.

Aware of the criticality of this recurring activity and the need to anticipate and adapt to constantly changing market scenarios, the ALA Group decided to invest in IT tools capable of both reducing workloads and increasing the accuracy and speed of planning and stock management decisions.

These new tools will provide the ALA Group with a true Digital Twin, integrated into the SAP ERP system, of its stock management model and will make possible, for example, periodic live MRP run simulations as certain parameters change and a significant improvement in the efficiency of material planning activities.

On-boarding of new suppliers on the Air Supply portal

The ALA Group considers innovation and digitization one of the paths to achieve the highest quality standards and to improve efficiency in the management of its supply chain.

As a member of the BoostAeroSpace SAS Community, the digital platform hub for collaboration and the secure exchange of data within the European Aerospace and Defense Supply Chain, already in March 2023, we had started using the Air Supply portal of SupplyOn with some key suppliers under the Service Provider contract with Dassault Aviation.

During the first six months of 2024, the ALA Group continued the on-boarding of new suppliers and started to extend the use of the portal beyond the original perimeter. At the end of June 2024, the number of strategic active suppliers on the Air Supply portal was 9.

Human Resources

At the end of June 2024, the ALA Group, including SCP and Sintersa, had a total Company population of 738 people, of which 636 were employees and 102 external collaborators (temporary workers and trainees).

In the first six months of 2024, a total of 354 job interviews were conducted, resulting in the recruitment of a total of 144 people, in addition to 31 trainees. Three quarters of the new hires were made by SCP and Sintersa in Spain. In total, 44 people left the ALA Group in the first half of 2024 between dismissals and resignations.

Corporate Climate Survey

In accordance with established practice, the corporate climate analysis questionnaire was sent out at the beginning of 2024 to all colleagues of the ALA Group, including the subsidiaries SCP and Sintersa, who thus participated in this important initiative for the first year.

As usual, data were collected, analyzed and some important actions were identified in order to continue to improve the corporate climate and foster retention initiatives.

Among the macro-areas identified are new and additional development and training courses (e.g. technical and soft skills, foreign languages), implementation of summer working hours, remote working and monetary incentives linked to the Company's financial results.

Individual Performance Management

In early 2024, the process of individual performance review and management was successfully completed, covering a total number of 450 people in the ALA Group, including SCP and Sintersa. For the first time in 2024, the evaluation sheets were updated by linking them directly to the competency sheets created for each position within the organizational chart. Subsequently, a meritocratic recognition plan was drawn up for each country.

Training and Development Activities

With regard to training and resource development activities, 16 courses were activated involving a total of 247 participants. 5 induction sessions were organized for new resources, with 18 participants, which also included foreign colleagues at headquarters.

In addition to the above, in SCP and Sintersa, training involved a total of 115 resources, while 94 employees participated in various induction sessions.

Family Day and Other Corporate Events

In June 2024, the first Family Day was held in Italy, with a high attendance of around 150 people. In France, monthly events are organized with employees at their headquarters. Finally, Sintersa recently held the inauguration of its new site in Seville, which was attended by 185 resources.

Meetings with Universities were also held during the first half-year, both with testimonials directly at the institutes and by holding a meeting with students at the ALA Group's offices. In all, there were 6 interventions. This allows us to make ourselves known in the local area and to attract talent.

Participation in International Exhibitions

During the first six months of 2024, the ALA Group participated in a significant number of international exhibitions and events in order to continue to promote its product and service offerings on the market and further raise brand visibility.

The following participations are particularly noteworthy: Singapore Airshow in February, the largest international Aerospace and Defense exhibition in Asia; Aerospace & Defence Supplier Summit in Seattle in March; MRO Americas in April; Aerospace & Defence Meetings in Seville in May; Aircraft Interiors Expo in Hamburg, also in May.

These investments allow ALA sales and purchasing teams to delve into the dynamics of markets that could open up new development opportunities in the coming years, working on building and developing important relationships with existing and target customers and suppliers.

Dassault Aviation Contract

We report at the end of June 2024 the sustained pace of operations of the ALA logistics platform in Bordeaux, inaugurated in 2022 and dedicated to the multi-year service contract with customer Dassault Aviation. The on-boarding of new suppliers continues, accompanied by absolute performance and service levels, to the great satisfaction of the customer.

Customer Portal

Also with a view to continuously improving the level of service offered to its customers, in the first half of 2024, the ALA Group completed the development of its own Customer Portal. With this tool, customers can independently consult all information related to their purchase orders, such as stock levels, delivery dates, invoices, etc.

Israel-Hamas Conflict

As is unfortunately known, the conflict between Israel and Hamas continued into the first six months of 2024. Fortunately, all colleagues in ALA Israel continue not to be directly impacted by the events and, although in an ongoing emergency situation, continue to ensure operations in support of local customers.

Incora – Chapter 11

At the end of June 2024, Incora, the result of the merger between Wesco Aircraft and Pattonair and to all intents and purposes the largest competitor of the ALA Group together with Boeing Distribution Services Inc. (BDSI), is still in Chapter 11 started in June 2023. The ALA Group continues to work hard to better position itself to take advantage of future re-sourcing and de-risking initiatives by key target customers.

SIGNIFICANT EVENTS AFTER 30 JUNE 2024

Participation in the Farnborough Aerospace Show, UK

During July 2024, the ALA Group participated in force at the Farnborough Aerospace Show in the UK.

The second largest trade fair for the Aerospace & Defense sector worldwide after Le Bourget in France, the event attracted over 75,000 industry professionals representing 1,262 exhibitors from 44 different countries.

There were numerous signs of optimism from the intense level of activity both at a commercial level and in the Defense sector, with particular attention to the challenges related to the performance of the supply chain and the expected increase in production rates.

The ALA Group took the opportunity to present to the market all its capabilities, both in terms of products and services, including those of its subsidiaries SCP and Sintersa, and to meet with dozens of existing and target customers, suppliers and business partners, for a total of more than 100 meetings held during the event.

Cerved Rating

In July 2024, Cerved Rating Agency, a rating agency specialized in assessing the creditworthiness of Italian non-financial companies, confirmed to the Parent Company ALA S.p.A. the significant upgrading of the public rating to A3.1 (“Security”) assigned the previous year.

This rating reflects (i) ALA’s growing competitiveness within the industry, (ii) the new positive economic results achieved in 2023, aligned with both the budget and business plan objectives and (iii) the confirmation at the end of 2023 of a good financial balance (NFP/EBITDA<2.0x).

Successful Audit Renewal Certification EN9120:2018

In July 2024, the special audit concerning the integration into the Quality Management System according to EN9120:2018 of the new sales office in Fort Worth, Texas, USA, was successfully conducted, again without any non-conformities.

The new EN9120:2018 certificate thus obtained by the ALA Group will be valid until 2027.

BUSINESS OUTLOOK

It is legitimate to expect that air traffic demand and Defense spending will continue to grow in the second half of 2024 and beyond, and consequently orders for new aircraft and MRO services.

Continuing trends in advanced technologies, increased sustainability, reduced emissions, higher performance systems and lower costs will continue to drive the Aerospace and Defense sector towards more innovation and new product introductions in the future. In the coming years, emerging markets such as Urban Air Mobility (UAM) could also contribute to the development of the sector, depending of course on the ability of the many start-ups to successfully pass all the relevant testing, qualification and certification phases.

In a market situation where difficulties in supply chain management, material procurement times and the ability to meet program execution schedules are major points of focus for companies, the ALA Group continues to guarantee excellent service levels on all existing Service Provider contracts, managing to mitigate many of the delivery delays of manufacturers still struggling with capacity and raw material availability issues. This is due to its excellent planning and supplier management skills. This performance, together with customers' production estimates, allows us to look forward to the second half of 2024 with optimism, also considering the robust order intake of the Stocking Distribution business line over the past 12 months.

In the wake of the excellent results achieved in the first half of 2024, the ALA Group will aim to achieve the challenging budget targets for 2024 and to further strengthen its positioning among the top global operators in the sector. Particular attention and emphasis will be given to cross-selling opportunities and commercial synergies with the subsidiaries SCP and Sintersa and to the development of the North American market, where the ALA Group still occupies a marginal position compared to the existing potential.

From an operational point of view, the focus will remain on maintaining excellent customer service levels in both Service Provider and Stocking Distribution areas. In this regard, the ALA Group will continue to invest in key profiles in both Europe and North America to further improve its supply chain management capabilities.

We reasonably believe that the above, combined with the usual attention and careful management of all fixed and variable cost items, will allow the ALA Group to continue on the path of international growth, constant improvement of profitability and creation of value for its shareholders taken so far.

KEY FIGURES

MAIN ECONOMIC AND FINANCIAL RESULTS

Revenues
€ 138,5 M
H1 - 2023: € 113,6 M

Gross Margin
€ 42,5 M
(30,7 %)
H1 - 2023: € 34,2 M (30,1 %)

EBITDA
€16,9 M
(12,2 %)
H1 - 2023: € 12,3 M (10,8 %)

EBIT
€ 14,3 M
(10,3 %)
H1 - 2023: € 10,0 M (8,8 %)

Net income
€ 7,1 M
(5,1 %)
H1 - 2023: € 5,8 M (5,1 %)

ROE
16,7 %
DEC 2023: 15,0 %

ROIC*
16,4 %
DEC 2023: 17,0%

Net debt
€ 46,7 M
DEC 2023: € 29,2 M

Debt/Ebitda*
1,56
DEC 2023: 1,15

Ebitda/Financial Charges
4,9
DEC 2023: 4,1

Debt To Equity Ratio
0,70
DEC 2023: 0,45

* ADJ last twelve months

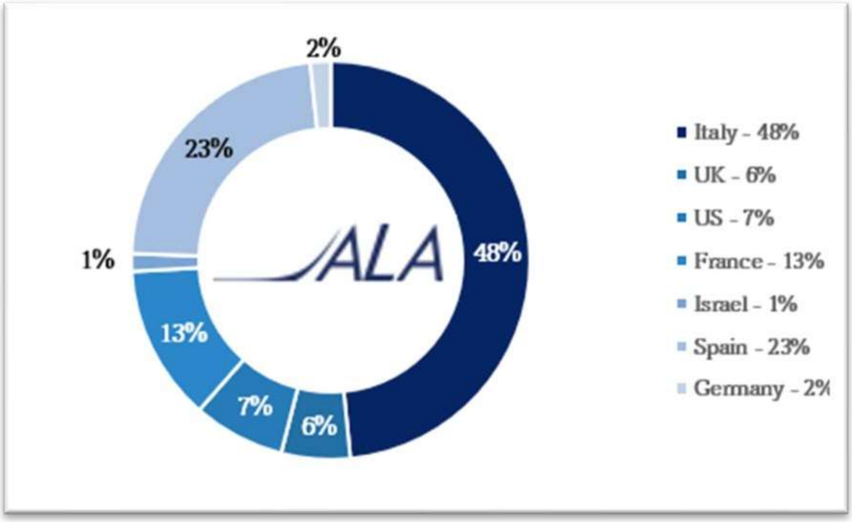
Amounts in Euro thousands	30 June 2024	30 June 2023
Revenues	138,484	113,649
Gross Margin	42,521	34,213
EBITDA	16,883	12,302
EBIT	14,299	10,031
Net Income	7,115	5,813
Gross Margin %	30.7%	30.1%
EBITDA %	12.2%	10.8%
ROS (EBIT/Turnover)	10.3%	8.8%
ROE (Net Income/Shareholders' Equity)	16.7%	16.3%
ROI (EBT/Invested Capital [1])	23.4%	22.1%

Amounts in Euro thousands	30 June 2024	31 December 2023
Net Working Capital	76,817	61,158
Fixed Assets	41,741	42,407
Non-Current Provisions/Liabilities	(5,485)	(8,933)
Net Invested Capital	113,073	94,632
Net Debt/(Cash)	46,721	29,173
Shareholders' Equity	66,351	65,459
Total Sources of Finance	113,073	94,632

(1) Net Invested Capital in operations

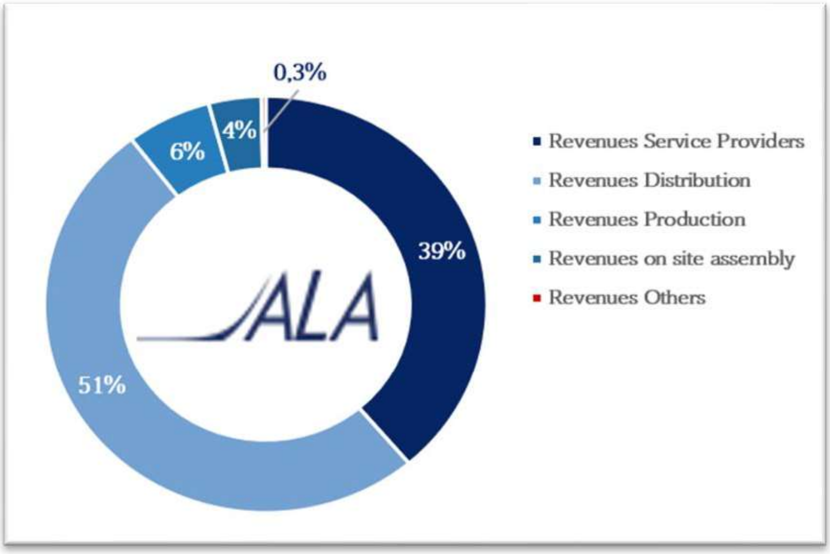
H1 2024 REVENUES BY GEOGRAPHIC AREA

The breakdown of revenues by geographic area is shown below:



H1 2024 REVENUES BY BUSINESS AREA

The breakdown of revenues by business area is shown below:



ALA AND THE FINANCIAL MARKETS

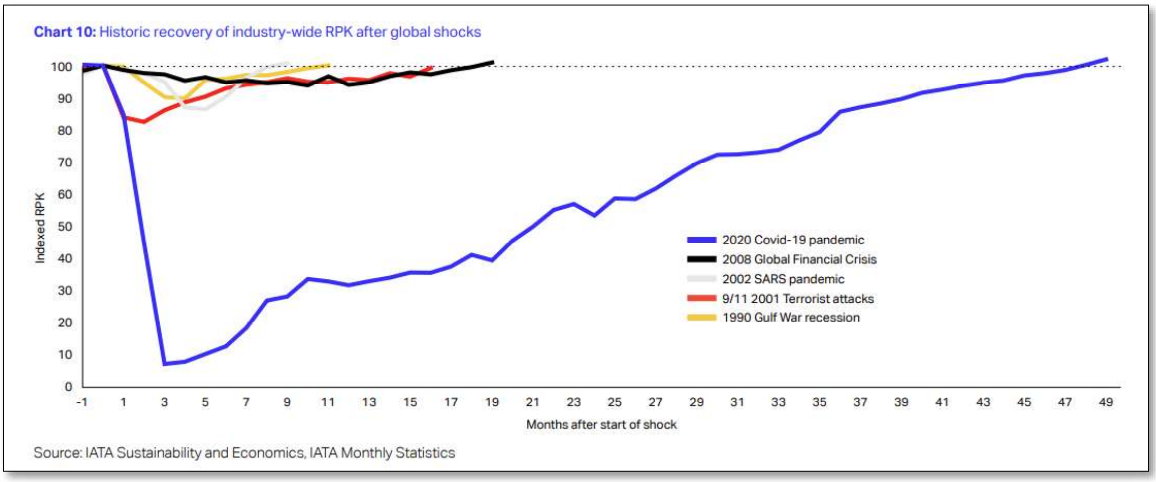
STOCK PERFORMANCE

In the first half of 2024, the ALA stock recorded a positive performance of +34.2%, closing the period with a value of Euro 21.40/share compared to Euro 15.95/share at the end of 2023 and a positive performance of +55.1% compared to Euro 13.80/share in the previous June 2023.

MACROECONOMIC SCENARIO

Air Traffic Trends

As illustrated in the chart below, included in the recent "Global Outlook for Air Transport" document published by the International Air Transport Association (IATA) in June 2024, the passenger air transport sector has in 2024 fully overcome the crisis caused by the Covid-19 pandemic.



This is an outstanding result considering that the RPK (Revenues Passenger Kilometres) index had fallen by as much as 93% in April 2020. Domestic traffic was actually back above pre-Covid levels as early as spring 2023; while international traffic has only recently closed the gap.

The first six months of 2024 thus confirmed once again how the civil aviation sector is characterized by extremely solid fundamentals and macroeconomic drivers and a great resilience to external destabilising events such as those mentioned above.

Airbus vs. Boeing

As air traffic demand continued to pick up, the first half of 2024 was marked by uncertainty as to whether Airbus and Boeing would be able to increase their production rates. While Airbus complains of bigger than expected problems in the supply chain, Boeing is still grappling with the constraints imposed by the FAA (Federal Aviation Administration) following the well-known quality problems in its aircraft.

In the first six months of 2024, Airbus and Boeing collected (gross) orders for 327 and 156 aircraft, respectively, and delivered 323 and 175 aircraft, respectively. The order books of both OEMs remain at extremely robust levels, as indicated by Forecast International and in the table below.

Ordinativi & Consegne nel periodo Gennaio-Giugno 2024

CONSEGNE	Airbus	A220	A320	A330	A350	TOTALE
		28	261	13	21	323
	Boeing	737	767	777	787	TOTALE
		137	9	7	22	175
ORDINATIVI (NETTI)	Airbus	A220	A320	A330	A350	TOTALE
		-12	192	27	103	310
	Boeing	737	767	777	787	TOTALE
		68	0	38	9	115
ORDINATIVI (LORDI)	Airbus	A220	A320	A330	A350	TOTALE
		0	197	27	103	327
	Boeing	737	767	777	787	TOTALE
		101	0	42	13	156
PORTAFOGLIO ORDINI	Airbus	A220	A320	A330	A350	TOTALE
		560	7,128	194	703	8,585
	Boeing	737	767	777	787	TOTALE
		4,730	95	545	786	6,156

Data source: Forecast International

For reference, in 2023 Airbus had delivered 735 aircraft while Boeing 528. The year 2024 thus promises to be the sixth consecutive year in which Airbus will have overtaken Boeing in deliveries.

It will be very interesting to observe in the coming years the ability of Airbus and Boeing to introduce new products to the market. Airbus, for example, announced during the Paris Aerospace Show in 2023 that it was already working to bring the successor to its flagship product, the A320 NEO, to market as soon as possible, with the aim of offering customer airlines fuel savings of up to 25%. For its part, Boeing, which appointed a new CEO in July 2024, has on the other hand repeatedly stated that it will not launch a new aircraft in this decade, receiving much criticism from some industry experts, who are strongly concerned that this decision will lead to a further erosion of Boeing's market share.

Defense Sector

The Defense sector, which has benefited significantly from multiple government supports over the past four years, has seen the volume of orders increase significantly in the recent past as a direct consequence of the continuing Russian-Ukrainian conflict and the escalation of other geopolitical tensions.

The order books of the world's largest Defense companies have grown by at least 10% in the last two years, now reaching record levels. Expectations are that the book-to-bill indicator for the Defense sector, i.e. the ratio of the value of orders to the value of turnover, will continue to remain above one and contribute to further growth in orders.

The Defense sector therefore continues to offer a significant guarantee of continuity and volume. Over the years, the ALA Group has strategically diversified its customer portfolio and currently counts on a very balanced business mix, both between civil and defense, and between production and aftermarket. In particular, the ALA Group offers its products and services in an important way on all three major aircraft in the Defense sector, such as Lockheed Martin's F-35 JSF, the Eurofighter consortium's Typhoon and Dassault Aviation's Rafale.

Maintenance, Repair & Overhaul (MRO)

In line with IATA data, the MRO (Maintenance, Repair & Overhaul) sector is also benefiting from the continuing recovery in air traffic demand.

Another factor contributing to the segment's growth is the lower than expected speed and volume of so-called "aircraft retirements". Jefferies predicts that there will be a total of 348 "widebody retirements" in 2024-2026, compared to a previous estimate of 402. Meanwhile, "narrowbody retirements" will reach 1,857 compared to a previous forecast of 2,024 over the same time period. This was due to both the well-known supply chain difficulties and the recent problems that emerged during the commissioning of Pratt & Whitney's GTF (Geared Turbofan) engine.

The value of turnover from MRO activities will grow further to 120% and 127% of pre-pandemic levels between 2024 and 2025, respectively.

The MRO market currently remains highly fragmented and with relatively limited capacity, possibly paving the way for new investments and further consolidation activities by the big players. The recent scandal involving the London-based broker AOG Technics also opens the way for possible acceleration in terms of the application of blockchain technology in the spare parts market.

Growth Prospects and Challenges for the Sector

With the post-pandemic recovery phase effectively over, there are numerous growth opportunities available for Aerospace and Defense companies such as the ALA Group.

At the same time, the speed of growth and the ability of companies to capitalize on the many development opportunities available remain highly subject to numerous challenges and critical factors.

These include the performance of the entire supply chain, the timing of material procurement and the ability to meet program execution schedules; the race to secure and retain qualified human capital; and the need for the entire industry to accelerate its path towards decarbonization.

All this in addition, of course, to continuing inflationary scenarios on raw materials, energy and transport costs; pressure on labor costs; uncertainty on interest rates and exchange rate volatility in an increasingly interconnected global market.

Supply Chain

There remain numerous risks and issues related to an increasingly complex, deep and global supply chain, such as: tangible deteriorations in the performance levels of various links in the supply chain that are impacting OEMs and their sub-tiers, creating strong uncertainty around the speed with which it will be possible to increase production rates; scarcity of components and raw materials (e.g. electronic components, titanium, forgings), with consequent increase in procurement times; greater restrictions on the availability of key imports and lower export capacity of sensitive items due to growing geopolitical tensions; increase in transport times and costs, with consequent lower visibility on the real progress of orders, which directly impacts the organization and efficiency of production lines.

The ALA Group has invested and continues to invest in advanced and increasingly digital management processes and technologies (e.g. SAP 4/Hana, Air Supply, Information Security Management System Standard ISO 27001, digital twins solutions, etc.) capable of supporting the development of an increasingly robust, resilient, reliable and secure supply chain.

In its role as Supply Chain Integrator, the ALA Group is a truly strategic partner, capable of anticipating, preventing and finding solutions to its customers' risks and issues in order to support faster and more profitable growth.

Human Capital

The major downsizing of the workforce during the Covid-19 pandemic drastically reduced the availability of qualified personnel on the market, with inevitable pressure on wages.

The new boundary conditions of the labor market, human capital and the lack of qualified personnel will be an important and recurring theme that all companies in the sector, bar none, will have to prove themselves able to handle in the near future. The challenges will come not only from the amount of resources needed to support development and growth, but also from the quality and levels of technical training and experience required.

The ALA Group is aware of the primary importance of human capital for the success of the Company and remains committed to a number of initiatives aimed at attracting, developing and retaining key talent for the future. These include the Franco Scannapieco Prize dedicated to innovation, collaboration with local universities, continuous training, career development plans and the possibility of gaining work experience in a truly international context, as the ALA Group has now become.

Net-Zero CO_2 Emissions Paris Agreement

The civil aviation sector has embarked on a path towards the ambitious goal of Net-Zero Emissions by 2050. Sustainability goals will therefore represent an additional level of challenge and investment for the entire supply chain, with important repercussions at the technological level.

The theme of decarbonization and sustainability in general will undoubtedly continue to dominate public opinion in the future, as the sector grapples with challenges that are difficult to manage and solve. We can therefore expect an acceleration towards the use of latest-generation engines, the use of alternative fuels (Sustainable Aviation Fuels or SAFs) and continuous investments in new technologies and innovation, particularly in the field of hydrogen propulsion and electric motors. IATA estimates, for example, that SAFs for commercial aviation could contribute 62% of the “carbon mitigation” needed to meet the 2050 emission reduction targets. At the same time, however, the costs of producing SAFs are still considerably higher than those of conventional fuel.

The ALA Group, whose business does not include production activities able to make a significant contribution to reducing emissions, has nevertheless drafted ambitious sustainability reports for a number of years and continues to work both internally and with its business partners in order to identify and pursue initiatives to help achieve the sector’s sustainability objectives.

REFERENCE MARKET

The ALA Group’s activities are mainly concentrated in the so-called Consumables & Expendables segment, which encompasses a multitude of products of a mainly mechanical, electrical and chemical nature that are used for both the production and maintenance, repair and overhaul (MRO) of aircraft and their equipment. These commodities, which are used in large quantities and have a relatively low unit cost, are the subject of a continuous and growing outsourcing trend, in view of the increasing need of OEMs (Original Equipment Manufacturers) to concentrate on their core business.

The ALA Group is characterized by being a flexible, customer-centric player specializing in tailor-made solutions, designed precisely to meet specific customer needs and able to offer both Stocking Distribution (products) and Service Provider (services) activities. The production cycles of aircraft programs are known to have very long time horizons, especially when compared to those of other sectors. Given this characteristic, the ability to program, plan and optimize purchases is particularly critical.

The Supply Chain of the Aerospace and Defense sector is structured as follows for both the aircraft and the engine and system parts:

- OEMs (Original Equipment Manufacturers) – Platform Primes
- Tier 1s – System Integrators
- Tier 2s – Assembly or Equipment Providers
- Tier 3s – Build to Print Components or Sub Assembly Suppliers
- Tier 4s – Processing or Material Suppliers

The ALA Group supports both OEMs and Tier 1s, Tier 2s and Tier 3s.

The MRO segment, on the other hand, handles not only planned maintenance, but also unscheduled events, and therefore has less extensive visibility than production and, usually, more urgency for component procurement. Although the MRO segment lends itself less to the multi-year contracts that characterize the Service Provider business, in line with an increasing outsourcing trend, MRO players are increasingly interested in light-service provider solutions.

In this context, the opportunities for a player such as the ALA Group appear to be significant, both with regard to the provision of product distribution services (attributable to the Group's Stocking Distribution business area) and the provision of integrated logistics services (attributable to the Group's Service Provider business area).

Competitive Positioning and Development

The current scenario sees ALA playing an increasingly leading role: having established itself as a leader in Italy in the distribution of fasteners and integrated logistics for aviation companies, the ALA Group has seen its consolidated turnover rise from Euro 130 million in 2019 to around Euro 230 million at 31 December 2023 (+77%; CAGR 15.3%).
With reference to its international competitive positioning, the ALA Group is today one of the largest players in the global market and is characterized by being one of the largest independent players within the competitive context.

As far as relations with strategic suppliers are concerned, the first six months of the financial year 2024 confirmed the trends of the previous period, in which the ALA Group – also by virtue of its now global dimensions – consolidated partnerships and commercial agreements with numerous strategic suppliers both in Europe and in the USA, both extending/expanding existing agreements and adding new important distribution contracts.

In line with the strategic growth plan of the 2024 budget, the shareholders and management confirm their intention to continue looking at international growth opportunities to achieve an even more prominent position in the global market.

The development plan is to maintain the focus on the Aerospace sector, characterized by high barriers to entry (extremely stringent certifications and quality standards), with progressive opening to sectors with similar industrial characteristics, such as Railway and Defense.

The ALA Group's business development model is strongly anchored on both organic and external growth. In particular, the ALA Group aims to expand the scope of its existing business with its customers through the addition of new products and value-added services with a view to diversifying away from the competition. In addition, in view of the fact that its market shares outside Italy still have significant growth potential, the ALA Group, after the acquisition of the Spanish companies SCP and Sintersa, continues to evaluate the market and the competition to identify the next acquisition opportunities, both in Europe and North America.

GROUP PERFORMANCE AND OPERATING RESULTS

The Consolidated Interim Financial Statements of the ALA Group at 30 June 2024, which we submit for your examination and approval, show a net profit of Euro 7,115,138 (Euro 5,813,215 at 30 June 2023), of which Euro 7,185,127 attributable to the Group (Euro 5,809,528 at 30 June 2023).

Group Performance and Results

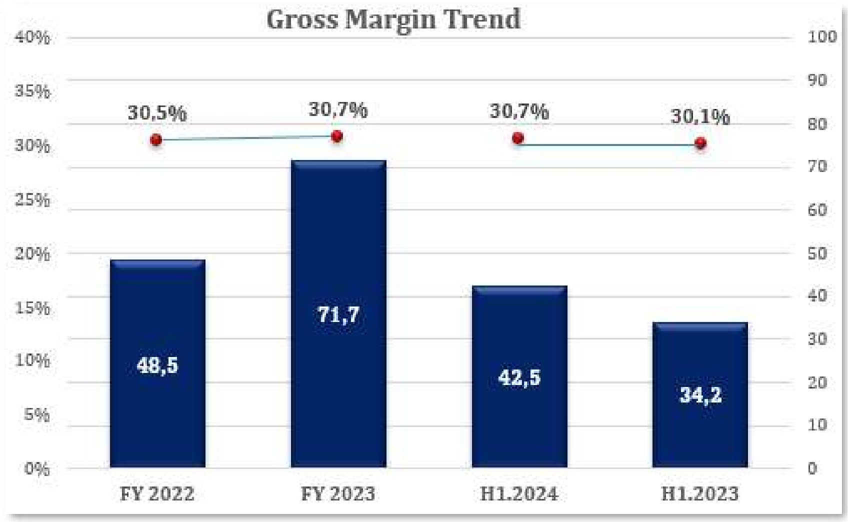
Income Statement	30 June 2024	30 June 2023
Revenues Service Providers	55,088	43,654
Revenues Distribution	70,002	58,860
Revenues Electrical Systems	8,450	9,164
Revenues on site assembly	4,497	1,593
Revenues Others	447	379
Total Revenues	**138,484**	**113,649**
COGS	(95,954)	(79,432)
Gross Margin	**42,521**	**34,217**
% on Total Revenues	*30.7%*	*30.1%*
Service Costs	(7,750)	(7,969)
Leaseholds Costs	(1,735)	(1,463)
Other Operating Expenses	(174)	(322)
Labor Cost	(15,989)	(12,161)
Total Costs	**(25,638)**	**(21,915)**
EBITDA	**16,883**	**12,302**
% on Total Revenues	*12.2%*	*10.8%*
Depreciation	(350)	(350)
Amortization	(2,234)	(1,921)
Total D&A	**(2,584)**	**(2,271)**
Provision for risk	**-**	**-**
EBIT	**14,299**	**10,031**
% on Total Revenues	*10.3%*	*8.8%*
Financial Income/Loss	**(3,455)**	**(2,501)**
Financial adjust. (exchange different)	(519)	(264)
EBT	**10,325**	**7,266**
% on Total Revenues	*7.5%*	*6.4%*
Taxes	**(3,209)**	**(1,453)**
Net Income	**7,115**	**5,813**
% on Total Revenues	*5.1%*	*5.1%*

Amounts in Euro thousands

Revenues – Euro 138.5 million: consolidated net revenues at 30 June 2024 recorded an important increase of approximately 21.9% compared to 30 June 2023, from Euro 113.6 million to Euro 138.5 million. This increase was certainly due to a significant improvement in the performance of the main business lines.

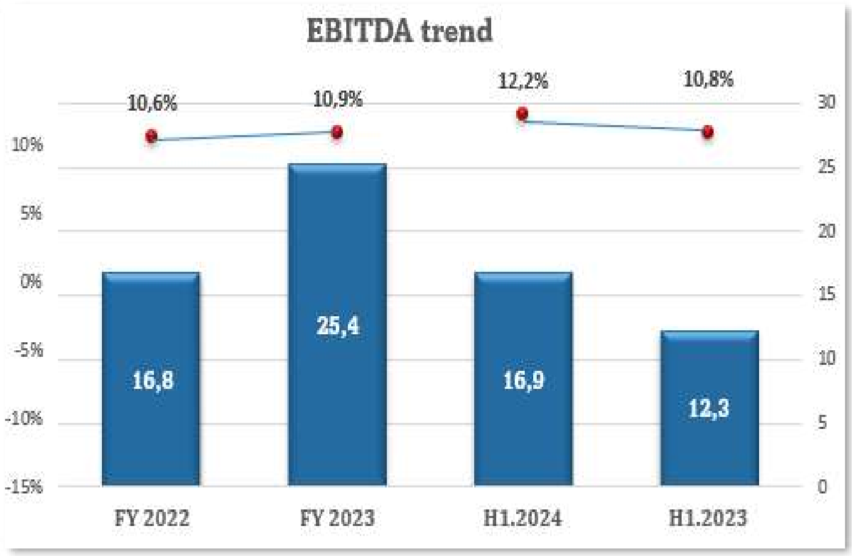
Cost of Goods Sold – Euro 96.0 million: the cost of goods sold reflected the increase in revenues, recording an increase in absolute value of approximately Euro 16.5 million compared to the prior-year period (Euro 79.4 million), representing a percentage on total revenues of approximately 69.3%, in line compared to 69.9% in the first half of 2023.

Gross Margin – Euro 42.5 million: compared to the first half of 2023, in correlation with the increase in total revenues shown above, the Group showed a Gross Margin on Total Revenues of approximately 30.7%, compared to 30.1% in the first half of 2023.



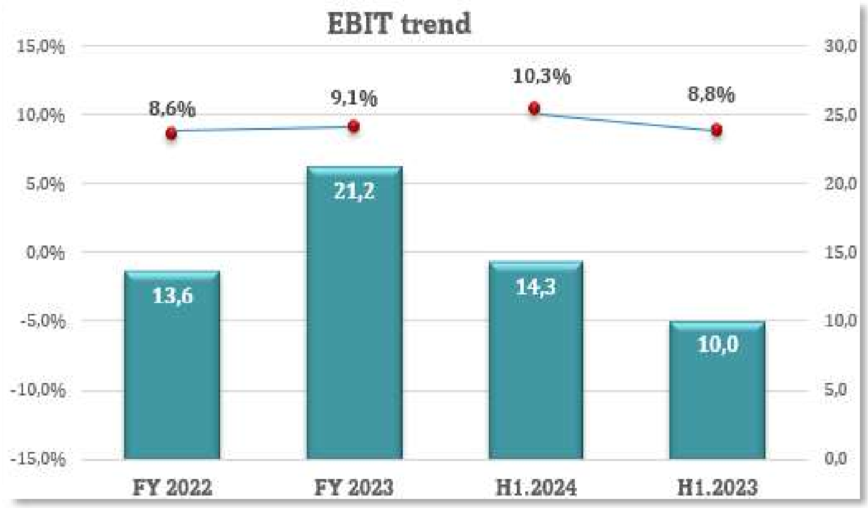
Total Costs – Euro 25.6 million: total costs increased by approximately Euro 3.7 million. In particular, the main increases are attributable to labor costs of about Euro 3.8 million.

EBITDA – Euro 16.9 million: the EBITDA figure shows significant growth of approximately 37.2% compared to 30 June 2023, substantially due to the increase in gross margins, as well as the increase in revenues.



Depreciation & Amortization – Euro 2.6 million: they increased by approximately Euro 0.3 million compared to the first half of 2023, mainly as a result of the higher capex and goodwill relating to the purchase of the Spanish equity investments.

EBIT – Euro 14.3 million: as a result of the performance of the items described above, the operational management of the Group generated a strong result for the period, up approximately Euro 4.3 million from the value recorded at 30 June 2023 (Euro 10.03 million), mainly due to the increase in the value of production and the contribution from the Spanish companies.



Financial Income/Loss – loss of Euro 3.97 million: the item shows a significant increase referring to the increase in interest rates, the higher use of factoring lines and financial charges related to the loans outstanding at 30 June 2024.

Earnings Before Tax – profit of Euro 10.3 million: the pre-tax result was around Euro 3.0 million higher than in the first half of 2023, as a result of the above. The percentage on Total Revenues went from 6.4% in the first half of 2023 to 7.5% in the reporting period, showing an increase of approximately 1.1 percentage points.

Taxes – equal to Euro 3.2 million: this amount was attributable to estimated current taxes.

In light of the above, **Net Income** at 30 June 2024 amounted to approximately Euro 7.1 million, up compared to the result at 30 June 2023 (Euro 5.8 million).

GROUP FINANCIAL POSITION AND CASH FLOWS

Amounts in Euro thousands	30 June 2024	31 December 2023	Change
Net Working Capital [(1)]	76,817	61,158	15,659
Fixed Assets	41,741	42,407	(666)
Non-Current Provisions/Liabilities	(5,485)	(8,933)	3,447
Net Invested Capital	**113,073**	**94,632**	**18,440**
Net Debt/(Cash)	46,721	29,173	17,548
Shareholders' Equity	66,351	65,459	892
Total Sources of Finance	**113,073**	**94,632**	**18,440**

[(1)] net of cash and gross of short-term bank debt

Net Working Capital – Euro 76.8 million: net working capital at period end showed an increase, compared to the same period of 2023, of approximately Euro 15.7 million, deriving mainly from the increase in inventories and trade receivables compared to 30 June 2023.

Fixed Assets – Euro 41.7 million: the change in this item was mainly attributable to amortization and depreciation in the period. It should be noted that following the M&A transaction in September 2022, this item mainly includes recognition of the goodwill that arose following the inclusion of the two Spanish companies in the scope of consolidation (approximately Euro 30.2 million).

Provisions – Euro 5.5 million: the item mainly includes the recognition of the third earnout, for a total of Euro 3.5 million, to be paid to the former shareholders of the SCP Sintersa Group, as provided for in the purchase agreement of last September 2022, Euro 464 thousand to the estimate of the long-term incentive plan for top management, and the remainder to risks related to facilitated redundancies of certain or probable existence, the exact amount or date of occurrence of which, however, was not known at the end of the reporting period. The reduction compared to the value recorded at 31 December 2023 is mainly attributable to the reallocation of the second tranche of earnouts to other payables, confirmed by the 2023 data.

Net Invested Capital – Euro 113.1 million: this item increased by around Euro 18.4 million compared to December 2023 and the change mainly referred to an increase in net working capital for approximately Euro 15.7 million.

Net Debt (Cash) – Euro 66.3 million: the net financial position showed an increase in debt of about Euro 17.5 million, related to the marked increase in net working capital and in particular in inventories.

A breakdown of the items that contributed to net debt is shown in the table below:

Amounts in Euro thousands	30 June 2024	31 December 2023	Change
Non-current Financial Liabilities	(43,494)	(42,665)	(829)
Current Financial Liabilities	(25,320)	(20,760)	(4,560)
Cash and Cash Equivalents	22,093	34,252	(12,159)
Net Debt/(Cash)	**(46,721)**	**(29,173)**	**(17,548)**

The Group strategy continues to be aimed at changing the composition of debt, favoring medium-long term debt.

Shareholders' Equity – Euro 66.3 million: this item changed due to the result for the period and simultaneously due to the distribution of dividends in May, equal to approximately Euro 6.8 million.

The Balance Sheet is shown below, appropriately reclassified according to the decreasing liquidity criterion, compared with the results at 31 December 2023:

Amounts in Euro thousands	30 June 2024	31 December 2023	Change
ASSETS			
Cash and Banks	22,093	34,252	(12,159)
Receivables from Customers	37,950	30,044	7,906
Prepayments and Accrued Income	1,326	904	422
Other Receivables	4,709	4,754	(46)
Inventories and WIP	106,662	91,022	15,640
A) Total Current Assets	**172,739**	**160,976**	**11,763**
Financial Assets	447	472	(25)
Technical Assets	5,489	4,584	905
Intangible Assets	35,806	37,352	(1,546)
Total Fixed Assets	**41,741**	**42,407**	**(666)**
TOTAL ASSETS	**214,481**	**203,383**	**11,098**

LIABILITIES	30 June 2024	31 December 2023	Change
Payables to Banks and Other MT Financial Payables/Receivables	25,320	20,760	4,560
Accounts Payable	55,189	52,707	2,481
Accrued Expenses and Deferred Income	167	262	(95)
Tax Payables	4,604	2,707	1,897
Other Payables	7,486	3,874	3,612
Advances from Customers	6,384	6,017	368
B) Total Current Liabilities	**99,150**	**86,326**	**12,824**
Payables to Banks and Other MLT Financial Payables	43,494	42,665	829
Provisions	5,485	8,933	(3,448)
Total MLT Liabilities	**48,979**	**51,597**	**(2,619)**
TOTAL LIABILITIES	**148,129**	**137,924**	**10,205**

Shareholders' Equity	30 June 2024	31 December 2023	Change
Share Capital	9,500	9,500	-
Legal Reserve	2,080	2,080	-
Other Reserves	4,446	3,021	1,445
Share Premium Reserve	17,900	17,900	-
Retained Profit Brought Forward	25,290	23,171	2,120
Profit (Loss) for the Period	7,115	9,787	(2,672)
Total Shareholders' Equity	**66,352**	**65,459**	**892**
TOTAL LIABILITIES + SHAREHOLDERS' EQUITY	**214,481**	**203,383**	**11,098**

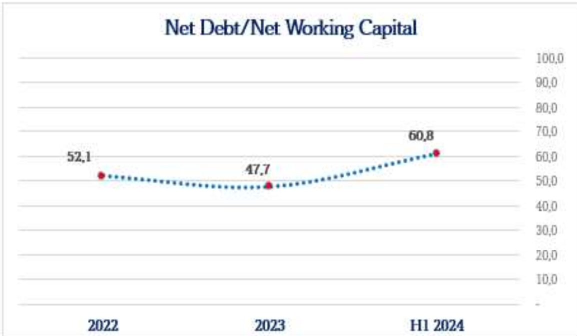
Net Working Capital (A-B)	**73,589**	**74,650**	**(1,061)**

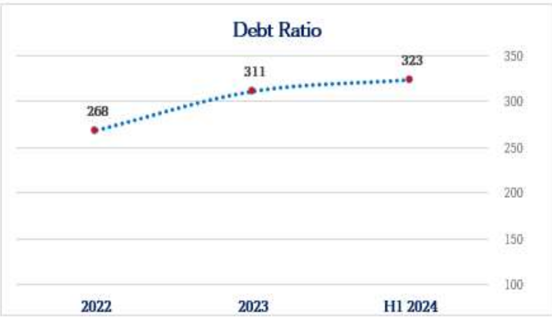
(Euro thousands)

FINANCIAL PERFORMANCE INDICATORS

The main financial performance indicators at 31 December 2022, 31 December 2023 and 30 June 2024 are shown below. All indicators show a marked improvement of the financial structure and a high level of capitalization both with respect to investments and net working capital.

Financial KPIs	H1 2024	2023	2022
Fixed Asset Coverage Ratio	159	154	172
Net Debt/Net Working Capital	60.8	47.7	52.1
Debt Ratio	323	311	268
Equity/Net Invested Capital	58.7	69.2	67.8
Current Ratio	174	186	234
Quick Ratio	65.4	80.2	111.3





The trend of all financial indicators shows a satisfactory situation both in terms of liquidity and investment sustainability, largely covered by equity and an adequate debt ratio. In particular, equity/net invested capital decreased from 69.2 to 58.7 in percentage terms. The debt ratio rose from 311 at December 2023 to 323 at June 2024. Fixed asset coverage ratio and the net debt/net working capital ratio were equally positive. The former increased from 154 to 159 at June 2024, while the net debt/net working capital ratio went from 47.7 in the previous period to 60.8 at 30 June 2024. As for immediate liquidity, the quick ratio decreased from 80.2 to 65.4 as a result of the changes in cash and cash equivalents and current assets.

MAIN TYPES OF BUSINESS RISK

In accordance with Article 2428, Paragraph 1 of the Italian Civil Code, it should be noted that the Group is not exposed to any particular risks and/or uncertainties. Below is a summary of the risks and/or uncertainties, outlining the measures adopted by the ALA Group in order to mitigate any impacts deriving from the occurrence of such risks on the operating results, financial position and cash flows of the Group.

Country Risk

Consistent with the previous year's risk analysis, the Company re-assessed the impacts and probability of Country Risk as part of the risk analysis carried out in the first half of 2024. In particular, it assessed the risk related to the sale of products to Countries or Companies directly or indirectly linked to Sanction Lists. This risk was considered "High" in light of growing restrictions and the related increase in sanctions imposed by the US, the European Union and the UK. In order to mitigate the aforementioned risk, the ALA Group decided to adopt a new software which enables real-time online screening of all counterparties interested in commercial transactions with ALA.

Interest Rate Risk

The Group manages this risk by appropriately balancing exposures at fixed interest rates with those at floating rates, with the aim of mitigating the economic effects arising from potential interest rate volatility. Considering the current level of interest rates and the policies launched by the European Central Bank, the Group considers the risk of any significant rise in interest rates limited, yet continues to monitor the performance of financial markets in order to implement appropriate hedging actions, if necessary.

Exchange Rate Risk

The previous year's findings are confirmed, namely that the Group does not show significant exposure to risks relating to payables or receivables in currencies other than the Euro.

Credit Risk

As in the previous period, the ALA Group is not particularly exposed to credit risk given the quality of its customers, which are mainly companies of primary national and international standing.

Liquidity Risk

Low risk is confirmed as regards the possible unavailability of sufficient financial resources for the Group companies to meet their financial obligations within the established terms and deadlines or to cover any investments.

The Parent Company ALA has adequate financial resources through intercompany loan agreements with other Group companies to maintain a level of credit lines sufficient to accompany all operating companies along the development path envisaged for the coming years.

Operational Risks

The ALA Group is exposed to operational risks, namely the possibility of suffering economic losses deriving from external events; this type of risk is intrinsically connected to the type of business carried out by the organization as a whole, which dedicates human resources, processes, systems, tangible and intangible assets to the same. These risks are identified and appropriately classified during the Risk Assessment Meetings envisaged by QSP 001 internal procedure by the various Global Managers of the corporate departments and relevant country General Managers.

The nature of these risks can concern: i) the ability of Group companies to appoint a management team capable of ensuring business continuity, even in the event of the departure of certain key figures. This risk is thoroughly monitored by the ALA Group, as proven by the significant reorganization launched at the end of 2017 without any repercussions on the corporate business; ii) contractual responsibilities towards customers and, in particular, the risk of penalties being applied in the event of failure to meet set deadlines or quality standards. In this regard, it should be noted that the Parent Company has adopted a system of controls to intercept/mitigate the risk of potential delays in delivery times, as well as insurance policies to avert the potential negative impacts on the operating results, financial position and cash flows resulting from the occurrence of any defaults; iii) the adoption of organization and control systems by the Parent Company ALA in compliance with the regulatory provisions of individual countries.

Risk of Safety Stock Reduction

In light of the sudden post-Covid global recovery of the aviation market, also in the first half of 2024 a general capacity loss (in terms of human resources, raw materials and availability of machinery) was confirmed by the majority of suppliers, with a consequent deterioration of our supply chain's On-Time Delivery performance.

In fact, the Company recorded an average OTIF (On Time In Full) value of approximately 60% of the total ordered and expected in the first half of 2024.

The Company therefore identified, as an effect of this loss of performance, the risk of safety stock reduction (stock of finished products) in our warehouses, with a potential negative impact (stock-out) on the services provided to Customers in the Service Provider division. For medium/long-term recovery, the Company has implemented a process that analyzes expected deliveries to Customers in order to anticipate and remodel changes in forecast consumption and intervene with spot purchases, with beneficial effects on the overall Service Level.

Risk of Sensitive Information Loss

As already emerged last year, the proliferation of information through digital media (emails, Company portals, chats, etc.) could lead to the risk of loss, destruction or leakage of sensitive business data (e.g., contacts, price lists, business plans, Customer contacts) resulting in negative effects on the livelihood/growth of Company turnover. The Company thus introduced a requirement for the Sales Department to exclusively use a controlled access database to gather all sensitive information related to sales contracts and the related documentation in order to limit downloads/sharing, in a specific procedure (QSP 014 – Business Opportunities). In addition, the Company personnel most exposed to this risk have signed NDAs.

OTHER INFORMATION

RELATED-PARTY TRANSACTIONS

It should be noted that the ALA Group has adopted a specific "Procedure for Related-Party Transactions" (hereinafter, the "Procedure") – approved by the Board of Directors on 15 July 2021 and subsequently amended with resolution dated 30 June 2022, with effect as of 1 July 2022 – pursuant to the "Provisions relating to transactions with related parties" issued by Consob with Regulation no. 17221 of 12 March 2010, and the "Provisions on related party transactions" issued by Borsa Italiana S.p.A. applicable to the issuers of shares admitted to trading on Euronext Growth Milan (the "Provisions"), and in implementation of Article 2391-bis of the Italian Civil Code. The aforementioned Procedure is available on the Company's website (www. www.alacorporation.com, Investor Relations section, "Corporate Documentation" area, under Procedures and Regulations). Pursuant to Article 5, Paragraph 8 of the Regulation, please note that at 30 June 2024 no material transactions (as defined in Article 1) or transactions with related parties that had a significant impact on the Consolidated Balance Sheet or on the results of the Group in the reference period were concluded. Finally, it should be noted that there were no changes or developments in the related-party transactions described in the Interim Financial Report at 30 June 2024. Group transactions with directly or indirectly controlling, associated and investee companies concern the reciprocal supply of goods, services and loans, and take place under normal market conditions. The details of relations with these companies are provided below.

In any case, we emphasize that these relationships are governed by normal market conditions.

Reconciliation of Trade Payables/Receivables	ALA S.p.A.	
	Receivables	Payables
A.I.P. ITALIA	154,262	(1,303,139)
Total	**154,262**	**(1,303,139)**

Reconciliation of Costs/Revenues	ALA S.p.A.	
	Costs	Revenues
A.I.P. ITALIA	386,600	18,000
Total	**386,600**	**18,000**

It should be noted that receivables recorded in the Interim Financial Statements at 30 June 2024 from the Parent Company A.I.P. Italia S.p.A. refer to commercial transactions which took place at normal market conditions and according to contractual agreements.

Payables to the Parent Company at 30 June 2024, on the other hand, amounted to approximately Euro 1,303,139 and almost entirely refer to tax payables, pursuant to the tax consolidation agreement between the parties.

The economic items recognized in the Financial Statements at 30 June 2024 refer for Euro 386 thousand to the remuneration of financial costs arising from the guarantees provided by the Parent Company A.I.P. Italia S.p.A. by virtue of the three-year contract stipulated in 2021, and ratified by the Board of Directors on 24 June 2021, and for Euro 18 thousand to revenues for intercompany services rendered to the Parent Company.

PERSONNEL INFORMATION

At 30 June 2024, the Group's workforce consisted of approximately 600 employees divided between the Italian offices (Pozzuoli (NA), Naples – Mostra d'Oltremare, Turin, Cameri (NO), Rome, Gallarate (VA)), New York (USA), London (UK), Toulouse (France), Tel Aviv (Israel), Hamburg (Germany), and the Spanish offices (Madrid, Seville and Barcelona). The table gives an indication of the three-year trend in the employment base, taking into account the significant increase in the number of resources, as early as the last quarter of 2022, due to the incorporation of the Spanish companies into the Group.

The table below shows the details of employment numbers for the three-year period.

	2022	2023	H1 2023	H1 2024
Average workforce	256	507	492	600

New hires usually undergo training periods with Company internships, apprenticeships, fixed-term or permanent contracts, based on the provisions of individual labor laws in the various countries.

In the first half of 2024, organizational restructuring processes continued following the international expansion of the Group, in terms of:

- adoption of a series of Group-wide policies and procedures, a project which will continue until all regulatory needs have been mapped;
- implementation of Group cost-saving policies with the aim of making best use of the total volumes of services purchased.

QUALITY & COMPLIANCE

Quality Management Systems

During the first half of 2024, the Company undertook the renewal audit for the certification of the Quality Management System according to EN9120:2018, expiring in August 2024.

The activity covered all sites already included in the current Group certification, with a total number of 25 audit days. At the moment, no non-compliances have been recorded by the External Auditors, confirming the robustness of the processes and procedures on which the ALA Group's business is based.

In addition to the certification audit, internal audit activities (for a total of 22 audits) and audits at our suppliers (for a total of 5 audits) were also carried out during the first half of 2024. The results of these controls were

recorded in the Quality Management System and all corrective measures that emerged are completed or in the implementation phase. However, no deviations worthy of note were recorded compared to the reference standard.
The Parent Company ALA S.p.A. confirmed its activities of continuous monitoring and updating of its Environmental Management System certified according to ISO 14001:2015, in anticipation of the maintenance audit scheduled for December 2024.

Export Compliance

During the first half of 2024, no exports or intra-Community transfers of armament material were recorded for the Parent Company ALA S.p.A.

Nevertheless, the Company confirms its commitment to renewing all current licences, as well as evaluating the possibility of acquiring additional non-EU licences should business opportunities with foreign Customers materialise.

It should also be noted that a consultancy contract was finalized with Deloitte to carry out an export compliance gap analysis for the subsidiary Sintersa, thus continuing the project already completed for the other Group companies in 2021.

Environmental Management System

The Parent Company ALA S.p.A. confirmed its activities of continuous monitoring and updating of its Environmental Management System (certified according to ISO 14001:2015), in anticipation of the maintenance audit scheduled for December 2024.

Information Security Management System

In January 2024, the ALA North America subsidiary successfully renewed its certification according to ISO 27001:2013 (Information Security Management System Standard).

During the second half of 2024, activities will be carried out to update and adapt the Information Security Management System to the 2022 version of the standard and in anticipation of the next audit scheduled for early 2025. At that time, the possibility of extending certification to other locations will also be considered.

Tax Consolidation

Since fiscal year 2012, the Group has adhered to the IRES (Corporate Income Tax) Consolidation Scheme for the companies incorporated under Italian law; the Parent Company A.I.P. Italia S.p.A. is responsible for filing the consolidated tax returns for IRES purposes.

Financial Instruments

As regards the interest rate derivatives outstanding at 30 June 2024, the Group adopted the simplified model envisaged by OIC Accounting Standard 32 for simple hedging relationships, since they concerned derivative financial instruments that have similar characteristic to the hedged item, entered into under market conditions and with a fair value close to zero at the initial recognition date.

Privacy Security Measures

The Principle of respect for the Privacy and dignity of each individual employee is fundamental for the Group which, as part of the business carried out, collects and processes the personal data, sensitive and otherwise, of its employees and the natural and/or legal persons with whom it has relations or relationships. This processing, where foreseen, is carried out with the consent of the data subjects in accordance with the methods and limits established by law.

Monetary Revaluations

Pursuant to Article 10 of Italian Law no. 72 of 19 March 1983, as also referred to in subsequent monetary revaluation laws, it should be noted that no monetary revaluation was carried out for the assets still held by the Company.

Assets and/or Loans allocated to a Specific Business Transaction

It should be noted that at the closing date of the Consolidated Interim Financial Statements at 30 June 2024, there were no assets or loans allocated to a specific business transaction pursuant to Article 2427, Paragraph 1, Points 20-21 of the Italian Civil Code.

Amount and Nature of Exceptional Revenue/Cost Items

There are no revenue/cost items of an exceptional size or impact in this document.

GOING CONCERN

The Consolidated Interim Financial Statements at 30 June 2024 were drawn up on a going-concern basis, after considering the provisions of OIC Accounting Standard 11 and Article 2423-bis of the Italian Civil Code and having analyzed all available and useful elements in this regard. For this purpose, please refer to the information disclosed in the other sections of this Management Report, namely the assessment of risks and uncertainties to which the Group is exposed, the analysis of performance for the reporting period, the analysis of related-party transactions and the significant events that occurred during the period under review.

In the first half of 2024, the performance of the ALA Group improved compared to previous years, achieving a good level of capitalization and excellent profitability.

In line with the provisions of OIC Accounting Standard 11, the Directors can reasonably assume that, due to the foregoing and on the basis of the 2024 budget, the Parent Company and the Group will continue to operate for the foreseeable future. The Directors therefore considered it appropriate to prepare the Consolidated Interim Financial Statements at 30 June 2024 based on the going-concern assumption.

Naples, 23 September 2024

On Behalf of the Board of Directors
Roberto Tonna
Chief Executive Officer


ALA

CONSOLIDATED INTERIM FINANCIAL STATEMENTS

AND EXPLANATORY NOTES

02_CONSOLIDATED INTERIM FINANCIAL STATEMENTS

BALANCE SHEET ASSETS

	30 June 2024	31 December 2023
B) Fixed Assets		
I – Intangible Assets		
1) Start-Up and Expansion Costs	2,551,450	3,003,732
4) Concessions, Licenses, Trademarks and Similar Rights	534,894	460,925
5) Goodwill	31,660,087	32,733,526
6) Assets in Progress and Advance Payments	-	-
7) Other	1,059,257	1,153,377
Total Intangible Assets	*35,805,689*	*37,351,560*
II – Tangible Assets		
1) Land and Buildings	523,227	533,495
2) Plant and Machinery	1,537,965	1,592,690
3) Industrial and Commercial Equipment	1,607,650	1,509,535
4) Other Assets	1,783,820	947,794
5) Assets in Progress and Advance Payments	36,105	-
Total Tangible Assets	*5.488.768*	*4,583,514*
III – Financial Assets		
1) Equity Investments		
d-bis) Other Companies	20,000	20,000
Total Investments	*20,000*	*20,000*
2) Receivables		
d-bis) Other Receivables		
due within one year	378,765	369,268
Total Receivables	378,765	369,268
4) Derivative Financial Instruments	48,022	82,820
Total Financial Assets	*446,787*	*472,088*
Total Fixed Assets (B)	*41,741,244*	*42,407,161*
C) Current Assets		
I – Inventories		
1) Raw and Ancillary Materials and Consumables	1,016,036	954,182
2) WIP and Semi-Finished Goods	2,241,341	1,984,119
4) Finished Products and Goods	100,062,005	84,411,601
5) Advances	3,342,288	3,671,712
Total Inventories	*106.661.670*	*91,021,614*
II – Receivables		
1) Receivables from Customers	37,795,415	29,074,915
due within one year	37,795,415	29,074,915
4) Receivables from Parent Companies	154,262	969,212
due within one year	154,262	969,212
5-bis) Tax Receivables	3,793,960	3,755,050
due within one year	3,793,960	3,755,050
5-ter) Deferred Tax Assets	219,530	214,674
5-quater) Other Receivables	695,154	784,591
due within one year	695,154	784,591
Total Receivables	*42,658,322*	*34,798,441*
IV – Cash and Cash Equivalents		

1) Bank and Postal Deposits	22,086,790	34,248,219
3) Cash at Hand and in Bank	6,334	3,751
Total Cash and Cash Equivalents	*22.093.124*	*34,251,969*
Total Current Assets (C)	*171,413,116*	*160,072,024*
D) Prepayments and Accrued Income	**1,326,283**	**903,873**
Total Assets	***214,480,642***	***203,383,058***

BALANCE SHEET LIABILITIES

	30 June 2024	31 December 2023
A) Shareholders' Equity		
I – Share Capital	9,500,000	9,500,000
II – Share Premium Reserve	17,900,000	17,900,000
IV – Legal Reserve	2,080,075	2,080,076
VI – Other Reserves, separately indicated	-	-
Advance for Future Capital Increase	2,915,501	1,719,998
Consolidation Reserve	1,191,947	1,191,947
Translation Reserve	293,097	153,987
Rounding Reserve	-	-
Total Other Reserves	*4,400,545*	*3,065,932*
VII – Reserve for Expected Cash Flow Hedges	67,352	(153,039)
VIII – Profits (Losses) Carried Forward	25,290,307	23,170,543
IX – Profit (Loss) for the Period	7,185,127	9,830,245
X – Negative *Reserve* for Own Shares in Portfolio	-	-
Total Shareholders' Equity Attributable to the Group	*66,423,407*	*65,393,756*
Shareholders' Equity Attributable to Non-Controlling Interests		
Capital and Reserves Attributable to Non-Controlling Interests	(1,879)	108,345
Profit (Loss) for the Period Attributable to Non-Controlling Interests	(69,989)	(42,764)
Total Shareholders' Equity Attributable to Non-Controlling Interests	***(71,868)***	***65,581***
Total Consolidated Shareholders' Equity	***66,351,539***	***65,459,337***
B) Provisions for Risks and Charges		
2) Provisions for Taxes, including deferred	316,372	316,372
3) Provisions for Derivative Financial Instruments	66,956	235,858
4) Other	4,742,809	8,021,642
Total Provisions for Risks and Charges	**5.126.136**	**8,573,872**
C) Employee Severance Indemnity	**358,672**	**358,832**
D) Payables		
3) Payables for Shareholder Loans	-	-
4) Payables to Banks	67,854,818	62,993,931
due within one year	24,360,824	20,329,182
due beyond one year	43,493,995	42,664,750
5) Payables to Other Lenders	959,416	430,643
due within one year	959,416	430,643
6) Advance Payments	6,384,479	6,016,852
due within one year	6,384,479	6,016,852
7) Accounts Payable	53,885,406	51,987,231

due within one year	53,885,406	51,987,231
11) Payables to Parent Companies	1,303,139	720,138
due within one year	1,303,139	720,138
12) Tax Payables	4,604,327	2,706,889
due within one year	4,604,327	2,706,889
13) Payables to Social Security Institutions	915,257	934,576
due within one year	915,257	934,576
14) Other Payables	6,570,356	2,938,970
due within one year	6,570,356	2,938,970
Total Payables	*142,477,198*	*128,729,231*
E) Accrued Expenses and Deferred Income	**167,098**	**261,786**
Total Liabilities	**214,480,642**	**203,383,058**

CONSOLIDATED INCOME STATEMENT

	30 June 2024	30 June 2023
A) Value of Production		
1) Revenues from Sales and Services	137,745,913	110,912,348
2) Change in Inventories of WIP, Semi-Finished and Finished Products	290,668	2,595,538
4) Increases in Capitalized Costs	-	-
5) Other Revenues and Income		
a) Grants	99,429	110,992
b) Other	347,856	30,227
Total Other Revenues and Income	*447.285*	*141,219*
Total Value of Production	*138,483,867*	*113,649,105*
B) Cost of Production		
6) Cost of Raw, Ancillary and Consumable Materials and Goods for Resale	110,446,254	91,200,887
7) Service Costs	8,526,222	6,507,183
8) Leasehold Costs	1,734,793	1,471,151
9) Labor Costs		
a) Wages and Salaries	12,236,060	9,338,861
b) Social Security Costs	2,723,201	2,098,800
c) Employee Severance Indemnity	340,411	325,164
e) Other Costs	689,312	317,868
Total Labor Cost	*15,988,985*	*12,080,693*
10) Amortization & Depreciation and Write-downs		
a) Amortization of Intangible Assets	1,743,236	1,532,214
b) Depreciation of Tangible Assets	491,153	389,000
c) Other Write-Downs of Fixed Assets	-	-
d) Write-Downs of Current Receivables and Cash and Cash Equivalents	350,000	350,000
Total Amortization & Depreciation and Write-Downs	*2,584,389*	*2,271,214*
11) Changes in Raw, Ancillary and Consumable Materials and Goods for Resale	(15,268,041)	(10,082,151)
12) Provisions for Risks	-	-
14) Other Operating Expenses	172,757	169,625
Total Cost of Production	*124,185,358*	*103,618,602*
Difference Between Value and Cost of Production (A - B)	**14,298,509**	**10,030,503**
C) Financial Income/Charges		

16) Other Financial Income d) Income Other Than the Above	291,356	65,294
Total Income Other Than the Above	*291,356*	*65,294*
Total Other Financial Income	*291,356*	*65,294*
17) Interest and Other Financial Charges		
Other	3,746,543	2,565,388
Total Interest and Other Financial Charges	*3,746,543*	*2,565,388*
17-bis) Gains and Losses on Foreign Exchange	518,704	(264,477)
Total Financial Income/Charges (15+16-17+-17-bis)	***(3,973,891)***	***(2,764,571)***
D) Financial Adjustments:		
18) Revaluations: d) of Derivative Financial Instruments	-	-
Total Revaluations	-	-
19) Write-Downs:		
a) of Equity Investments	-	-
d) of Derivative Financial Instruments	-	-
Total Write-Downs	-	-
Financial Adjustments	**-**	**-**
Earnings Before Tax (A-B+-C+-D)	**10,324,619**	**7,265,932**
20) Income Taxes for the Period – Current, Deferred and Prepaid		
a) Current taxes	3,170,247	1,437,546
b) Taxes Relating to Previous Years	-	-
c) Deferred and Prepaid Taxes	39,234	15,170
d) Income (Charges) from Tax Consolidation/Transparency Regime	-	-
Total Income Taxes for the Period – Current, Deferred and Prepaid	*3,209,481*	*1,452,717*
21) Profit (Loss) for the Period	**7,115,138**	**5,813,215**
Profit (Loss) for the Period Attributable to Non-Controlling Interests	**(69,989)**	**3,687**
Profit (Loss) for the Period Attributable to the Group	**7,185,127**	**5,809,528**

CONSOLIDATED CASH FLOW STATEMENT

	30 June 2024	30 June 2023
A) Cash Flows from Operating Activities (Indirect Method)		
Profit (Loss) for the Period	7,115,138	5,813,215
Income Taxes	3,209,481	1,452,717
Interest Expenses/(Income)	3,973,891	2,764,571
(Dividends)	-	-
Capital (Gains)/Losses Deriving from the Disposal of Assets	-	-
1) Profit (Loss) for the Period Before Income Taxes, Interest, Dividends and Capital Gains/Losses	***14,298,510***	***10,030,503***
Adjustments for Non-Cash Items Not Offset in Net Working Capital	-	-
Provisions	1,605,796	731,732
Amortization & Depreciation of Fixed Assets	2,234,390	1,921,214
Write-Downs for Impairment Losses	350,000	350,000

Adjustments for Non-Cash Financial Assets and Liabilities Related to Derivative Financial Instruments	190,598	-
Other Adjustments for Non-Cash Items	299,275	179,470
Total Adjustments for Non-Cash Items Not Offset in Net Working Capital	*4,680,059*	*3,183,416*
2) Cash Flow Before Changes in Net Working Capital	***18,978,569***	***13,213,919***
Changes in Net Working Capital		
Decrease/(Increase) in Inventories	(16,567,495)	(12,161,243)
Decrease/(Increase) in Accounts Receivables	(9,070,501)	(2,796,445)
Increase/(Decrease) in Accounts Payables	1,898,175	5,041,359
Decrease/(Increase) in Prepayments and Accrued Income	(422,410)	(514,431)
Increase/(Decrease) in Accrued Expenses and Deferred Income	(94,689)	737,632
Other Decreases/(Other Increases) in Net Working Capital	5,735,046	4,196,636
Total Changes in Net Working Capital	*(18,521,873)*	*(5,496,492)*
3) Cash Flow After Changes in Net Working Capital	***456,696***	***7,717,427***
Other Adjustments		
Interest Collected/(Paid)	(3,587,291)	(2,190,773)
(Income Taxes Paid)	(1,481,603)	(755,197)
Dividends Collected	-	-
(Use of Provisions)	(4,066,562)	(1,621,016)
Other Collections/(Payments)	-	-
Total Other Adjustments	*(9,135,456)*	*(4,566,986)*
Cash Flow from Operating Activities (A)	***(8,678,761)***	***3,149,441***
B) Cash Flows from Investing Activities		
Tangible Assets		
(Investments)	(1,396,407)	(904,690)
Disposals	-	-
Intangible Assets		
(Investments)	(197,365)	(2,017,366)
Disposals	-	-
Financial Assets		
(Investments)	(9,498)	(239,050)
Disposals	34,798	-
(Acquisition of Business Units Net of Cash and Cash Equivalents) *		
Cash Flow from Investing Activities (B)	***(1,568,472)***	***(3,161,106)***
C) Cash Flows from Financing Activities		
Borrowings		
Increase/(Decrease) in Short-Term Payables to Banks	3,311,811	1,397,012
New Loans	10,000,000	5,000,000
(Loan Repayments)	(8,450,924)	(9,438,656)
Self-Financing		
Capital Increases	-	-
(Dividends and Interim Dividends Paid)	(6,772,500)	(4,244,100)
Cash Flow from Financing Activities (C)	***(1,911,613)***	***(7,285,744)***
Increase (Decrease) in Cash and Cash Equivalents (A ± B ± C)	***(12,158,846)***	***(7,297,409)***
Exchange Effect on Cash and Cash Equivalents	-	-
Cash and Cash Equivalents Acquired or Sold with the Acquisition/Disposal of Subsidiaries		
Opening Balance of Cash and Cash Equivalents		

Bank and Postal Deposits	34,248,219	28,893,330
Cheques	-	-
Cash at Hand and in Bank	3,751	4,583
Total Cash and Cash Equivalents at the Start of the Period	*34,251,969*	*28,897,913*
of which unavailable		
Closing Balance of Cash and Cash Equivalents		
Bank and Postal Deposits	22,086,790	21,482,635
Cheques	-	-
Cash at Hand and in Bank	6,334	117,869
Total Cash and Cash Equivalents at the End of the Period	*22,093,124*	*21,600,504*
of which unavailable	-	-

03_EXPLANATORY NOTES

GENERAL INFORMATION

The Parent Company ALA S.p.A. is a joint-stock company based in Naples (Italy), listed on the Euronext Growth Milan market managed by Borsa Italiana since 20 July 2021 (Euronext Growth Milan: ALA). The Company, along with the other Group companies, is a leading international supply chain partner in the Aerospace, Defense, Rail and High-Tech sectors. For over 35 years, the Group has been the go-to reference partner for the management and distribution of high-performance products, services and engineering solutions capable of simplifying and optimizing the supply chain management operations of its customers. With headquarters in Naples, Italy, the ALA Group currently relies on a talented workforce of more than 600 people and on the strength of a growing network of sales offices and operations offices across Europe (Italy, Spain, Portugal, the United Kingdom, France and Germany), Israel and North America.

CONTENT AND FORMAT OF THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS AT 30 JUNE 2024

The Consolidated Interim Financial Statements at 30 June 2024 have been prepared in accordance with OIC Accounting Standard 30 as well as the provisions of Italian Legislative Decree 127/91 and the provisions of Articles 2423 et seq. of the Italian Civil Code, as amended by Italian Legislative Decree 139/2015, appropriately supplemented by the accounting standards formulated by the Italian Standard Setter OIC, and consist of the Consolidated Income Statement, the Consolidated Balance Sheet, the Consolidated Cash Flow Statement, and the Explanatory Notes.

The same accounting standards, recognition and measurement criteria, and consolidation criteria adopted for the preparation of the Consolidated Financial Statements at 31 December 2023, as well as for the Interim Financial Report at 30 June 2023, were used for the preparation of these Consolidated Interim Financial Statements.

It should also be pointed out that the Consolidated Interim Financial Statements require the Directors to make estimates and assumptions that affect the values of revenues, costs, assets, liabilities and disclosures relating to contingent assets and liabilities at the interim reporting date. If these estimates and assumptions, which are based on the Directors' best assessment, differ from actual circumstances in the future, they will be suitably adjusted in the period in which such circumstances change. It should also be noted that certain measurement processes, in particular more complex calculations such as the determination of any impairment of non-current assets, are generally carried out in full only during the preparation of the Annual Financial Statements, when all necessary information is available, except in cases where there are indicators of impairment which require the immediate assessment of any impairment losses.

The items of the Consolidated Balance Sheet and Income Statement are presented according to the format envisaged by Articles 2424 and 2425 of the Italian Civil Code with the addition of the necessary consolidation items, pursuant to Article 32 of Italian Legislative Decree 127/91.

The Balance Sheet and Income Statement items, ordered using Arabic numerals and capital letters, envisaged by Articles 2424 and 2425 of the Italian Civil Code, were not indicated in case of a zero balance in both the current period and the comparative period/year.

The typical consolidation items with a zero balance in both the current period and the comparative period/year were also omitted.

The Cash Flow Statement shows the positive and negative changes in cash and cash equivalents during the reporting period and was drawn up according to the indirect method using the format envisaged by OIC Accounting Standard 10.

The Consolidated Interim Financial Statements at 30 June 2024 were prepared in Euro units pursuant to Article 2423, Paragraph 5 of the Italian Civil Code, and the conversion of accounting data, expressed in Euro cents, into Balance Sheet data, expressed in Euro units, took place by rounding.

The figures stated in the Explanatory Notes, unless otherwise specified, are expressed in Euros.
The preparation of the Consolidated Interim Financial Statements at 30 June 2024 did not entail the need for derogations for exceptional cases, as provided for by Article 29, Paragraph 4, of Italian Legislative Decree 127/1991.

The interim income, balance sheet and financial position at 30 June 2024 of the subsidiaries of ALA S.p.A. were duly adjusted, where necessary, for alignment with the uniform accounting standards adopted by the Group and in line with OIC Accounting Standard 30 "Interim Financial Statements".

The Consolidated Interim Financial Statements at 30 June 2024 of the Group were approved by the Board of Directors on 23 September 2024, as indicated in the financial calendar available on the Company's website, with publication on the same date.

These Consolidated Interim Financial Statements are audited on a voluntary and limited basis by PricewaterhouseCoopers S.p.A.

SCOPE OF CONSOLIDATION

The Consolidated Interim Financial Statements at 30 June 2024 of the ALA Group were prepared using the accounting statements of the Company ALA S.p.A. and its subsidiaries pursuant to the provisions of Article 26 of Italian Legislative Decree 127/1991.

Consequently, the Consolidated Interim Financial Statements at 30 June 2024 were drawn up with line-by-line consolidation of the operating results, financial position and cash flows of the Parent Company ALA S.p.A. at 30 June 2024 and the operating results, financial position and cash flows at 30 June 2024 of the subsidiaries listed below:

Company	Headquarters	% Ownership	Parent Company	Core Business	Year End
A.L.A. S.p.A.	Naples (IT)	Parent Company	A.I.P. Italia S.p.A.	Logistics and Distribution	31/12
A.L.A. North America Inc.	New York (US)	100	A.L.A. S.p.A.	Logistics and Distribution	31/12
Westbury Electronics Inc.	New York (US)	100	A.L.A. S.p.A.	Logistics and Distribution	31/12
A.L.A. France Sas	Toulouse (FR)	100	A.L.A. S.p.A.	Logistics and Distribution	31/12
A.L.A. UK Ltd	London (GB)	100	A.L.A. S.p.A.	Logistics and Distribution	31/12
ALA Yail Aerotech Israel LTD	Tel Aviv (IL)	51	A.L.A. S.p.A.	Logistics and Distribution	31/12
ALA Germany GmbH	Hamburg (DE)	100	A.L.A. S.p.A.	Logistics and Distribution	31/12
SUMINISTROS DE CONECTORES PROFESIONALES S. A	Madrid (ES)	100	A.L.A. S.p.A.	Production and Distribution	31/12
SISTEMAS DE INTERCONEXION, S. A	Madrid (ES)	100	A.L.A. S.p.A.	Production and Distribution	31/12

The financial statements, as described above, were suitably adjusted, where necessary, in order to align the accounting entries of the same according to the consolidation rules, or to unify them with the uniform accounting standards of the Group, in line with those provided by Italian Legislative Decree no. 127 of 9 April 1991, as subsequently amended.

List of Equity Investments in Subsidiaries

Company Name	City and State	Share Capital in Euro (**)	Profit (Loss) for the Last Period in Euro (**)	Shareholders' Equity in Euro (**)	Shareholding in Euro (**)	Shareholding %	Book Value of A.L.A. S.p.A.
Westbury Electronic Service Inc	USA (New York)	18,683	(136,501)	1,418,751	1,418,751	100.00	2,079,960
A.L.A. North America Inc.	USA (New York)	46,707	387,552	5,106,892	5,106,892	100.00	2,545,390
ALA Uk ltd	UK (London)	118,150	223,611	8,761,489	8,761,489	100.00	10,010,755

ALA France Sas	France (Toulouse)	2,409,524	1,134,384	4,100,498	4,100,498	100.00	4,610,755
ALA Yail Aerotech Israel LTD (*)	Israel (Tel Aviv)	4,975	(142,834)	1,079,016	550,298	51.00	1,000,000
ALA Germany GmbH	Germany (Hamburg)	195,000	351,753	728,975	728,975	100.00	772,765
Suministros De Conectores Profesionales S. A	Spain (Madrid)	60,101	987,799	5,003,919	5,003,919	100.00	12,294,024
Sistemas De Interconexion, S. A	Spain (Madrid)	60,101	1,929,488	8,694,223	8,694,223	100.00	32,943,034

(*) Figures from the pro-forma accounting statements at 30/06/2024

(**) Figures from the Financial Statements approved by the respective corporate bodies, pursuant to local accounting standards

The list of additional minority shareholdings in other companies, held directly or indirectly by ALA S.p.A. and not included in the scope of consolidation, is shown below:

Company Name	City, if in Italy, or Foreign Country	Share Capital in Euro	Profit (Loss) for the Last Period in Euro	Shareholders' Equity in Euro	Shareholding in Euro	Shareholding %	Book Value
Distretto Tecnologico Aerospaziale della Campania S.C.A R.L. (data at 31/12/2022)	VIA Partenope, 5 80122 NAPLES	907,500	-	827,501	20,629	2.27	20,000

Main Criteria Adopted for Defining the Scope of Consolidation and Applying the Equity Valuation Principles

The Consolidated Interim Financial Statements at 30 June 2024 are based on the accounting statements at 30 June 2024 of ALA S.p.A. (Parent Company) and the companies in which the Parent Company directly or indirectly holds the majority of the votes that can be exercised in the ordinary Shareholders' Meeting, or the companies over which it exercises a dominant influence by virtue of a contract or a clause in the Articles of Association, where the applicable law permits it, and also the companies in which it has total control of the majority of the voting rights, based on agreements with other shareholders. In particular, companies in which the Group exercises control, either by virtue of directly or indirectly owning the majority of the voting rights or by virtue of the period of a dominant influence expressed by the power to determine the financial and management choices of the companies, obtaining the relative benefits, even disregarding relationships of a shareholding nature, are considered subsidiaries. These equity investments are consolidated on a line-by-line basis.

ALA S.p.A. does not have any non-consolidated equity investments held-for-sale, which in any case would be measured at the lower value of purchase cost and realizable value based on market trends.

Equity investments in associated companies are also included in the Group's scope of consolidation, if the investor holds an interest of more than 20%; this percentage, in fact, presupposes the recognition of significant influence on the part of the investor, understood as the possibility of participating in the determination of the financial and management decisions of the investee without having control over it, unless, in the presence of such an interest, it can be clearly demonstrated that significant influence does not exist. Equity investments in associated companies thus defined are valued using the equity method. However, ALA S.p.A. does not hold any equity investments in associated companies.

Changes in the Scope of Consolidation

On 1 February 2024, the investee company AEREL S.r.l. was sold entirely to third parties for an amount corresponding to the share of its equity as of the date. No other changes in the scope of consolidation are reported.

Consolidation Methods

The following consolidation methods were adopted pursuant to Articles 31, 32 and 33 of Italian Legislative Decree no. 127 of 9 April 1991, as subsequently amended, and in accordance with the provisions of OIC Accounting Standard 17:

1. The accounting statements of the companies in the scope of consolidation are adjusted for alignment with the accounting standards adopted by the Group and any other adjustments necessary for consolidation purposes are made.
2. The accounting statements to be consolidated, adjusted as described in Point 1 above, are aggregated regardless of the shareholding percentage.
3. The book value of the shareholdings in subsidiaries, included in the Financial Statements of the Parent Company and, where present, in the Financial Statements of other Group companies, is eliminated against the related portion of shareholders' equity of the subsidiary pertaining to the Group, with recognition of the investee's assets and liabilities according to the line-by-line consolidation method. Any difference that emerges from the elimination of the equity investments is accounted for as follows:
   - (i) the positive difference is charged, where possible, to each identifiable asset acquired, within the limit of the current value of such assets and, in any case, for values not exceeding their recoverable value, and to each liability assumed. If the positive difference from elimination is not entirely allocated to separately identifiable assets and liabilities, the remainder is recognized among intangible assets under the item "Goodwill", unless fully or partially recognized in the Income Statement. Deferred tax assets and deferred tax liabilities are also considered in the calculation of the capital gains/losses allocated;
   - (ii) the negative difference is charged, where possible, as a reduction of the assets recorded for amounts higher than their recoverable value and to the liabilities recorded for amounts lower than their settlement value, net of deferred tax assets recognized against the allocated capital losses. Any negative remainder, if attributable to the completion of a good deal and not to the forecast of unfavorable operating results, is recognized in a specific "Consolidation Reserve" under consolidated shareholders' equity. Any negative elimination difference remaining after the above allocations, if related in whole or in part to the forecast of unfavorable operating

results, is accounted for in a specific "Consolidation Provision for Future Risks and Charges" entered in under the liability item "B) Provisions for Risks and Charges".

4. The total amount of assets, liabilities, costs and revenues of the consolidated companies were recognized regardless of the size of the equity investment held.
5. The portions of shareholders' equity and the result for the period attributable to minority interests are entered, respectively, in specific items of the Balance Sheet ("Capital and Reserves Attributable to Non-Controlling Interests" and "Profit (Loss) for the Period Attributable to Non-Controlling Interests") and Income Statement "Profit (Loss) for the Period Attributable to Non-Controlling Interests").
6. The elimination of the equity investments included in the consolidation and the corresponding portions of shareholders' equity is carried out on the basis of the book values referring to period end. The consolidation difference is calculated on the date of consolidation, which coincides with the date of acquisition of control, or on the date that the company is included in the consolidation scope for the first time only if the necessary information is not available.
7. Receivables, payables, revenues and costs and all significant transactions between the companies included in the scope of consolidation are eliminated.
8. Dividends distributed by the consolidated companies during the period under review were eliminated.
9. Capital gains arising from the transfer of fixed assets between consolidated companies and margins on goods not yet sold to third parties were eliminated.
10. Write-downs and revaluations of equity investments in consolidated companies recorded under fixed assets were eliminated.

The Consolidated Financial Statements at 30 June 2024 are drawn up in Euro, which is the functional and presentation currency adopted by the Parent Company. All Group companies define their own functional currency, which is used to measure the items included in their individual accounting statements. The translation of accounting statements expressed in foreign currency into Euro is carried out using:

(i) the period-end exchange rate for Balance Sheet items, with the exception of shareholders' equity items, which are converted at the historical exchange rate at the date of entry;
(ii) the average exchange rate for the period for Income Statement items.

The difference between the result for the period deriving from the conversion at average exchange rates and that resulting from the conversion at period-end exchange rates, and the effect of changes in exchange rates between the start and the end of the period on assets and liabilities are recorded in shareholders' equity under the account "Foreign Currency Translation Reserve".

Financial flows deriving from transactions in foreign currencies are recorded in the Cash Flow Statement in Euro, applying the exchange rate between Euro and the foreign currency at the time the cash flow occurs to the amount in foreign currency. Unrealized gains or losses deriving from changes in exchange rates do not represent financial flows; the gain (or loss) for the period is therefore adjusted to account for these transactions which are not of a monetary nature. The effect of changes in exchange rates on cash and cash equivalents held in foreign currency is illustrated separately from the financial flows of operating, investing and financing activities.

The exchange rates applied for the conversion of accounting statements not expressed in Euro are shown below:

Exchange Rates at 30 June	30 June 2024
EUR/USD	1.07050
EUR/GBP	0.84638
EUR/ILS	4.02000
Source: Bank of Italy	
Average Exchange Rates at 30 June	**30 June 2024**
EUR/USD	1.08130
EUR/GBP	0.85465
EUR/ILS	3.99510
Source: Bank of Italy	

BASIS OF PREPARATION FOR THE CONSOLIDATED FINANCIAL STATEMENTS AT 30 JUNE 2024

In accordance with Article 2423 of the Italian Civil Code, account was taken of the general principle of "relevance" (Article 29, Paragraph 3-bis of Italian Legislative Decree 127/1991), which provides for the possibility of non-compliance with the requirements for recognition, measurement, presentation and disclosure in Financial Statements, where the effects of non-compliance are immaterial for the purposes of true and fair representation. Furthermore, pursuant to the provisions of Article 2423-bis of the Italian Civil Code, the principle of "prevalence of substance over form" was taken into account, according to which the recognition and presentation of items were carried out based on the "substance of the transaction or contract". With the introduction of this principle, reference to the economic function of assets and liabilities was eliminated, in favor of the prevalence of the economic substance of the transaction or contract with respect to the legal form. In compliance with the provisions of Article 2423-bis of the Italian Civil Code, the following principles were observed during the preparation of the Consolidated Financial Statements at 30 June 2024:

- The measurement of items in the Consolidated Interim Financial Statements was carried out on a prudential and accrual basis, based on the going-concern assumption; the recognition and presentation of items were carried out taking into account the substance of the transaction or contract, where compatible with the provisions of the Italian Civil Code and the OIC Accounting Standards.
- The application of the principle of prudence resulted in the separate valuation of the heterogeneous elements making up the individual items, preventing the gains on certain items from offsetting the losses on others. In particular, profits were included only if realized by the closing date of the financial period, while risks and losses pertaining to the financial period were taken into account, even if known after period end.
- The application of the accrual basis resulted in the effect of transactions being recorded in the accounts of the period to which they refer and not in the period in which their collections and payments were made.
- The preparation of the Consolidated Interim Financial Statements at 30 June 2024 required making estimates that affect the value of assets and liabilities and their related disclosure.

- These estimates are periodically reviewed and the effects of any changes, if not derived from errors, are recognized in the Income Statement for the period in which they are found to be necessary and appropriate, if such changes only affect such financial period, and in the following periods if the changes affect both current and subsequent periods.
- The continuity of application of the measurement criteria over time is necessary to ensure the comparability of the Financial Statements of the Company in the various years.

Translation of Items in Foreign Currency

Non-monetary assets and liabilities in foreign currency are recorded in the Balance Sheet at the exchange rate at the time of their purchase, i.e. at their initial entry cost (historical exchange rate). Exchange gains or losses realized upon the collection of assets or the payment of liabilities in foreign currency are recorded in the Income Statement.

Monetary items in foreign currency are translated in the Financial Statements at the spot exchange rate at the reporting date. The related exchange gains and losses are recorded in the Income Statement for the period. Any net gains deriving from these differences, since not definitively realized, are allocated to a specific reserve which shall remain unavailable until realized (for the amount pertaining to the Parent Company).

Measurement Criteria

During the period under review, there were no exceptional cases requiring the application of derogations from the measurement criteria pursuant to Article 2423, Paragraph 5 of the Italian Civil Code, since incompatible with providing a true and fair view of the Group's operating results, financial position and cash flows.

No other asset revaluations were carried out during the period pursuant to special laws on the subject. For the preparation of the Consolidated Interim Financial Statements at 30 June 2024, the same measurement criteria adopted by the Parent Company were applied, suitably adjusted to take into account the provisions of Italian Legislative Decree 127/91 concerning the preparation of the Consolidated Financial Statements.

The measurement criteria adopted for the preparation of the Consolidated Interim Financial Statements at 30 June 2024 are shown below.

Fixed Assets

Fixed assets were recorded at purchase and/or production cost. Production costs do not include indirect costs or financial charges, since these cannot be attributed according to an objective criterion.

Capitalization is justified by future economic benefit and must be supported by reasonable forecasts of economic recovery through the profits expected in the following years.

Pursuant to Article 10 of Italian Law no. 72 of 19 March 1983, and as referred to in subsequent monetary revaluation laws, it should be noted that no monetary revaluations have ever been carried out for the tangible and intangible assets still recorded in the Balance Sheet.

Intangible Assets

Intangible assets, where the conditions established by accounting standards are met, are recorded under Balance Sheet assets at purchase and/or production cost and are amortized on a straight-line basis according to their future economic benefit. The value of intangible assets is stated net of provisions for amortization and write-downs. Amortization is carried out according to the following plan, which is believed to ensure the correct allocation of the cost incurred over the useful life of the fixed assets in question:

Intangible Assets Items	Period
Start-Up and Expansion Costs	5 years
Concessions, Licenses, Trademarks and Similar Rights	5 years
Goodwill	10/20 years
Leasehold Improvements	The lower between useful life and residual duration of the contract
Other Intangible Assets	5 years

The criterion for the amortization of intangible assets was applied systematically and in each financial period, in relation to the residual economic use of each asset or expense. Pursuant to Article 10 of Italian Law no. 72 of 19 March 1983, and as referred to in subsequent monetary revaluation laws, it should be noted that no monetary revaluations have ever been carried out for the intangible assets still recorded in the Balance Sheet.

It should be noted that no write-downs of intangible assets or long-term charges recorded under the "Intangible Assets" item were necessary pursuant to Article 2426, Paragraph 1, Point 3 of the Italian Civil Code since, as provided by OIC Accounting Standard 9, no impairment indicators for intangible assets were found. In this regard, please note that, in accordance with OIC Accounting Standard 9, in the presence of specific impairment indicators, the recoverable value of the fixed asset is determined as the higher value between the value-in-use and the fair value, net of selling costs. Value-in-use is understood as the present value of the expected cash flows of an asset or a cash-generating unit. Whereas fair value is understood as the amount obtainable from the sale of an asset in an ordinary transaction between market participants at the measurement date.

Goodwill, acquired against payment, was entered under Balance Sheet assets for an amount equal to the cost incurred and is amortized over its useful life. For the purposes of its recognition and accounting treatment, goodwill represents only the portion of consideration paid which is not attributable to the individual assets of the company acquired but rather to its intrinsic value.
The value of goodwill is determined as the difference between the total price paid for the acquisition of the company or business unit (or the contribution value of the same, the acquisition cost of the incorporated or merged company, or of the assets transferred from the spun-off company to the beneficiary company) and the present value attributed to the other assets and liabilities transferred.

In the absence of a specific regulation in the OIC accounting standards concerning the accounting treatment of variable consideration to be paid to third parties for the acquisition of the company or business unit, the Company, in line with the provisions of OIC Accounting Standard 11, has determined its accounting policy to include the value of the variable consideration to be paid in the total price incurred for the acquisition of the company or business unit. The Directors therefore estimate the value of this variable consideration to be included in the total price incurred based on the probability associated with the payment. If, subsequently, the estimate of this variable consideration should change, in line with the provisions of OIC Accounting Standard 29, the Directors will update the value of the corresponding goodwill accordingly, in the financial year in which the aforementioned estimate is updated.

Goodwill is amortized over its useful life. The useful life of goodwill is estimated at the time of its initial recognition and is not changed in subsequent years. For the purpose of calculating the useful life of goodwill, the Company takes into consideration the available information to estimate the period over which it is probable the economic benefits associated with goodwill will arise.

The following points of reference are used during the process for calculating useful life:

1. The period of time over which the Company expects to receive additional economic benefits linked to the favorable income prospects of the acquired company and the synergies generated by the extraordinary transaction. Reference is made to the period in which the realization of additional economic benefits can reasonably be expected.
2. The period of time over which the Company expects to recover, in financial or income terms, the investment made (so-called payback period) according to the formal forecasts of the Company's decision-making body.
3. The weighted average of the useful life of all core assets acquired in the business combination (including intangible assets).

When the application of the aforementioned elements gives an estimated useful life of goodwill greater than 10 years, the objective facts and circumstances supporting such estimate must be considered. In any case, the useful life of goodwill may not exceed 20 years. In exceptional cases where it is not possible to make a reliable estimate of useful life, goodwill is amortized over a period of no more than ten years.

In the absence of potential impairment indicators, it is not necessary to determine the recoverable value.
It should be noted that no write-downs pursuant to Article 2426, Paragraph 1, Point 3 of the Italian Civil Code were necessary since, as provided by OIC Accounting Standard 9, no impairment indicators for intangible assets were found at 30 June 2024.

Tangible Assets

Tangible assets, recognized at the date on which the associated risks and benefits of the acquired asset are transferred, are recorded in the Consolidated Interim Financial Statements at purchase cost, increased by any ancillary charges incurred until the assets are ready for use and in any case within the limit of their recoverable value. These assets are entered under Consolidated Balance Sheet assets, net of provisions for depreciation and write-downs.

The book value of the assets, divided into homogenous groups by nature and year of acquisition, is distributed over the years in which they will presumably be used. This procedure is carried out through the systematic allocation of depreciation rates to the Income Statement, defined at the time the asset is available and ready for use, with reference to the estimated residual life of the assets. These depreciation plans, subject to annual verification, refer to the gross value of the assets, assuming a residual value of zero at the end of the process.
The depreciation of tangible assets, whose use is limited over time, is carried out according to the following plan:

Tangible Assets Items	Depreciation Rate %
General systems	15%
Equipment	15%
Telephones	20%
Furniture and Furnishings	12%
Electronic and Accounting Equipment	20%
Various and Small Equipment	40%
Décor	10%
Forklifts	20%
Trucks	20%
Molds	15%
Lightweight Buildings	10%
Industrial Buildings	3%

Any disposal of assets (sales, scrapping, etc.) during the period resulted in the elimination of their residual value. Any difference between the book value and disposal value was recognized in the Income Statement.

For tangible assets purchased during the period, the above rates were halved since the depreciation rate thus obtained does not differ significantly from the rate calculated starting from the time at which the asset is available and ready for use.

The depreciation criteria adopted for tangible assets did not differ from those applied in the previous period.
Pursuant to Article 10 of Italian Law no. 72 of 19 March 1983, and as referred to in subsequent monetary revaluation laws, it should be noted that no monetary revaluations have ever been carried out for the tangible assets still recorded in the Balance Sheet.

It should be noted that no write-downs were necessary pursuant to Article 2426, Paragraph 1, Point 3 of the Italian Civil Code since, as provided by OIC Accounting Standard 9, no impairment indicators for tangible assets were found.

In accordance with OIC Accounting Standard 9, in the presence of specific impairment indicators, the recoverable value of the fixed asset is determined as the higher value between the value-in-use and the fair value, net of selling costs. Value-in-use is understood as the present value of the expected cash flows of an asset or a cash-generating unit. Whereas fair value is understood as the amount obtainable from the sale of an asset in an ordinary transaction between market participants at the measurement date.

Regardless of the depreciation already accounted for, if the recoverable value is found to be lower than the corresponding net book value, the fixed asset is recorded at that lower value. The difference is recognized in the Income Statement as an impairment loss. Impairment losses on tangible assets are classified under item B.10.c) of the Income Statement. If in subsequent years the conditions for impairment no longer apply, the original value is restored, adjusted for depreciation.

In the absence of potential impairment indicators, it is not necessary to determine the recoverable value.
It should be noted that no write-downs pursuant to Article 2426, Paragraph 1, Point 3 of the Italian Civil Code were necessary since, as provided by OIC Accounting Standard 9, no impairment indicators for tangible assets were found at 30 June 2024.

Financial Assets

Equity Investments

Equity investments recorded under financial assets are measured at purchase cost. The cost is reduced for impairment losses in the event that the investees have incurred losses which are not expected to be absorbed by profits in the immediate future. Impairment losses are determined by comparing the book value of the equity investment with its recoverable value, determined based on the future benefits expected to flow to the investor. Equity investments recorded under fixed assets represent a long-lasting and strategic investment by the Group.

Receivables

Receivables, including those recognized under financial assets, are recorded in the Consolidated Interim Financial Statements according to the amortized cost method on an accrual basis, taking into account the presumed realizable value. In particular, the initial book value is represented by the nominal value of the receivable, net of any premiums, discounts and rebates, and inclusive of any costs directly attributable to the transaction that generated the receivable. Transaction costs, any commission income or expenses and any differences between the initial value and the nominal value at maturity are included in the calculation of amortized cost using the effective interest method.

For the purposes of providing a true and fair view of the Group's operating result and financial position, receivables for which the application of the amortized cost and/or discount method is deemed irrelevant are entered at their presumable realizable value. This was the case, for example, for receivables due within less than 12 months, or with reference to the amortized cost method, in the event that the transaction costs, commissions and other differences between the initial value and maturity value were immaterial, or with reference to the discount method, in the presence of an interest rate inferable from the contractual conditions that did not differ significantly from the market interest rate.

Payables

Payables are recognized in the Consolidated Interim Financial Statements according to the amortized cost method, as defined by Article 2426, Paragraph 2 of the Italian Civil Code, on an accrual basis, in line with the provisions of Article 2426, Paragraph 1, Point 8 of the Italian Civil Code. For the purposes of providing a true and fair view of the Group's operating result and financial position, payables for which the application of the amortized cost and/or discount method is deemed irrelevant are entered at their nominal value. This was the case, for example, for payables due within less than 12 months, or with reference to the amortized cost method, in the event that the transaction costs, commissions and other differences between the initial value and maturity value were immaterial, or with reference to the discount method, in the presence of an interest rate inferable from the contractual conditions that did not differ significantly from the market interest rate.

The classification of payables among the various payables items is carried out based on their nature (or origin) with respect to ordinary management, regardless of their maturity.

Inventories

Inventories of goods are recognized at the lower value of purchase and/or production cost and realizable value based on market trends. The purchase cost includes any directly attributable ancillary charges.

Finished Products and Goods

The cost of inventories of finished products and goods was calculated using the weighted average cost per movement. As this is a homogenous product category, the measurement of all Group inventories is carried out using the weighted average cost method per movement. In any case, the value of finished products is never higher than their market value.

Down payments to suppliers for the purchase of goods included in inventories recognized under item C.1.5 are initially recorded on the date on which the obligation to pay arises, or in the absence of such obligation, at the time they are paid.

Receivables

Receivables included in current assets were recognized in the Financial Statements according to the amortized cost criterion, as defined in Art. 2426, Paragraph 2 of the Italian Civil Code, taking into account the time factor and the presumable realizable value, in accordance with the provisions of Art. 2426, Paragraph 1, Point 8 of the Italian Civil Code. For the purposes of providing a true and fair view of the Group's operating result and financial position, receivables for which the application of the amortized cost and/or discount method is deemed irrelevant are entered at their presumable realizable value. This was the case, for example, for receivables due within less than 12 months, or with reference to the amortized cost method, in the event that the transaction costs, commissions and other differences between the initial value and maturity value were immaterial, or with reference to the discount method, in the presence of an interest rate inferable from the contractual conditions that did not differ significantly from the market interest rate.

A specific provision for doubtful debts has been allocated to protect against possible insolvency risks, the adequacy of which is checked periodically and, in any case, at period end with respect to doubtful accounts, taking into consideration uncollectible positions that have already arisen or that are deemed probable, and general economic, sector and country risks. In case of factoring transactions that involve the substantial transfer of all credit risks, the related receivables entered in the Company's Balance Sheet are cancelled. In case of assignments with recourse or assignments that do not transfer all the inherent risks, such receivables remain recorded in the Balance Sheet.

Prepayments and Accrued Income

The item "Prepayments and Accrued Income" shows the share of costs and revenues pertaining to the period but payable in subsequent periods, and the share of costs and revenues incurred before the end of the period but pertaining to future periods, according to the principle of accrual accounting. For multi-year items, the conditions that led to their recognition were assessed and the necessary changes made.

Cash and Cash Equivalents

Cash and cash equivalents at the end of the period are measured at nominal value. Cash and cash equivalents in foreign currency are measured at the exchange rate at the reporting date.

Provisions for Risks and Charges

Provisions are allocated to cover specific liabilities of a certain or probable nature, the amount or date of occurrence of which could not be determined at period end. The general criteria of prudence and accrual were observed during the measurement of these provisions, and no generic provisions for risks were made without economic justification.

Potential liabilities were recognized in the Consolidated Interim Financial Statements and recorded under provisions as deemed probable and since the amount of the related charge can be reasonably estimated. These include the provision for deferred taxes, which represents the amount of income taxes due in future years referring to temporary taxable differences.

Remote risks were not taken into account. The provisions represent the best possible estimates based on the information available at the preparation date of the Consolidated Financial Statements.

In the absence of a specific regulation in the OIC accounting standards concerning the accounting treatment of variable consideration to be paid to third parties for the purchase of equity investments, companies or business units, the Company, in line with the provisions of OIC Accounting Standard 11, has determined its accounting policy, which provides for the recognition in the provisions for risks of the liabilities referring to such variable consideration, insofar as the same are of a determinate nature, of certain or probable existence, but nevertheless the same cannot be determined in terms of amount or the date of occurrence at the end of the financial year. The Directors estimate the value of the liability to be recognized in the provisions for risks on the basis of the probability associated with payment.

Employee Severance Indemnity

Employee severance indemnity covers all indemnities accrued by employees at the end of the financial period on the basis of current legislation (Article 2120 of the Italian Civil Code) and collective labor agreements, net of any use.

The provision corresponds to the total of the individual positions accrued at 31 December 2006 in favor of employees at the reporting date, net of advances paid, and is equal to the amount that would have been paid to employees in case of termination of employment on such date. The provision does not include employee severance indemnity accrued starting from 1 January 2007, allocated to supplementary pension schemes pursuant to Italian Legislative Decree no. 252 of 5 December 2005 or transferred to the INPS (National Social Security Institute) Treasury.

Income Taxes

Income taxes are allocated on an accrual basis and therefore represent:

- an estimate of the tax burden referable to the period under review, calculated on the basis of the taxable income and effective tax rate in force at the reporting date;
- adjustments to the balances of deferred tax assets and liabilities to take into account changes that occurred during the period.

Deferred tax assets and liabilities are calculated on the temporary differences between the values of the assets and liabilities determined according to the statutory criteria and the corresponding value for tax purposes. They are measured taking into account the presumed tax rate that will apply to the Company in the year in which such differences will contribute to the formation of the tax result, considering the tax rates in force or already issued at the reporting date and are respectively recorded in Balance Sheet liabilities under the item “Provision for Deferred Taxes” of provisions for risks and charges, and in current assets under the item 5-ter) “Deferred Tax Assets”.
Deferred tax assets are recognized for all deductible temporary differences, according to the principle of prudence, if there is reasonable certainty of the existence of a taxable income no lower than the amount of the differences to be offset in the years in which they will be reversed.
On the other hand, deferred taxes are recognized for all taxable temporary differences.
Deferred taxes relating to untaxed reserves are not recognized if it is unlikely these reserves will be distributed to shareholders.

Recognition of Revenues and Costs

Revenues from the sale of products and costs for the purchase of the same are recognized at the time of transfer of all risks and benefits associated with ownership, which generally coincides with the delivery or shipment of the goods. Revenues of a financial nature, those deriving from the provision of services, and costs for services are recognized, on an accrual basis, at the time the service is provided. Revenues and income, costs and charges relating to transactions in foreign currency are determined at the current exchange rate on the date on which the related transaction is completed.

Finance Lease Transactions

Lease transactions are classified as finance leases when they involve the transfer of the majority of risks and benefits related to the underlying assets to the lessee (Article 2427, Point 22 of the Italian Civil Code). Lease transactions that cannot be defined finance leases on the basis of national legislation are classified as operating leases.

Finance lease transactions are shown in the Consolidated Interim Financial Statements according to the financial method, recording the assets received under finance leases in the Consolidated Balance Sheet under fixed assets against obtaining a loan from the leasing company, and accounting for the depreciation of the assets and interest expenses on the loan obtained in the Income Statement.
The value of the asset is recorded under tangible assets on the date the contract comes into force at the normal value of the asset and the redemption price envisaged by the contract (net of interest calculated using the financial method on the residual principal), with the related recognition of a debt for the same amount due to the leasing company under liabilities, which is progressively reduced based on the repayment of principal included in the contractual instalments. The value of the asset, recorded under Consolidated Balance Sheet assets, is systematically depreciated to take into account the residual useful life of the same.

On the other hand, operating lease transactions are represented in the Consolidated Interim Financial Statements by recognizing the instalments paid in the Income Statement on an accrual basis.

Guarantees, Commitments, Leasehold Assets and Risks

Risks related to personal or collateral guarantees for third party debts are recorded for an amount equal to the guarantee issued; the amount of third-party debt guaranteed at the reporting date, if lower than the guarantee issued, is specified in these Explanatory Notes. Commitments are stated at nominal value, taken from the related documentation.

Risks for which the occurrence of a liability is probable are described in the Explanatory Notes and a provision is set aside according to the criteria of fairness. Risks for which the occurrence of a liability is only possible are described in the Explanatory Notes, without allocation of a provision for risks according to the reference accounting standards. Remote risks were not taken into account.

Derivative Financial Instruments

Derivative financial instruments, even if incorporated in other financial instruments, are initially recognized at the time their rights and obligations are acquired; they are measured at fair value both on the date of initial entry and at every subsequent reporting date.

The accounting of hedging instruments differs based on the hedging objective, which can be to cover changes in fair value (fair value hedges) or to cover changes in future cash flows (cash flow hedges).

In the first case (fair value hedges), changes in fair value compared to the comparison year are recorded in the Income Statement; in the case of instruments covering the risk of changes in the expected cash flows (cash flow hedges) of another financial instrument or a forecast transaction, the changes are recorded in a positive reserve under shareholders' equity.

Derivative financial instruments with a positive fair value are recorded in Balance Sheet assets. Their classification under fixed assets or current assets depends on the nature of the instrument:

- derivative financial instruments hedging the cash flow or fair value of an asset follow the classification, under current or fixed assets, of the underlying asset;
- derivative financial instruments hedging the cash flow or fair value of a liability, a firm commitment or a highly probable forecast transaction are classified under current assets;
- non-hedging derivative financial instruments are classified under current assets within the subsequent 12 months.

Changes in the fair value of the effective component of cash flow hedges are recorded in the "Reserve for Expected Cash Flow Hedges". Derivative financial instruments with a negative fair value are recorded in the Balance Sheet under "Provisions for Risks and Charges".

The Group adopts a simplified accounting model for cases in which the characteristics of the hedging instrument correspond or are closely aligned to those of the hedged item and the derivative contract was entered into at market conditions.

Information on Balance Sheet Assets

The amounts recorded in the Balance Sheet were measured according to the provisions of Article 2426 of the Italian Civil Code and in compliance with the National Accounting Standards. The specific criteria applied for individual items are illustrated in the relevant sections.

Fixed Assets

Intangible Assets

Intangible assets amounted to Euro 35,805,689 and were recorded at purchase cost, including ancillary costs and net of amortization.

Description	Initial Balance	Final Balance	Change	% Change
1) Start-Up and Expansion Costs	3,003,732	2,551,450	(452,282)	-15%
4) Concessions, Licenses, Trademarks and Similar Rights	460,925	534,894	73,969	16%
5) Goodwill	32,733,526	31,660,087	(1,073,439)	-3%
6) Assets in Progress and Advance Payments	-	-	-	0%
7) Other	1,153,377	1,059,257	(94,120)	-8%
Total	**37,351,560**	**35,805,689**	**(1,545,871)**	**-4%**

The breakdown of individual items and changes during the period are shown in the table below:

Description	Start-Up and Expansion Costs	Concessions, Licenses, Trademarks and Similar Rights	Goodwill	Assets in Progress and Advance Payments	Other Intangible Assets	TOTAL
Net Value at Start of Period	**3,003,732**	**460,925**	**32,733,526**	**-**	**1,153,377**	**37,351,560**
Increases	12,862	180,890		-	2,000	195,752
Decreases	-	-	-	-	-	-
Translation Differences	(3,951)	-	-	-	5,565	1,613
Amortization	(461,193)	(106,920)	(1,073,439)	-	(101,684)	(1,743,236)
Net Value at End of Period	**2.551.450**	**534.894**	**31,660,087**	**-**	**1,059,257**	**35,805,689**

Start-Up and Expansion Costs amounted to Euro 2,551,450 and referred mainly to (i) start-up costs (acquisition of logistics activities) related to the start of operations of the subsidiary ALA Israel for approximately Euro 471.4 thousand, (ii) recognition as expansion costs of costs for internal work of approximately Euro 1,058 thousand incurred in France in relation to the Dassault project started at the beginning of 2023, and (iii) for the remainder, to the costs incurred by the Parent Company in relation to listing on the Euronext Growth Milan market, and for a study on its product portfolio diversification strategy.

Start-up costs (and Euronext Growth Milan listing and associated costs) are capitalized and amortized over a five-year period since such costs are directly attributable to the new business and are limited to those incurred in the period prior to the time of possible start-up and to the extent that there is a reasonable prospect of future income.

Concessions, Licenses, Trademarks and Similar Rights, totaling Euro 534,894, referred to capitalized expenses relating primarily to the purchase of user licenses for the SAP 4HANA management software and Qlik business intelligence software, their implementation and specific consultancy for the entire Group. The item also included the investment in the in-house software created for the "augmented reality" project that integrates computer vision and machine learning technologies with the aim of supporting material procurement and supply operations for customers.

Goodwill amounted to Euro 31,660,087 net of amortization for the period and referred to the goodwill incorporated in the purchase price for the two Spanish companies Sintersa and SCP for Euro 30,248 thousand, goodwill incorporated in the purchase price for the companies ALA France and ALA UK for Euro 1,055 thousand, and goodwill generated with the acquisition of ALA Germany, for approximately Euro 406 thousand. With reference to the goodwill recognized on the acquisitions of ALA France, ALA UK and ALA Germany, it should be noted that the Company has determined a useful life of 10 years.

On this last point, it is recalled that on 30 September 2022, ALA S.p.A. completed the purchase of 100% of the shares of Suministros De Conectores Profesionales S. A and Sistemas De Interconexion, S. A. (the "SCP Sintersa Group") for a total maximum consideration of Euro 43 million. Part of the consideration, equal to Euro 8 million, will be paid as an earn-out over three years, only once the SCP Sintersa Group achieves the specific growth targets set in terms of turnover and EBITDA, to be verified at the end of financial years 2022, 2023 and 2024 (of which Euro 1 million already recognized at 31 December 2022 and Euro 7 million in the financial year ended 31 December 2023).

With reference to goodwill recognized in relation to the acquisition of the Spanish group, an estimated payback period exceeding 20 years was calculated (with a WACC of approximately 9%). On the basis of these results, the above goodwill is amortized over a period of 20 years starting from 1 October 2022.

For said goodwill, no write-downs were necessary pursuant to Article 2426, Paragraph 1, Point 3 of the Italian Civil Code since, as provided by OIC Accounting Standard 9, at 30 June 2024, no impairment indicators for tangible assets were found.

Other Intangible Assets amounted to Euro 1,059,257 and mainly included expenses for leasehold improvements incurred by the Parent Company for the renovation of the leased offices at the headquarters in the Teatro Mediterraneo – Mostra d'Oltremare complex in Naples.

Amortization for the period was recorded in the Income Statement for a total of Euro 101,684.
Increases compared to the previous period mainly referred to investments made by the Parent Company ALA S.p.A.

Tangible Assets

Tangible assets amounted to Euro 5,488,768 and were recorded at purchase cost, including ancillary costs and net of depreciation.

Description	Initial Balance	Final Balance	Change	% Change
1) Land and Buildings	533,495	523,227	(10,268)	-2%
2) Plant and Machinery	1,592,690	1,537,965	(54,725)	-3%
3) Industrial and Commercial Equipment	1,509,535	1,607,650	98,116	6%
4) Other Assets	947,794	1,783,820	836,027	88%
5) Assets in Progress and Advance Payments	-	36,105	36,105	0%
Total	**4,583,514**	**5,488,768**	**905,254**	**20%**

The breakdown of individual items and changes during the period are shown in the table below:

Description	Land and Buildings	Plant and Machinery	Industrial and Commercial Equipment	Other Assets	Assets in Progress and Advance Payments	TOTAL
Net Value at Start of Period	**533,495**	**1,592,690**	**1,509,535**	**947,794**	**-**	**4,583,514**
Increases	3,572	100,920	259,286	995,054	36,105	1,394,937
Decreases/Other Changes	-				-	-
Translation Differences	-	1,022	2,339	(1,890)	-	1,470
Depreciation	(13,840)	(156,668)	(163,509)	(157,137)	-	(491,154)
Net Value at End of Period	**523,227**	**1,537,965**	**1,607,651**	**1,783,820**	**36,105**	**5,488,768**

Land and Buildings amounted to Euro 523,227 and referred to the properties, mainly warehouses, owned by the Parent Company.

Plant and Machinery, totaling Euro 1,537,965, consisted of various systems mainly owned by the Parent Company: electrical, fire and alarm systems, telephone equipment, including the OIC Accounting Standard 17 reclassification for Euro 535 thousand, used for consolidation purposes, of the leasing agreement signed by the Parent Company for a "4.0 company network, with systems for monitoring and controlling the working conditions of production systems, interfaced with information systems and cloud solutions". The item also included increases of about Euro 43 thousand for the purchase of new machinery for the subsidiary ALA UK's new headquarters in Esher and Euro 197.5 thousand for the purchase of new plant and machinery by the Spanish company Sintersa.

Industrial and Commercial Equipment for Euro 1,607,650 included various small equipment, warehouse shelving and other miscellaneous equipment.

Other Assets, with a net worth of Euro 1,783,820, included office furniture and furnishings, mainly for the headquarters at Mostra d'Oltremare in Naples, and various electronic machinery and forklifts.

Assets in Progress and Advance Payments, in the amount of Euro 36,105.

Depreciation for the period was recorded in the Income Statement for a total of Euro 491,154.

Financial Assets

Financial assets, at 30 June 2024, amounted to Euro 446,787 broken down as follows:

Equity Investments

The details of equity investments, directly or indirectly held in other companies and not included in scope of consolidation, are shown below.

Company Name	City, if in Italy, or Foreign Country	Share Capital in Euro	Profit (Loss) for the Last Period in Euro	Shareholders' Equity in Euro	Shareholding in Euro	Shareholding %	Book Value
Distretto Tecnologico Aerospaziale della Campania S.C.A R.L. (data at 31/12/2022)	VIA Partenope, 5 80122 NAPLES	907,500	-	827,501	20,629	2.27	20,000

Financial Assets – Receivables

Receivables classified under financial assets amounted to Euro 378,765.

The breakdown of the individual items and changes compared to the comparison period are shown in the table below:

Description	Initial Net Value	Final Net Value	Change
Other Receivables (due within 12 months)	369,268	378,765	(9,497)
Total	**369,268**	**378,765**	**(9,497)**

The item "Other Receivables" refers mainly to the security deposits of the Parent Company and the subsidiary ALA France. Pursuant to Article 2427, Paragraph 6 of the Italian Civil Code, it should be noted that the Group does not have any residual receivables entered under financial assets with a maturity of more than 5 years.

Financial Assets – Derivative Financial Instruments

Description	Initial Net Value	Final Net Value	Change
Derivative Financial Instruments	82,820	48,022	34,798
Total	**82,820**	**48,022**	**34,798**

Derivative financial instruments classified under assets at 30 June 2024 amounted to Euro 48,022 (Euro 82,820 in the previous comparison period). The item included the positive fair value of the Interest Rate Swap agreements outstanding at 30 June 2024, aimed at hedging the fluctuation of interest rates on loans, entered into by the Parent Company A.L.A. S.p.A. with UniCredit S.p.A., Banca Nazionale del Lavoro and BPER Banca.

The details are shown below:

Bank	Transaction Type	Execution Date	Expiry Date	Initial Notional Value	Currency	Fair Value 2023 (Euro)
Banca Nazionale del Lavoro IRG05064253	Interest Rate Swap with floor	03 August 2021	03 August 2025	5,000,000	EUR	48,022
					Total	**48,022**

As regards the interest rate derivatives outstanding at 30 June 2024, the Group adopted the simplified model envisaged by OIC Accounting Standard 32 for simple hedging relationships, since they concerned derivative financial instruments that have similar characteristic to the hedged item, entered into under market conditions and with a fair value close to zero at the initial recognition date.

Current Assets

Current assets are measured according to the provisions of Article 2426, Points from 8 to 11-bis of the Italian Civil Code. The criteria used for the respective items of the Consolidated Financial Statements are illustrated in the relevant paragraphs.

Inventories

Inventories at 30 June 2024 amounted to Euro 106,661,670 net of the provision for inventory obsolescence for Euro 9,201,134.

Description	Initial Net Value	Final Net Value	Change	% Change
Raw and Ancillary Materials and Consumables	954,182	1,016,036	61,853	6%
WIP and Semi-Finished Goods	1,984,119	2,241,341	257,222	13%
Inventories of Finished Products	84,411,601	100,062,005	15,650,405	19%
Advance Payments	3,671,712	3,342,288	(329,424)	-9%
Total Inventories of Finished Products	**91,021,614**	**106,661,670**	**15,640,056**	**17%**

Inventories of Finished Products and Goods were mainly attributable to the management of the Provider contract with the customer Leonardo S.p.A. The warehouse shows typical rotation for the sector whose physiological nature is linked to the Service Provider activity carried out. The supplies of goods are scheduled at the request of the customer and are contractually bound to the long-term needs of the latter's production lines. The value is shown net of a specific provision for inventory obsolescence in relation to goods that are no longer suitable for the Company production plans or that are slow-moving. It should be noted that Service Provider contracts include safeguard clauses for obsolescence and slow-moving and/or non-moving materials purchased on behalf of the customer.

Inventories are recognized at the lower value of cost (calculated, for fungible goods, using the weighted average cost criterion per movement) and realizable value based on market trends.

Changes in the provision for inventory obsolescence are shown below:

Changes in the Provision for Inventory Obsolescence	
Balance at 31 December 2023	**8,273,695**
Uses during the Period	(225,991)
Translation Difference	109,211
Provision for the Period	1,044,219
Balance at 30 June 2024	**9,201,134**

Down Payments refer to advance payments to suppliers for the purchase of finished products and goods.

Receivables in Current Assets

Receivables classified under current assets amounted to Euro 42,658,322 (Euro 34,798,441 at 31 December 2023).
The breakdown of individual items and changes during the period are shown below:

Description	Initial Balance	Final Balance	Change
Receivables from Customers	29,074,915	37,795,415	8,720,500
Receivables from Parent Companies	969,212	154,262	(814,950)
Tax Receivables	3,755,050	3,793,960	38,910
Deferred Tax Assets	214,674	219,530	4,857
Other Receivables	784,591	695,154	(89,437)
Total	**34,798,441**	**42,658,322**	**7,859,881**

Receivables from Customers totaled Euro 37,795,415 and consisted of ordinary trade receivables, including invoices to be issued, net of any credit notes to be issued and the provision for doubtful debts. A specific provision for doubtful debts has been allocated to protect against possible insolvency risks, the adequacy of which is checked periodically and, in any case, at period end, taking into consideration uncollectible positions that have already arisen or that are deemed probable, and general economic, sector and country risks. At 30 June 2024, this provision amounted to Euro 1,188,991, of which Euro 952,016 allocated to the provision for doubtful debts recorded in the Financial Statements of the Parent Company.
The Group is involved in receivable factoring transactions through factoring companies. In case of non-recourse factoring that involve the substantial transfer of all credit risks, the related receivables entered in the Balance Sheet are cancelled. In case of assignments with recourse or assignments without recourse that do not transfer all the inherent credit risks, such receivables remain recorded in the Balance Sheet.

	Initial Value	Use/Other Changes in the Period	Provisions for the Period	Final Value
Provision for Doubtful Debts	832,311	-	356,680	1,188,991

Receivables from Parent Companies, equal to Euro 154,262, referred to trade receivables recorded by Parent Company ALA S.p.A. due from the Parent Company A.I.P. Italia S.p.A.

Tax Receivables, amounting to Euro 3,793,960, mainly included the VAT receivable of the Parent Company and the subsidiary ALA France for Euro 1,616 thousand and Euro 1,394 thousand, respectively.

Deferred Tax Assets, equal to Euro 219,530, mainly consisted of the tax deferral associated with non-deductible foreign exchange losses. The Directors of the Company reasonably expect the recovery of these prepaid taxes in relation to the expected future taxable income.

Other Receivables, equal to Euro 695,154, mainly referred to residual receivables due to the subsidiaries from third parties.

Pursuant to Article 2427, Point 6 of the Italian Civil Code, it should be noted that the Group does not have any residual receivables recorded under current assets with a maturity of more than 5 years.

The breakdown of Group receivables at 30 June 2024 by geographical area, net of the provision for doubtful debts, is shown in the table below:

Description	Italy	EU	Non-EU	Total
Receivables from Customers	12,111,115	19,783,375	5,900,925	37,795,415
Receivables from Parent Companies	154,262	-	-	154,262
Tax Receivables	2,109,880	1,680,143	3,937	3,793,960
Deferred Tax Assets	152,786	36,868	29,876	219,530
Other Receivables	181,850	326,842	186,462	695,154
Total	**14,709,894**	**21,827,228**	**6,121,200**	**42,658,322**

Cash and Cash Equivalents

Cash and Cash Equivalents were recorded at nominal value representing the estimated realizable value and consisted of bank current account balances as well as cash balances. The item amounted to Euro 22,093,124 at 30 June 2024.

The details of changes in the individual items are shown in the table below:

Description	Initial Balance	Final Balance	Change	% Change
Bank and Postal Deposits	34,248,219	22,086,790	-12,161,429	-35.5%
Cash in Hand and at Bank	3,751	6,334	2,583	68.9%
Total	**34,251,969**	**22,093,124**	**-12,158,846**	**-35.5%**

For further details on the cash flows, please refer to the information shown in the Management Report and the Consolidated Cash Flow Statement.

Prepayments and Accrued Income

Prepayments and accrued income at 30 June 2024 amounted to Euro 1,326,283.

Description	Initial Balance	Final Balance	Change	% Change
Accrued Income	-	-	-	-
Prepayments	903,873	1,326,283	422,410	47%
Total	**903,873**	**1,326,283**	**422,410**	**47%**

Prepayments and accrued income referred mainly to prepayments for software fees, database and telecommunications fees and maintenance of the Parent Company for Euro 1,020,367. It should be noted that at 30 June 2024 there were no items with a duration of more than 5 years.

Information on Balance Sheet Liabilities

Shareholders' Equity

Shareholders' equity at 30 June 2024 amounted to a total of Euro 66,351,540 (Euro 65,459,337 at 31 December 2023), of which Euro 66,423,408 attributable to the Group, and Euro 71,868 attributable to non-controlling interests.

With reference to the period under review, changes in the individual items of shareholders' equity and the details of other reserves included in the Consolidated Financial Statements are shown in the tables below:

Description	Balance at 01 January 2024	Allocation of Result	Translation Differences	Dividend Distribution	Other Changes	Result of the Period	Balance at 30 June 2024
Shareholders' Equity:							
Attributable to the Group:							
I) Share Capital	9,500,000	-	-	-	-	-	9,500,000
IV) Legal Reserve	2,080,076	-	-	-	-	-	2,080,076
II) Share Premiums Reserve	17,900,000	-	-	-	-	-	17,900,000
VI) Other Reserves, separately indicated							
Advance for Future Capital Increase	1,720,000	1,195,504	-	-	-	-	2,915,504
Euro Rounding	-	-	-	-	-	-	-
Consolidation Reserve	1,191,947	-	-	-	-	-	1,191,947
Translation Reserve	153,988	-	139,110	-	-	-	293,097
Total VI) Other Reserves, separately indicated	**3,065,933**	**1,195,504**	**139,110**	**-**	**-**	**-**	**4,400,546**
2.A.VII Reserve for Expected Cash Flow Hedges	(153,039)	-	-	-	220,391	-	67,352
VIII) Profits (Losses) Carried Forward	23,170,543	8,634,741	-	(6,772,500)	257,524	-	25,290,307
IX) Profit (Loss) for the Period	9,830,245	(9,830,245)	-	-	-	7,185,127	7,185,127
X) Negative Reserve for Own Shares in Portfolio		-	-	-	-	-	-
Total Shareholders' Equity Attributable to the Group:	**65,393,756**	**-**	**139,110**	**(6,772,500)**	**477,915**	**7,185,127**	**66,423,408**
Attributable to Non-Controlling Interests:							
Capital and Reserves Attributable to Non-Controlling Interests	108,345	(42,764)	(65,435)	-	(2,025)	-	(1,879)
Profit (Loss) Attributable to Non-Controlling Interests	(42,764)	42,764	-	-	-	(69,989)	(69,989)
Total Shareholders' Equity Attributable to Non-Controlling Interests:	**65,581**	-	**(65,435)**	-	**(2,025)**	**(69,989)**	**(71,868)**
Total Shareholders' Equity:	**65,459,337**	**-**	**73,675**	**(6,772,500)**	**475,890**	**7,115,138**	**66,351,538**

Description	Balance at 01 January 2023	Allocation of Result	Translation Differences	Dividend Distribution	Other Changes	Result of the Period	Balance at 30 June 2023
Shareholders' Equity:							
Attributable to the Group:							
I) Share Capital	9,500,000	-	-	-	-	-	9,500,000
IV) Legal Reserve	1,750,253	329,822	-	-	-	-	2,080,075
II) Share Premiums Reserve	17,900,000	-	-	-	-	-	17,900,000
VI) Other Reserves, separately indicated							
Advance for Future Capital Increase	1,720,000	-	-	-	-	-	1,720,000
Euro Rounding	(2)	-	-	-	-	-	(2)
Consolidation Reserve	1,191,947	-	-	-	-	-	1,191,947
Translation Reserve	377,499	-	11,510	-	-	-	389,009
Total VI) Other Reserves, separately indicated	**3,289,444**	**-**	**11,510**	**-**	**-**	**-**	**3,300,954**

2.A.VII Reserve for Expected Cash Flow Hedges	190,475	-	-	-	(40,935)	-	149,540
VIII) Profits (Losses) Carried Forward	19,939,020	7,362,448	-	(4,244,100)	98,431	-	23,155,799
IX) Profit (Loss) for the Period	7,692,270	(7,692,270)	-	-	-	5,809,528	5,809,528
X) Negative Reserve for Own Shares in Portfolio	-	-	-	-	-	-	-
Total Shareholders' Equity Attributable to the Group:	**60,261,461**	**0**	**11,510**	**(4,244,100)**	**57,496**	**5,809,528**	**61,895,896**
Attributable to Non-Controlling Interests:							
Capital and Reserves Attributable to Non-Controlling Interests	56,719	130,419	(92,241)	(20,205)	73,148	-	147,840
Profit (Loss) Attributable to Non-Controlling Interests	130,419	(130,419)	-	-	-	3,687	3,687
Total Shareholders' Equity Attributable to Non-Controlling Interests:	**187,138**	**-**	**(92,241)**	**(20,205)**	**73,148**	**3,687**	**151,527**
Total Shareholders' Equity:	**60,448,600**	**-**	**(80,730)**	**(4,264,305)**	**130,644**	**5,813,215**	**62,047,423**

Reconciliation of the shareholders' equity of the Parent Company with the consolidated shareholders' equity is shown in the statement below:

	Shareholders' Equity	**Result**
Shareholders' Equity and Result for the Period as Reported in the Financial Statements of the Parent Company	66,252,356	7,501,088
Result for the Period of the Subsidiaries	4,735,252	4,735,252
Elimination of the Book Value of Consolidated Companies:		
a) Difference between the Book Value and Pro-Rata Value of Shareholders' Equity	3,982,412	-
b) Capital Gains/Losses Attributed at the Acquisition Date of the Investees	-	-
c) Consolidation Reserve	1,191,947	-
d) Translation Reserve	293,099	-
e) Change in the Scope of Consolidation	-	-
Amortization of Goodwill	(6,130,173)	(1,073,439)
Reversal of the Intercompany Cash-Flow Hedge Reserve	-	(43,192)
Release of Consolidated Risk Provisions	-	-
Elimination of the Effects of Transactions Between Consolidated Companies	-	-
Other Changes	(4,014,332)	(4,014,332)
Finance Lease Accounting Pursuant to IAS 17	40,977	9,761
Consolidated Shareholders' Equity and Net Income	**66,351,539**	**7,115,138**
Shareholders' Equity and Result for the Period Attributable to the Group	66,423,407	7,185,127
Shareholders' Equity and Result for the Period Attributable to Non-Controlling Interests	(71,868)	(69,989)

The breakdown of the Group's shareholders' equity by origin, availability and distribution is shown below:

Description	**Final Balance**	**Shareholder Contributions**	**Profits**	**Other**
Capital	9,500,000	9,500,000	-	-
Legal Reserve	2,080,075	-	2,080,075	-
Share Premium Reserve	17,900,000	-	-	17,900,000
Other Reserves: Advance for Future Capital Increase	2,915,501	2,915,501	-	-
Other Reserves: Various	-	-	-	-
Other Reserves: Consolidation Reserve	1,191,947	-	-	1,191,947
Other Reserves: Translation Reserve	293,097	-	-	293,097
Reserve for Expected Cash Flow Hedges	67,352	-	-	67,352
Profits Carried Forward	25,290,307	-	25,290,307	-

Share Capital, which totaled Euro 9,500,000, is represented by the entire Share Capital of the Parent Company A.L.A. S.p.A.

The Share Capital of the Parent Company consists of 9,030,000 ordinary shares without par value. The breakdown of the shareholding structure is illustrated in the table below:

Shareholders	No. Shares	%
AIP Italy S.p.A.	6,662,336	73.78%
Market	2,367,664	26.22%
Total	**9,030,000**	**100%**

The **Legal Reserve**, equal to Euro 2,080,075, is formed by the allocation of 5% of the profits from previous periods, as resolved by the Shareholders' Meeting.

The **Share Premium Reserve** amounted to Euro 17,900,000.

Other Reserves amounted to Euro 2,915,501 and mainly consisted of reserves pertaining to the Parent Company for Advance for Future Capital Increase, as well as the Consolidation Reserve, equal to Euro 1,191,947, and the Translation Reserve, equal to Euro 293,097.

Profits Carried Forward attributable to the Group amounted to Euro 25,290,307 and derived from the consolidated results of previous periods.

Profit for the Period was equal to Euro 7,185,127, of which Euro 7,115,138 attributable to the Group, and Euro 69.989 losses attributable to non-controlling interests.

There is also a **Reserve for Expected Cash Flow Hedges** equal to Euro 67,352. The Italian Civil Code (Article 2426, Point 11-bis) establishes that in case of transactions to hedge the cash flows (use of a derivative or financial asset/liability to hedge the risk of changes in expected cash flows) of another financial instrument or planned transaction, the change in the fair value of the derivative instrument is charged directly to a positive or negative reserve in Shareholders' Equity and not to the Income Statement. Future cash flows deriving from various types of transactions can be hedged, such as receivables and payables financed at floating rates, or floating rate bonds.

This reserve, recorded as of 30 June 2024, is composed of the positive fair value of the derivative recorded under fixed assets for the same amount.

Capital and Reserves Attributable to Non-Controlling Interests refer to the share of consolidated shareholders' equity attributable to the minority shareholders of ALA Yail Aerotech Israel Ltd.

Provisions for Risks and Charges

At 30 June 2024, the Group recorded **Provisions for Risks and Charges** equal to Euro 5,126,136, broken down as follows:

Description	Initial Balance	Final Balance	Change
Deferred Taxes	316,372	316,372	-
Derivative Financial Instruments	235,858	66,956	(168,902)

Other	8,021,642	4,742,809	(3,278,833)
Total	**8,573,872**	**5,126,136**	**(3,447,735)**

The above balance is mainly attributable to the Financial Statements of the Parent Company and related to the last tranche of earnout fees that is expected to be paid to the former shareholders Sintersa Group, to the estimate of the long-term incentive plan for top management and, for the remainder, to risks associated with early retirement incentives of a certain or probable nature, the exact amount or date of which, however, are unknown at the reporting date. The change of Euro 3,447,735 refers mainly to the recognition of earnout fees paid to former shareholders of the SCP Sintersa Group.

Employee Severance Indemnity

Employee Severance Indemnity referred exclusively to the balance of the Parent Company, which amounted to Euro 358,672 at 30 June 2024. The breakdown of individual items and changes during the period are shown below:

Description	Initial Balance	Provisions for the Period	Uses during the Period	Final Balance
Employee Severance Indemnity	358,833	340,411	340,571	358,672
Total	**358,833**	**340,411**	**340,571**	**358,672**

The provision represents the debt accrued at the reporting date due to employees for severance indemnities.

Payables

Payables recorded under Balance Sheet liabilities amounted to Euro 142,477,198 (Euro 128,729,231 at 31 December 2023). The breakdown of the individual items is shown below:

Description	Initial Balance	Final Balance	Change
Payables to Banks	62,993,931	67,854,818	4,860,887
Payables to Other Lenders	430,643	959,416	528,773
Advance Payments	6,016,852	6,384,479	367,627
Accounts Payable	51,987,231	53,885,406	1,898,175
Payables to Parent Companies	720,138	1,303,139	583,001
Tax Payables	2,706,889	4,604,327	1,897,438
Payables to Social Security Institutions	934,576	915,257	(19,318)
Other Payables	2,938,970	6,570,356	3,631,385
Total	**128,729,231**	**142,477,198**	**13,747,967**

Payables to Banks, equal to Euro 67,854,818 at 30 June 2024, represent the actual debt to banks and are broken down as follows:

Payables to Banks	Initial Balance	Final Balance	Change
Due within 12 months	20,329,182	24,360,824	4,031,642
Due after 12 months	42,664,750	43,493,995	829,245
Total Payables to Banks	**62,993,931**	**67,854,818**	**4,860,887**

The increase in payables to banks amounted to approximately 4,861 thousand euros and was mainly due to the stipulation of the new loan of 10 million euros with Banca Intesa, as well as the repayment of existing loans for approximately 8,451 thousand euros.

Accounts Payable, equal to Euro 53,885,406, were ordinary in nature and included invoices to be received, net of credit notes pertaining to the period and yet to be received.

Payables to Parent Companies, equal to Euro 1,303,139 were attributable to the Financial Statements of the Parent Company and represented payables for tax consolidation. Since 21 May 2012, ALA S.p.A. has participated in the tax consolidation regime with its Parent Company AIP Italia S.p.A.; the contract is regularly renewed every three years.

Tax Payables, all attributable to current operations, amounted to Euro 4,604,327; they mainly referred to payables for current taxes and other tax obligations of Group companies.

Payables to Social Security Institutions, equal to Euro 915,257, referred mainly to payables due by Group companies and employees to social security institutions. All social security payables were duly paid in accordance with the law and there are no overdue and unpaid debts.

The item **Other Payables**, amounting to Euro 6,570,356, for approximately Euro 5,642 thousand was attributable to ALA S.p.A. and comprised deferred payroll and payables to employees and other staff, for the last tranche of earnout fees relating the acquisition of the Spanish Group SCP Sintersa.

The breakdown of payables by maturity, pursuant to Article 2427, Point 6 of the Italian Civil Code, is shown below:

Description	Within 12 months	After 12 months	Of which over 5 years	Total
Payables to Banks	24,360,824	43,493,995	-	67,854,818
Payables to Other Lenders	959,416	-	-	959,416
Advance Payments	6,384,479	-	-	6,384,479
Accounts Payable	53,885,406	-	-	53,885,406
Payables to Parent Companies	1,303,139	-	-	1,303,139
Tax Payables	4,604,327	-	-	4,604,327
Payables to Social Security Institutions	915,257	-	-	915,257
Other Payables	6,570,356	-	-	6,570,356
Total	**98,983,203**	**43,493,995**	-	**142,477,198**

Pursuant to Article 2427, Point 6 of the Italian Civil Code, it should be noted that payables due after five years refer to the syndicated loan entered into by the Parent Company on 30 September 2022, expiring on 30 September 2028.

The breakdown of Group payables at 30 June 2024 by geographical area is shown in the table below:

Description	Italy	EU	Non-EU	Total
Payables to Banks	62,107,677	5,270,989	476,152	67,854,818
Payables to Other Lenders	364,796	-	594,620	959,416
Advance Payments	300,210	5,464,875	619,394	6,384,479
Accounts Payable	25,094,172	21,516,629	7,274,605	53,885,406

Payables to Parent Companies	1,303,139	-	-	1,303,139
Tax Payables	423,629	3,621,839	558,859	4,604,327
Payables to Social Security Institutions	512,277	402,981	-	915,257
Other Payables	5,642,399	668,468	259,489	6,570,356
Total	**95,748,299**	**36,945,781**	**9,783,118**	**142,477,198**

Accrued Expenses and Deferred Income

Accrued expenses and deferred income recorded under liabilities for a total of Euro 167,098 (Euro 261,786 in the previous period) referred mainly to Research & Development tax credits and tax credits for investments in Southern Italy by the Parent Company.

Description	Initial Balance	Final Balance	Change
Accrued Expenses and Deferred Income	261,786	167,098	(94,689)
Total	**261,786**	**167,098**	**(94,689)**

Information on the Income Statement

The Income Statement illustrates the result for the period.

It provides a representation of management operations, through a summary of the positive and negative elements of income that contributed to determining the operating result. The positive and negative items of income, recorded in the Consolidated Interim Financial Statements pursuant to Article 2425-bis of the Italian Civil Code, are classified by type of operation: ordinary, ancillary or financial.

Ordinary operations identify income items generated by operations that occur on an ongoing basis in the relevant sector for the performance of business activities, which identify and qualify the specific and distinctive business carried out by the Group to achieve its purpose.

Financial operations consist of operations that generate financial income and charges.

On a residual basis, ancillary operations consist of operations generating income items that are a part of business activities but do not fall within ordinary or financial operations.

Value of Production

Value of Production at 30 June 2024 showed a balance of Euro 138,483,867 (equal to Euro 113,649,105 at 30 June 2023).

Value of Production	30 June 2024	30 June 2023	Change
Revenues from Sales and Services	137,745,913	110,912,348	26,833,565
Changes in Inventories of WIP, Semi-Finished and Finished Products	290,668	2,595,538	(2,304,870)
Increases in Capitalized Costs	-	-	-

Other Revenues and Income	447,286	141,219	306,067
Total	**138,483,867**	**113,649,105**	**24,834,762**

Revenues from Sales and Services

Revenues from sales and services amounted to Euro 137,745,913, recording an increase of approximately 24.2% (Euro 26,833,565 in absolute terms) compared to the result for the first half of 2023 (Euro 110,912,348). The increase was certainly due to a significant improvement in the performance of the main business lines, as well as the contribution of the Spanish group SCP Sintersa.

Revenues were recorded on an accrual basis, net of any returns, rebates, discounts and premiums, as well as taxes directly connected to the same. As regards the sale of goods, the related revenues are recorded upon the substantial and non-formal transfer of ownership, assuming the transfer of risks and benefits as the reference benchmark for substantial transfer. Revenues from services are recorded when the service is provided or carried out; in particular, in the case of ongoing services, the related revenues are recorded for the portion accrued over time.

Changes in Inventories of WIP, Semi-Finished and Finished Products

The item under review showed a negative balance of Euro 290,668 at 30 June 2024, and referred exclusively to the Spanish group SCP Sintersa.

Other Revenues and Income

Other revenues and income recorded under value of production in the Income Statement amounted to Euro 447,286 (Euro 141,219 in June 2023). This item consisted mainly of government grants and other miscellaneous income.

Cost of Production

Cost of production recorded a balance of Euro 124,185,358 (Euro 103,618,602 in the previous year). The main items are shown below, compared with the flows of the prior-year period.

Description	30 June 2024	30 June 2023	Change
Raw, Ancillary and Consumable Materials and Goods for Resale	110,446,254	91,200,887	19,245,367
Service Costs	8,526,222	6,507,183	2,019,039
Leasehold Costs	1,734,793	1,471,151	263,642
Labor Costs	15,988,985	12,080,693	3,908,292
Amortization & Depreciation and Write-Downs	2,584,389	2,271,214	313,175
Changes in Raw, Ancillary and Consumable Materials and Goods for Resale	(15,268,041)	(10,082,151)	(5,185,890)
Provisions for Risks	-	-	-
Other Operating Expenses	172,757	169,625	3,132
Total	**124,185,358**	**103,618,602**	**20,566,756**

As regards the purchase of goods, the related costs are recorded upon the substantial and non-formal transfer of ownership, assuming the transfer of risks and benefits as the reference benchmark for substantial transfer. For the purchase of services, the related costs are recorded when the service is received or once the service has been completed, while for ongoing services, the related costs are recorded for the portion accrued over time.

Cost of Raw, Ancillary and Consumable Materials and Goods for Resale

Cost of raw, ancillary and consumable materials and goods for resale recorded under cost of production in the Income Statement totaled Euro 110,446,254 (Euro 91,200,887 in the previous period).

Service Costs

Service costs recorded under cost of production in the Income Statement amounted to Euro 8,526,222 (Euro 6,507,183 in the previous period). This figure was higher than the previous period both in absolute terms (up Euro 2,019,039) and percentage terms (31.0%), an increase due to the increase in turnover by business lines.

Leasehold Costs

Leasehold costs recorded under cost of production in the Income Statement amounted to Euro 1,734,793 (Euro 1,471,151 in the previous period), net of the accounting of finance leases pursuant to IAS 17. This item mainly consisted of rents, vehicle and equipment leasing instalments and operating lease payments.

Labor Costs

This item included all expenses for employees, including costs for deferred charges accrued pursuant to the law and collective labor agreements. At 30 June 2024, labor costs amounted to Euro 15,988,985 (Euro 12,080,693 in the previous period), an increase of approximately 32.4%, mainly attributable to the increase in headcount.

Amortization & Depreciation and Write-Downs

This item included the amortization and depreciation calculated for the period according to the statutory valuation criteria for intangible (Euro 1,743,236) and tangible assets (Euro 491,153).

During the first half of 2024, only provisions for doubtful debts not covered by relevant policy for Euro 350,000 were set aside in relation to the Parent Company’s accounting position.

For more details about amortization and depreciation items, please refer to the previous sections on tangible and intangible assets.

Changes in Raw, Ancillary and Consumable Materials and Goods for Resale

Change in Inventories	30 June 2024	30 June 2023	Change
Raw, Ancillary and Consumable Materials and Goods for Resale (initial / final inventory)	(15,268,041)	(10,082,151)	(5,185,890)
Total	**(15,268,041)**	**(10,082,151)**	**(5,185,890)**

The item under review showed a negative balance of Euro 15,268,041 at 30 June 2024, compared to the prior-year period’s position, which had showed a change of Euro 5,185,890, for the reasons already illustrated in the comments on “Inventories”.

Other Operating Expenses

Other operating expenses recorded under cost of production in the Income Statement amounted to Euro 172,757 (Euro 169,625 in the previous period).

Financial Income/Charges

The financial income and charges of the Group were recorded on an accrual basis in relation to the portion accrued during the period. As shown in the table below, the total value of the item was substantially in line with the previous period. Instead, the trend differed for realized or unrealized gains and losses on foreign exchange, which recorded a more significant loss in the first half of 2024.

Financial Income/Charges	30 June 2024	30 June 2023	Change
16-d) Other Financial Income	291,356	65,294	226,062
17) Interest and Other Financial Charges	3,746,543	2,565,388	1,181,155
17-bis) Gains and (Losses) on Foreign Exchange	518,704	264,477	254,227
Total (16 - 17 + 17-bis)	**3,973,891**	**2,764,571**	**1,209,320**

Gains and Losses on Foreign Exchange

Losses on foreign exchange, equal to Euro 518,704 (gains for Euro 264,477 in the previous period) represented the amount accrued as currency differences on foreign purchase and sales transactions. In accordance with OIC Accounting Standard 26, these included unrealized exchange gains and losses at 30 June 2024, estimated on the basis of the exchange rates in force on the same date.

Income Taxes for the Period – Current, Deferred and Prepaid

This item showed a balance of Euro 3,209,481 (Euro 1,452,717 in the previous period), which represented the estimate of income taxes on profits realized at 30 June 2024 by the individual companies of the ALA Group based on the effective tax rate.

Description	30 June 2024	30 June 2023	Change
Current Taxes	3,170,247	1,437,546	1,732,701
Taxes Relating to Previous Years	-	-	-
Deferred and Prepaid Taxes	39,234	15,170	24,064
Income (Expenses) from Tax Consolidation	-	-	-
Total	**3,209,481**	**1,452,717**	**1,756,764**

Also in 2024, ALA S.p.A. participated in the tax consolidation regime with its Parent Company A.I.P. Italia S.p.A.; according to this tax regime, a single taxable base is determined by the Parent Company, corresponding to the algebraic sum of the taxable income of each company participating in the same.

Other Information

The additional disclosures regarding the Consolidated Interim Financial Statements at 30 June 2024 required by the Italian Civil Code are shown below.

Employment Figures

The following table shows the average number of employees for all Group companies.

Average workforce	2022	2023	H1 2023	H1 2024
Average number of employees	256	507	492	600

Fees, Advances and Credits Granted to Directors and Statutory Auditors & Commitments on their Behalf

The following table shows the annual remuneration of Directors and Statutory Auditors, as required by Article 2427, Point 16 of the Italian Civil Code, specifying that no advances or credits were granted, nor were any commitments undertaken on behalf of the administrative body as a result of guarantees of any kind:

Description	Amount
Directors' Fees	800,000
Statutory Auditors' Fees	35,000
Total	**835,000**

Remuneration of the Auditing Firm

As required by Article 2427, Point 16-bis of the Italian Civil Code, the fees paid to the Independent Auditors for their audit on a limited basis of the Consolidated Interim Financial Statements at 30 June 2024 was Euro 24,000.

Details on Other Financial Instruments Issued by the Group

The Group did not issue any financial instruments pursuant to Article 2346, Point 6 of the Italian Civil Code.

Commitments, Guarantees and Contingent Liabilities not included in the Balance Sheet

Pursuant to Article 2427, Point 9 of the Italian Civil Code, please note that there were no commitments, guarantees or contingent liabilities resulting from the Company's Balance Sheet.

Assets Allocated to a Specific Business Transaction

At the reporting date of the Consolidated Interim Financial Statements at 30 June 2024, there were no assets allocated to a specific business transaction pursuant to Article 2427, Point 20 of the Italian Civil Code.

Financing Allocated to a Specific Business Transaction

At the reporting date of the Consolidated Interim Financial Statements at 30 June 2024, there was no financing allocated to a specific business transaction pursuant to Article 2427, Point 21 of the Italian Civil Code.

Information on Related-Party Transactions

During the period, related-party transactions were carried out concerning the reciprocal supply of goods, services and loans, executed at normal market conditions pursuant to Article 2427, Paragraph 1, Point 22-bis of the Italian Civil Code. Please note that there were no atypical or unusual related-party transactions, extraneous to normal business operations or such as to cause damage to operating results, financial position and cash flows of the Group. Where the nature, value or specific characteristics of the transaction so require, the Board of Directors consults independent experts.

Furthermore, it should be noted that the ALA Group has adopted a specific "Procedure for Related-Party Transactions" (hereinafter, the "Procedure") – approved by the Board of Directors on 15 July 2021 and subsequently amended with resolution dated 30 June 2022 – pursuant to the "Provisions relating to transactions with related parties" issued by Consob with Regulation no. 17221 of 12 March 2010, and the "Provisions on related party transactions" issued by Borsa Italiana S.p.A. applicable to the issuers of shares admitted to trading on the *Euronext Growth Milan* market (the "Provisions"), and in implementation of Article 2391-bis of the Italian Civil Code.

The aforementioned Procedure is available on the Company's website (www.alacorporation.com, *Investor Relations* section, "Corporate Documentation" area, under "Procedures and Regulations").

It should be noted that the receivables recorded in the Interim Balance Sheet at 30 June 2024 from the Parent Company A.I.P. Italia S.p.A. refer to business transactions which took place at normal market conditions according to contractual agreements.

Payables to the Parent Company at 30 June 2024, on the other hand, amounted to approximately Euro 1,303,139 and almost entirely refer to tax payables, pursuant to the tax consolidation agreement between the parties.

The economic items recognized in the Financial Statements at 30 June 2024 refer for Euro 386 thousand to the remuneration of financial costs arising from the guarantees provided by the parent company A.I.P. Italia S.p.A. by virtue of the three-year contract stipulated in 2021, and ratified by the Board of Directors on 24 June 2021, and for Euro 18 thousand to revenues for intercompany services rendered to the Parent Company.

Statement of Reconciliation of Payables/Receivables	ALA S.p.A.	
	Receivables	Payables

A.I.P. ITALIA	154,262	(1,303,139)
Total	**154,262**	**(1,303,139)**
Reconciliation of Costs/Revenues	ALA S.p.A.	
	Costs	Revenues
A.I.P. ITALIA	386,600	18,000
Total	**386,600**	**18,000**

Information on Off-Balance-Sheet Agreements

No Off-Balance-Sheet agreements were entered into during the period.

Information on Significant Events After Period-End

As regards Article 2427, Point 22-quater of the Italian Civil Code, please refer to the detailed information provided in the Management Report for an analysis of the significant events that occurred after period-end.

Information on Derivative Financial Instruments pursuant to Article 2427-bis of the Italian Civil Code

In order to provide a true and fair view of corporate commitments, the relevant information relating to the derivative financial instruments held by the Parent Company, accounted for pursuant to the provisions of OIC Accounting Standard 32, is shown below:

Bank	Transaction Type	Execution Date	Expiry Date	Initial Notional Value	Currency	Fair Value HY 2024
BPM 01-1-108	Collar with split premium – amortizing	20 January 2023	31 July 2027	9,000,000	EUR	(22,896)
DEUTSCHE BANK 346877	Collar with split premium – amortizing	20 January 2023	31 July 2027	8,330,000	EUR	(22,028)
BPER 2023/0000619	Collar with split premium – amortizing	20 January 2023	31 July 2027	7,170,000	EUR	(18,115)
BNL IRG05064253	Interest Rate Swap with floor +0.0%	03 August 2021	03 August 2025	5,000,000	EUR	48,022
BPER 2023/0009540	Interest Rate Swap with floor +0.0%	15 November 2023	15 May 2025	3,000,000	EUR	(3,917)
					Total	**(18,934)**

The financial assets recorded in the Balance Sheet were not recognized at a value higher than their fair value. As regards the interest rate derivatives outstanding at 30 June 2024, the Company adopted the simplified model envisaged by OIC Accounting Standard 32 for simple hedging relationships, since they concerned derivative financial instruments that have similar characteristic to the hedged item, entered into at market conditions and with a fair value close to zero at the initial recognition date.

It should also be noted that on 20 January 2023, as envisaged in the loan agreement granted by the pool of banks, with agent bank Banco Popolare di Milano, for the purchase of the 100% equity interest in the Spanish group SCP Sintersa, an Interest Rate Collar contract was entered into to hedge the interest rate fluctuation risk on 70% of the amount financed. This derivative contract had a fair value close to zero at 30 June 2024.

Final Considerations

These Consolidated Interim Financial Statements for the period ended 30 June 2024, comprising the Consolidated Balance Sheet, Consolidated Income Statement, Consolidated Cash Flow Statement and Explanatory Notes, give a true and fair view of the financial position and results of operations for the period and correspond to the accounting records.

Naples, 23 September 2024

On Behalf of the Board of Directors
Roberto Tonna
Chief Executive Officer

REPORT OF THE AUDITING FIRM

RELAZIONE DI REVISIONE CONTABILE LIMITATA

A.L.A. SPA

BILANCIO CONSOLIDATO SEMESTRALE
AL 30 GIUGNO 2024

RELAZIONE DI REVISIONE CONTABILE LIMITATA SUL BILANCIO CONSOLIDATO SEMESTRALE

Al Consiglio di Amministrazione di
A.L.A. SpA

Introduzione

Abbiamo svolto la revisione contabile limitata dell'allegato bilancio consolidato semestrale, costituito dallo stato patrimoniale consolidato al 30 giugno 2024, dal conto economico consolidato, dal rendiconto finanziario consolidato e dalla relativa nota integrativa di A.L.A. SpA e controllate ("Gruppo A.L.A.") per il periodo di sei mesi chiuso al 30 giugno 2024. Gli amministratori sono responsabili per la redazione del bilancio consolidato semestrale che fornisca una rappresentazione veritiera e corretta in conformità al principio contabile OIC 30. È nostra la responsabilità di esprimere delle conclusioni sul bilancio consolidato semestrale sulla base della revisione contabile limitata svolta.

Portata della revisione contabile limitata

Il nostro lavoro è stato svolto in conformità all'*International Standard on Review Engagements* 2410, "*Review of Interim Financial Information Performed by the Independent Auditor of the Entity*". La revisione contabile limitata del bilancio consolidato semestrale consiste nell'effettuare colloqui, prevalentemente con il personale della società responsabile degli aspetti finanziari e contabili, analisi di bilancio ed altre procedure di revisione contabile limitata. La portata di una revisione contabile limitata è sostanzialmente inferiore rispetto a quella di una revisione contabile completa svolta in conformità agli *International Standards on Auditing* e, conseguentemente, non ci consente di avere la sicurezza di essere venuti a conoscenza di tutti i fatti significativi che potrebbero essere identificati con lo svolgimento di una revisione contabile completa. Pertanto, non esprimiamo un giudizio sul bilancio consolidato semestrale.

Conclusioni

Sulla base della revisione contabile limitata svolta, non sono pervenuti alla nostra attenzione elementi che ci facciano ritenere che l'allegato bilancio consolidato semestrale del Gruppo A.L.A. per il periodo

PricewaterhouseCoopers SpA

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di 6 mesi chiuso al 30 giugno 2024, non fornisca una rappresentazione veritiera e corretta della situazione patrimoniale e finanziaria, del risultato economico e dei flussi di cassa del Gruppo A.L.A., in conformità al principio contabile OIC 30.

Napoli, 23 settembre 2024

PricewaterhouseCoopers SpA

Pier Luigi Vitelli
(Revisore legale)

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