ALA

ANNUAL REPORT 2024

Annual Report 2024

CONTENTS

Consolidated Financial Statements

Contents

01_MANAGEMENT REPORT

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

Consolidated results for the 2024 financial year highlight a significant improvement in the performance of the Group's main business lines, compared to 2023 figures. Once again in 2024, the Group achieved a further series of record results, thanks to outstanding commercial and operational performance which contributed both to strong organic growth and improved profitability. We are pleased with the progress and achievements of all our international subsidiaries, particularly in France, Spain, the United Kingdom and Germany. Five years ago, we set a strategic goal for the Group: to transform ALA into a global enterprise capable of generating value. Today, the Group occupies a strong and high-potential position in fast-growing sectors such as Aerospace, Defence, and Rail. Our corporate vision is to become the leading supply chain partner for the most demanding high-tech industries, while remaining resolute and absolutely focused on creating long-term sustainable value for our customers, our shareholders, our people and the communities we belong to.

KEY FIGURES

MAIN ECONOMIC AND FINANCIAL RESULTS

Revenues	Gross Margin	EBITDA	EBIT	Net income
€ 290,95 M	€ 89,9 M (30,9 %)	€35,8 M (12,3 %)	€ 30,7 M (10,6 %)	€ 16,8 M (5,8 %)
2023 : € 233,07 M	*2023 : € 71,7 M (30,7 %)*	*2023 : € 25,4 M (10,9 %)*	*2023 : € 21,2 M (9,1 %)*	*2023 : € 9,8 M (4,2 %)*

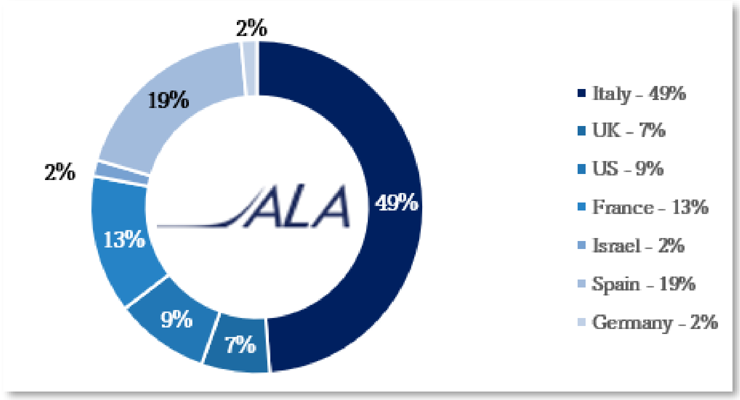
ROE	ROIC	Net debt	Debt/Ebitda	Ebitda/Financial Charges	Debt To Equity Ratio
22,0 %	19,1 %	€ 47,7 M	1,33	5,1	0,62
DEC 2023: 15,0 %	*DEC 2023: 17,0%*	*DEC 2023: € 29,2 M*	*DEC 2023: 1,15*	*DEC 2023: 4,1*	*DEC 2023: 0,45*

Amounts in Euro thousands	**2,024**	**2,023**
Value of Production	290,953	233,073
Gross Margin	89,863	71,660
EBITDA	35,819	25,408
EBIT	30,722	21,214
Net Income	16,844	9,787
Gross Margin %	30.9%	30.7%
EBITDA %	12.3%	10.9%
EBIT %	10.6%	9.1%
ROE (Net Income/Shareholders' Equity)	22.0%	15.0%
ROI (EBT/Invested Capital [1])	26.5%	24.4%
Net Working Capital	89,703	61,158
Fixed Assets	41,091	42,407
Non-Current Provisions/Liabilities	(6,549)	(8,933)
Net Invested Capital	124,245	94,632
Net Debt/(Cash)	47,715	29,173
Shareholders' Equity	76,532	65,459
Total Sources of Finance	124,245	94,632

(1) Net Invested Capital in operations

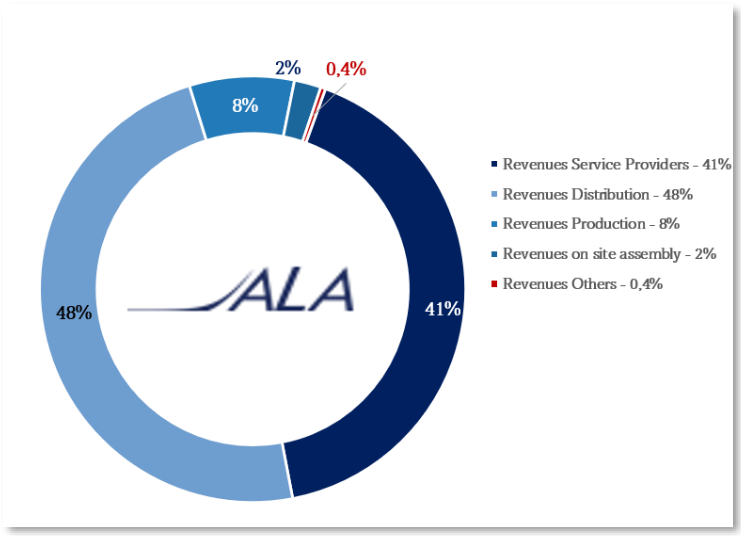
2024 REVENUES BY GEOGRAPHIC AREA

The breakdown of revenues by geographic area is shown below:



2024 REVENUES BY BUSINESS AREA

The breakdown of revenues by business area is shown below:



ALA GROUP

Leadership

Ala S.p.A. (www.alacorporation.com) ALA is a market leader in Italy and one of the leading global players in the provision of integrated logistics services and in the distribution of products and components for the aerospace and aeronautics industries. The company is also active in the distribution and integrated logistics of products and components for the rail and energy industries.

Founded in 2009 by Fulvio Scannapieco and Vittorio Genna—entrepreneurs with over 30 years' experience in the sector—ALA S.p.A. is an Italian Group that has been operating for more than three decades in the distribution, logistics and service provision for the aerospace and industrial markets. The Group's main activities include: i) Service Provider – a business area in which the company manages aeronautical materials on behalf of leading global manufacturers of aerostructures, components, and engines. This enables clients to benefit from "just-in-time" supply, with ALA overseeing demand planning, supplier management, procurement and quality control, storage, line replenishment (DLF), and other activities linked to Supply Chain Management; and ii) Distribution – ALA also operates in the trading of materials destined for major aircraft manufacturers (OEMs) and their numerous Tier 1 and Tier 2 suppliers of parts or assemblies. The company also distributes materials to key clients in the oil & gas, railway, and marine sectors.

History

In recent years, the ALA Group has undergone a profound reorganisation of its business processes and procedures. It has completed significant M&A operations with the aim of becoming a key player in the international aerospace sector. Beginning with the acquisition of Aerolyusa (US) in 2010, these strategic acquisitions have enabled ALA Group to accelerate its internationalisation process significantly. As a result, the Group has evolved into a true multinational in the sector, capable of delivering its products and services to leading industry operators through companies strategically positioned in markets where major investment projects are being carried out.

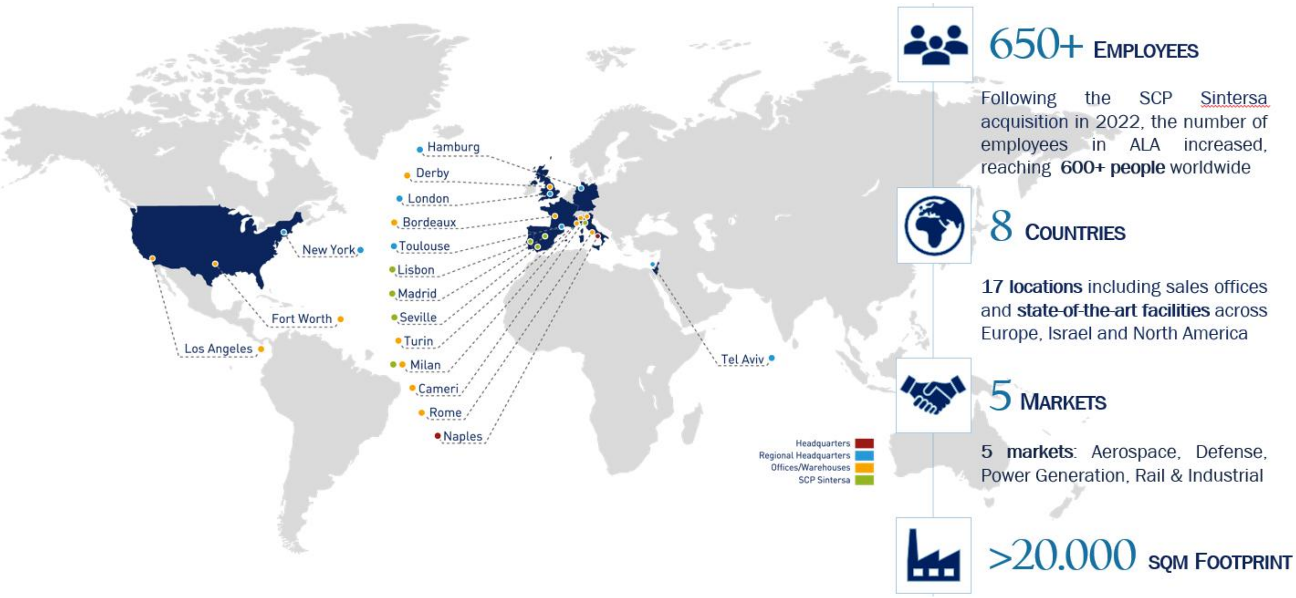
In September 2022, as part of its ongoing external growth strategy, the Group completed the acquisition of 100% of the share capital of S.C.P.S.A. Suministros De Conectores Profesionales and Sintersa Sistemas De Interconexion, S.A., companies operating in the market for the distribution and production of electrical interconnection components & systems - an adjacent and complementary segment to ALA Group's existing operations. Through this synergistic acquisition, ALA Group has expanded its product portfolio, which now includes fasteners, indirect materials, raw materials, and electrical interconnection systems. This significantly broadens the Group's offering, particularly enhancing its ability to deliver tailor-made services designed to meet the specific needs of its clients.

The SCP-Sintersa Group, active for over 35 years, is based in Spain with its headquarters and production hub in Madrid, a second production site in Seville, and sales offices in Barcelona and Lisbon (Portugal).

SCP-Sintersa employs over 300 people and serves more than 1,000 active clients.

The activities of the Group's companies are coordinated through its Head Office in Naples, ensuring an integrated presence both nationally and internationally. In Italy, in addition to its headquarters in Naples, the company operates warehouses and operational sites in Pozzuoli (Naples), San Maurizio Canavese (Turin), and Cameri (Novara), as well as commercial offices in Rome and Gallarate (Varese).Internationally, through its subsidiaries, the company maintains offices in France (Toulouse – Pessac/Bordeaux), Germany (Hamburg), the United Kingdom (Esher – Derby), the United States of America (New York – Garden Grove – Fort Worth), Israel (Tel Aviv), Spain (Madrid and Barcelona), and Portugal (Lisbon).

THE ALA GROUP IN THE WORLD



BUSINESS AREAS

Committed to the highest quality standards, ALA delivers its products and services to a wide range of markets: Aerospace & Defence, Aerospace Aftermarket, Energy, Rail, and Industrial. ALA works to optimise its customers' supply chains and to provide the best possible service and purchasing experience in the shortest possible time.

Aerospace OEM & MRO

ALA is a trusted partner to major OEMs and their supply chains. ALA's products are used in the manufacture of engines, fuselages, equipment, systems, and cabin interiors for both civil and military aircraft. MRO customers are supported by dedicated teams that supply parts and bespoke solutions.

Defence

ALA is a partner in major defence programmes and is certified for the distribution of products intended for the production of military ground vehicles, naval and military aircraft, weapons systems, fire control systems, and tactical communication systems.

Power Generation

ALA is also an innovative supplier of products for the Energy sector – including On & Offshore, FPSO (Floating Production, Storage and Offloading units), Natural Gas/Floating LNG, Refining, Petrochemical, and Power Generation industries.

Rail & Industrial

ALA operates as a strategic partner, providing lean supply chain management services for a broad range of products supporting both production and maintenance needs for High-Speed Trains, Metro Trains, Railway Systems, and Signalling Systems.

POZZUOLI *Office 1100 SQM* *11840 SQFT* Warehouse 2490 SQM 26802 SQFT	**TURIN** *Office 250 SQM* *2690 SQFT* Warehouse 880 SQM 9472 SQFT	**CAMERI** *Office 35 SQM* *376 SQFT* Warehouse 450 SQM 4843 SQFT
TOULOUSE *Office 365 SQM* *3930 SQFT* Warehouse 680 SQM 7320 SQFT	**BORDEAUX** *Office 550 SQM* *5920 SQFT* Warehouse 1100 SQM 11840 SQFT	**HAMBURG** *Office 60 SQM* *646 SQFT* Warehouse 130 SQM 1400 SQFT
LONDON *Office 274 SQM* *2960 SQFT* Warehouse 611 SQM 6576 SQFT	**NEW YORK** *Office 400 SQM* *4300 SQFT* Warehouse 1000 SQM 10770 SQFT	**TEL AVIV** *Office 100 SQM* *1080 SQFT* Warehouse 250 SQM 2700 SQFT
S.C.P.s.a. SINTERSA ALA Group	**MADRID** *Office 500 SQM* *5381 SQFT* Warehouse 3500 SQM 37673 SQFT	**SEVILLE** *Office 200 SQM* *2152 SQFT* Warehouse 1500 SQM 16145 SQFT

ALA AND THE FINANCIAL MARKETS

STOCK PERFORMANCE

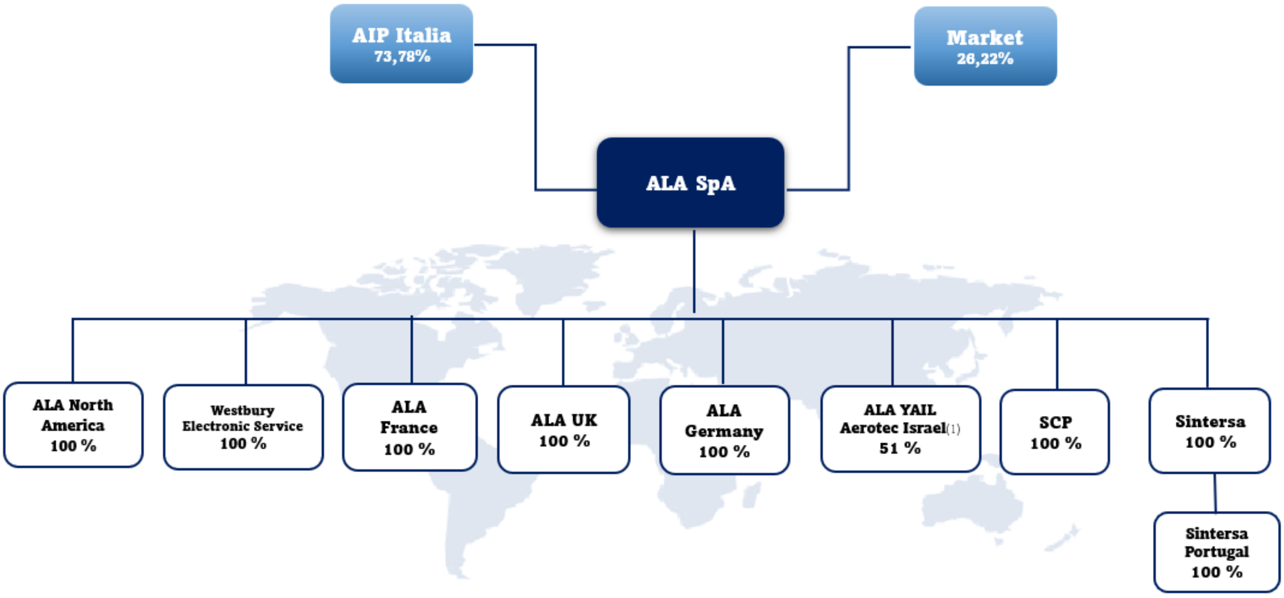
In 2024, ALA stock recorded positive performance equal to +55.5%, closing the year with a value of Euro 24.80/share, compared to Euro 15.95/share at the end of 2023.

Below is the performance of ALA's share in the first quarter of 2025, which shows significant growth. On 6 March 2025, the share price reached Euro 36.00 per share, the highest value recorded in the quarter.

(Source: https://www.borsaitaliana.it/)

CORPORATE STRUCTURE

The Group structure and fully consolidated companies as at 31 December 2024.



(1) 49% held by Las Goor Management Ltd (Oren Goor)

ALA NORTH AMERICA INC.
The company operates in the aerospace sector in the United States and is based in Bethpage, New York.

WESTBURY ELECTRONIC SERVICE INC.
The company operates in the aerospace sector in the United States and is based in Bethpage, New York.

ALA UK LTD
The company operates in the aerospace sector in the United Kingdom, with its registered office in Esher.

ALA FRANCE SAS
The company operates in the aerospace sector in France, with offices in Toulouse and Bordeaux.

ALA YAIL AEROTEC ISRAEL LTD
The company was established at the end of 2018 as a joint venture between ALA S.p.A., holding 51%, and Las Goor Management Ltd, an aerospace company based in Tel Aviv (Israel), holding 49%.

ALA GERMANY GMBH
The company Industrio GmbH, active in the aeronautics market for decades, became part of the ALA Group in March 2020 and was renamed ALA Germany GmbH, with its headquarters in Hamburg.

SUMINISTROS DE CONECTORES PROFESIONALES S.A.

A company based in Madrid, active in the production of electrical interconnection system assemblies, acquired on 30 September 2022, with 100% of the share capital held.

SINTERSA SISTEMAS DE INTERCONEXION, S.A.

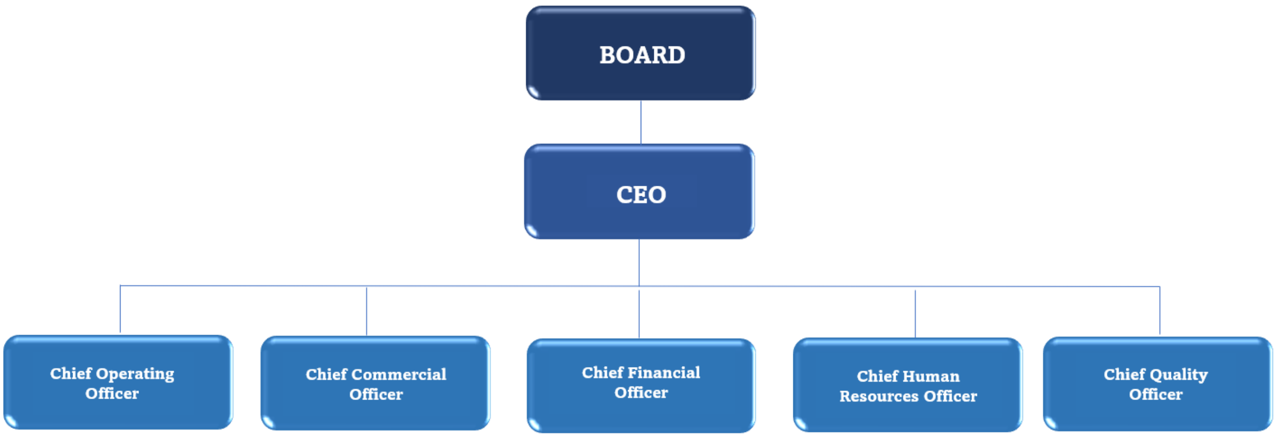
A company based in Madrid, active in the production of electrical interconnection system assemblies, acquired on 30 September 2022, with 100% of the share capital held.

SINTERSA PORTUGAL LDA

A Portuguese company based in Lisbon, active in the production of electrical interconnection system assemblies, 99.99% owned by the subsidiary Sintersa.

ORGANISATIONAL STRUCTURE

Our structure and our people*



* The organisational chart shown refers to the structure in place as of the publication date of this document.

TOP MANAGEMENT
Board Members

Fulvio Scannapieco
Founder and Chairman of the Board of Directors

Fulvio, together with his brother Franco and Vittorio Genna, founded AIP Italia in 1995, where he initially served as CEO and later as Chairman. In 2009, Fulvio and Vittorio led the merger of AIP Italia with Avio Import, creating a new company, ALA S.p.A., currently controlled by AIP Italia. Fulvio served as CEO and Chairman of ALA from 2010 to 2015and is now Chairman of the Board of Directors. Before founding AIP Italia, Fulvio worked for several years at Mededil – Società di Edilizia Mediterranea S.p.A., a state-owned company within the IRI Italstat Group, where he held the position of Head of General Affairs. He holds a degree in Economics from the University of Naples Federico II (pre-reform degree system).

Vittorio Genna
Founder and Vice Chairman of the Board of Directors

In 1995, Vittorio co-founded AIP Italia with Franco and Fulvio Scannapieco and continues to serve as Vice Chairman of its Board of Directors.
In 2009, Fulvio and Vittorio led the merger of AIP Italia with Avio Import, creating a new company, ALA S.p.A., currently controlled by AIP Italia.

Vittorio is also Vice Chairman of the Board of GA.FI.Soc.Coop.p.A.(Garanzia Fidi Società Cooperativa per Azioni), a Confindustria-affiliated loan guarantee cooperative supervised by the Bank of Italy. In June 2021, he was elected to the General Council of the Unione Industriali Napoli for the 2021–2023 term. Since May 2022, he has served as Vice President of the same organisation, a position reconfirmed for 2024–2026 with new responsibilities in: Infrastructure, Logistics, Transport, Blue Economy, Regional Competitiveness, Implementation of the Single ZES, and Industrial Development Areas. He was awarded the title of "Commander of the Order of Merit of the Italian Republic" at the end of 2018, one of the highest honours of the Italian Republic. In 2019, he was appointed Honorary Consul of Hungary in Naples for the regions of Campania and Calabria, and in 2023, the consular jurisdiction was extended to include Apulia. He holds a degree in Civil Engineering (specialising in Transport) from the University of Naples Federico II (pre-reform degree system).

Roberto Tonna
Chief Executive Officer

Roberto is a qualified Mechanical Engineer from the Politecnico di Torino and holds an EMBA from the John Molson School of Business at Concordia University (Montreal, Canada).He joined ALA in 2019 as Chief Commercial Officer and was appointed CEO in 2022.He brings over 20 years of experience in commercial and supply chain management in the Aerospace & Defence sector. From 2010 to 2014, he was Commercial Director & Regional General Manager at Pattonair. He also spent nine years at Mecaer Aviation Group (MAG), where he held various roles of increasing responsibility, contributing to the transformation of the Montreal facility from a local make-to-print production site into a globally recognised integrator of landing gear systems for helicopters and business aircraft.

Chief

Claudio Pezzullo
Chief Operating Officer & General Manager Italy

Claudio holds a degree in Aerospace Engineering from the University of Naples Federico II, where he also worked as an Associate Professor in “General Aircraft Design, Flight Test and Wind Tunnel Tests.”He completed a postgraduate course in International Business Engineering as part of the Finmeccanica Corporate MBA ("Fhink") in Rome. Claudio joined ALA in 2016 and was appointed Chief Operating Officer in 2018.Since 2022, he has also served as General Manager for Italy. Previously at Alenia Aermacchi – Finmeccanica (now Leonardo), he was Sales and Programme Manager for Boeing programmes (including the 787) and previously led Procurement for subcontracts, managing sourcing, contract negotiation, and aerostructure supply.

Christian De Santis
Chief Commercial Officer

Christian joined ALA in 2019 as Business Development & Sales Director, launching a new business unit in Northern Italy.

He was appointed Chief Commercial Officer in 2022.He has over 15 years of experience in Commercial and Supply Chain management in the Aerospace & Defence sector.

Previously, he served as Commercial Director & Site Lead at Pattonair, responsible for both Italy and the UK. Christian studied in Milan, earning a degree in Economics & Marketing from IULM University, followed by a Master’s Degree in Sales Excellence from SDA Bocconi.

Raffaele Carriola
Chief Financial Officer

Raffaele holds a degree in Economics and Business from the University of Naples Federico II, where he also qualified as a Chartered Accountant. He has over 25 years of experience in Accounting and Financial Reporting, Tax Consulting, Financial Management, and Planning & Control across various economic and industrial sectors. Raffaele joined ALA Group in 2011.From 2009 to 2011, he was Head of Administration, Finance, and Control at a textile manufacturing company specialising in outerwear. From 1997 to 2000, he worked as a tax and accounting consultant at leading firms in Naples, specialising in financial statement preparation and audit. From 2000 to 2008, he was Financial Controller at Partesa Srl, a holding company within the Heineken Italia Group, operating in the Ho.Re.Ca. sector for Food & Beverage products. From 2008 to 2009, he was Head of Administration, Finance, and Control at BC Service, a company active in mass distribution and retail of costume jewellery and fashion products.

Nevia Crispino
Chief Human Resources Officer

Nevia joined ALA in 2014 as HR Manager for Italy and is now Chief Human Resources Officer. From 2010 to 2014, she was HR Manager at Gruppo De Nigris – Acetifici Italiani Modena. Previously, she worked in Recruitment, Training and HR Development at EMA – Europea Microfusioni Aerospaziali S.p.A., part of the Rolls-Royce Group. Nevia holds a degree in Law from the University of Naples Federico II.

Salvatore Vastano
Chief Quality Officer

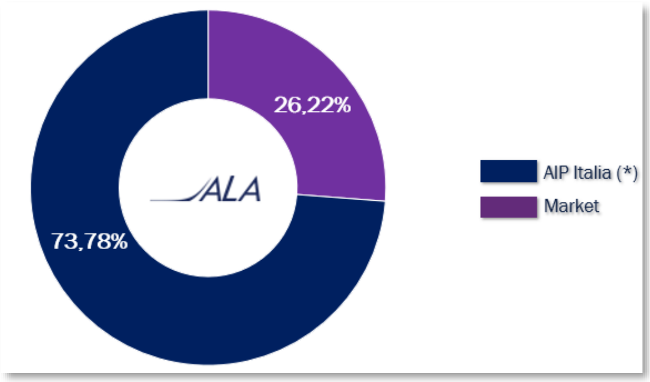
Salvatore joined ALA in 2016 in the Quality department, and today serves as Chief Quality Officer.

At ALA he has held several roles within the Quality & Compliance function, including those of Quality Assurance Representative and Quality Manager for Italy. In November 2019, he temporarily served as Deputy General Manager of ALA France, focusing on harmonising business processes and enhancing operational efficiency. Salvatore earned a degree in Aerospace Engineering from the University of Naples Federico II. After graduation, he gained experience in Quality Management within the biomedical sector, later specialising in aerospace through work at a build-to-print component manufacturer.

SHAREHOLDING STRUCTURE

On 20 July 2021, Borsa Italiana, part of the Euronext Group, welcomed ALA to Euronext Growth Milan, Borsa Italiana's market dedicated to small and medium-sized enterprises.

As at 31 December 2024, the Company's free float amounted to 26.22% of the outstanding shares, while shareholders with significant holdings (above 3%) collectively represented approximately 4.65% of the share capital. The Company's market capitalisation as at 31 December 2024 was Euro 223,944,000 (compared to Euro 144,028,500 as at December 2023).



The share capital of ALA S.p.A. remains at Euro 9,500,000, represented by 9,030,000 ordinary shares with no indication of nominal value.

INVESTOR RELATIONS ACTIVITIES

Since its listing on Borsa Italiana, the Group has established a dedicated Investor Relations office with the aim of ensuring transparency in communications, building market confidence in the Group, and promoting a long-term investment approach to its stock.

Creating value for shareholders and stakeholders is one of ALA's key priorities. The Group's strategic and financial communication policy is based on high standards of transparency and clarity. Corporate procedures and activities are designed to enhance the credibility of communication flows from the Group to the market. The goal is to increase market trust towards the Group itself and support a long-term investment perspective, avoiding information asymmetries and ensuring the effectiveness of the principle that all current and potential investors have the right to access the same information in order to make informed investment decisions.

For the disclosure of interim and annual financial results, the Company holds dedicated conference calls with institutional investors and financial analysts. During 2024, the Group continued to actively engage with the financial community. Top managers participated in numerous industry events and conferences, organised by leading international brokers, and took part in one-to-one and group meetings with potential investors, as well as in thematic roadshows.

The Investor Relations function also maintained continuous contact with institutional investors through the Group's website www.alacorporation.com, which provides corporate documents, press releases, and all relevant Group information in both Italian and English.
Additionally, the site includes the financial calendar, shareholders' meeting documentation, the Code of Ethics, and other important documents disclosed to the market.

MACROECONOMIC SCENARIO

Air Traffic Trends

The latest edition of the “Global Outlook for Air Transport”, published by IATA (International Air Transport Association) in December, confirmed that the passenger air transport sector experienced growing traffic volumes throughout 2024.The chart below illustrates the trend of the two key industry indicators: RPK (Revenue Passenger-Kilometres) and ASK (Available Seat-Kilometres).

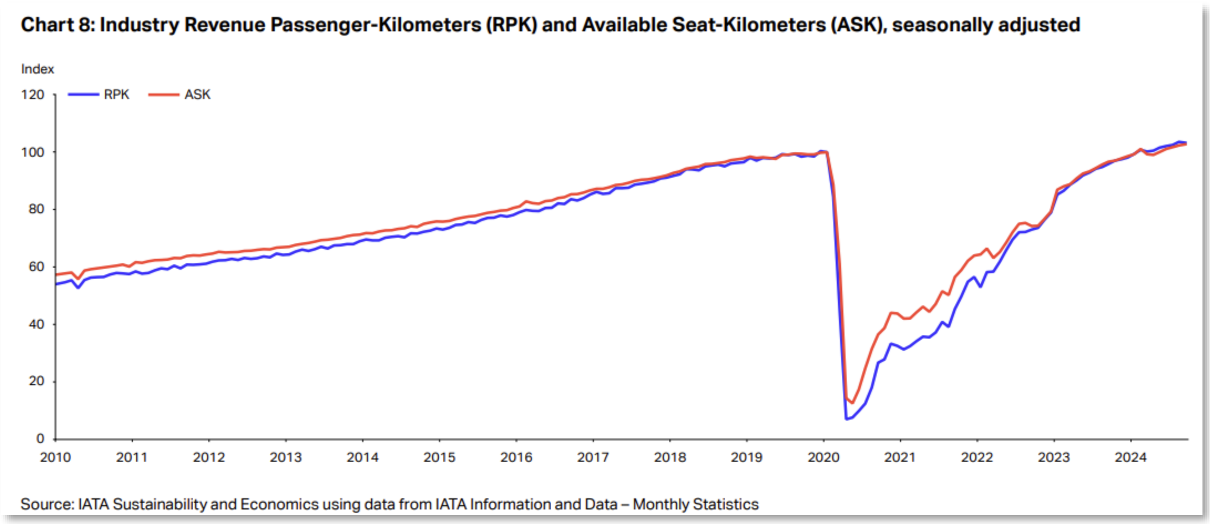


Chart 8: Industry Revenue Passenger-Kilometers (RPK) and Available Seat-Kilometers (ASK), seasonally adjusted

Source: IATA Sustainability and Economics using data from IATA Information and Data – Monthly Statistics

Source: Global Outlook for Air Transport, IATA, December 2024

Cargo transport demand was also strong during 2024, driven by e-commerce activities and constraints in maritime shipping. The year 2024 thus confirmed once again that the civil aviation sector is characterised by extremely solid fundamentals and macroeconomic drivers. Forecasts for 2025 suggest continued growth, with pre-pandemic passenger traffic levels expected to be exceeded across all global regions, and cargo demand projected to maintain its upward trajectory.

In the long term, IATA forecasts a Compounded Annual Growth Rate (CAGR) of 3.8% for the period 2023–2043, with the Asia-Pacific region expected to grow faster than any other region worldwide.

Table 2: Compound annual growth rate (CAGR) and net growth in passenger numbers, 2023-2043

Region	CAGR (2023 – 2043)	Additional passengers by 2043, million
Africa	3.7%	182
Asia Pacific	5.1%	2,609
Europe	2.3%	662
Middle East	4.1%	314
North America	3.0%	763
Latin America	3.0%	200
World	**3.8%**	**4,138**

Source: Air Passenger Forecasts, February 2024 update

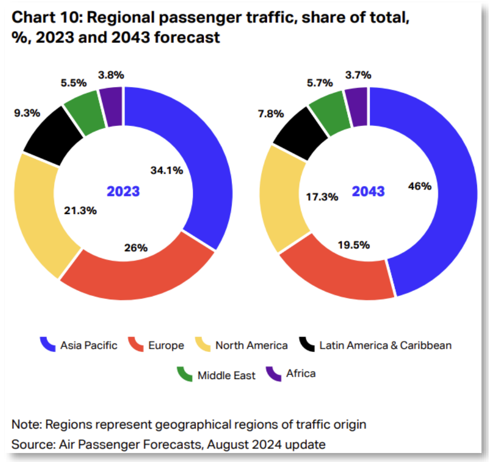


Chart 10: Regional passenger traffic, share of total, %, 2023 and 2043 forecast

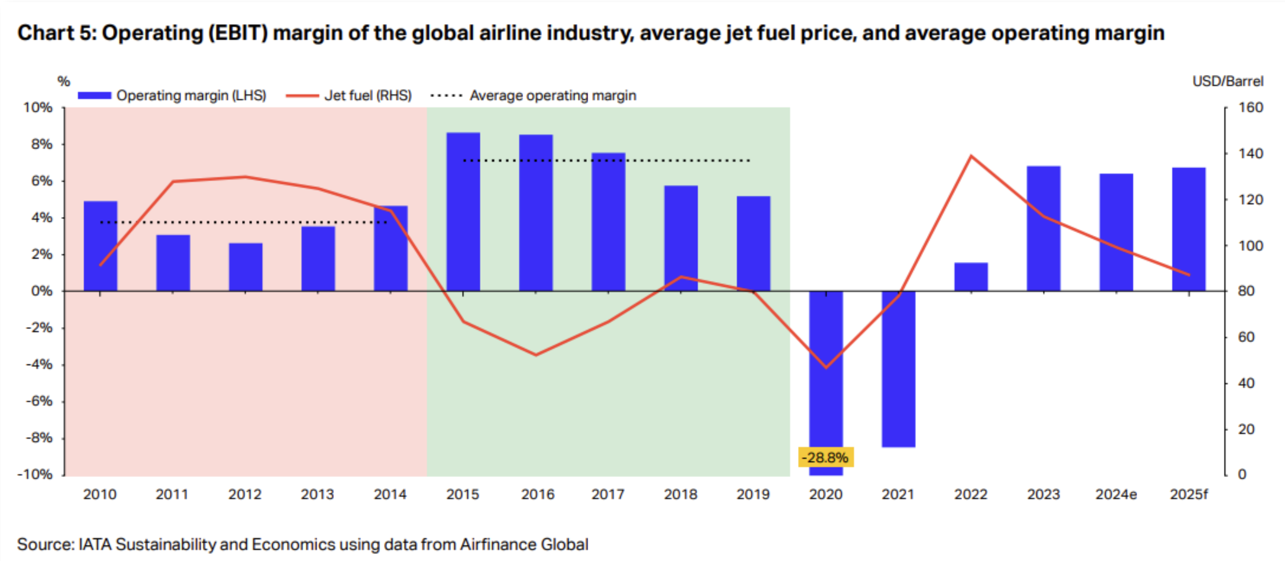
Note: Regions represent geographical regions of traffic origin
Source: Air Passenger Forecasts, August 2024 update

Source:Global Outlook for Air Transport, IATA, December 2024

Airline profitability

Despite significant increases in both labour costs and operating expenses - mainly due to delays in the delivery of new aircraft and higher maintenance costs for ageing fleets - airline net profitability is expected to reach around USD 31.5 billion in 2024, equivalent to approximately 3.3%.

For 2025, IATA forecasts that airline industry revenues will, for the first time in history, exceed USD 1 trillion, with a slight increase in profitability, reaching a new record of 3.6%.This improvement is partly attributed to the anticipated reduction in fuel costs - with Brent crude prices falling by 20% during 2024 - as fuel remains by far the largest cost item for industry operators. Load factors are expected to remain high, given the ongoing supply chain issues projected to persist into 2025 and beyond.



Source: Global Outlook for Air Transport, IATA, December 2024

Airbus and Boeing

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

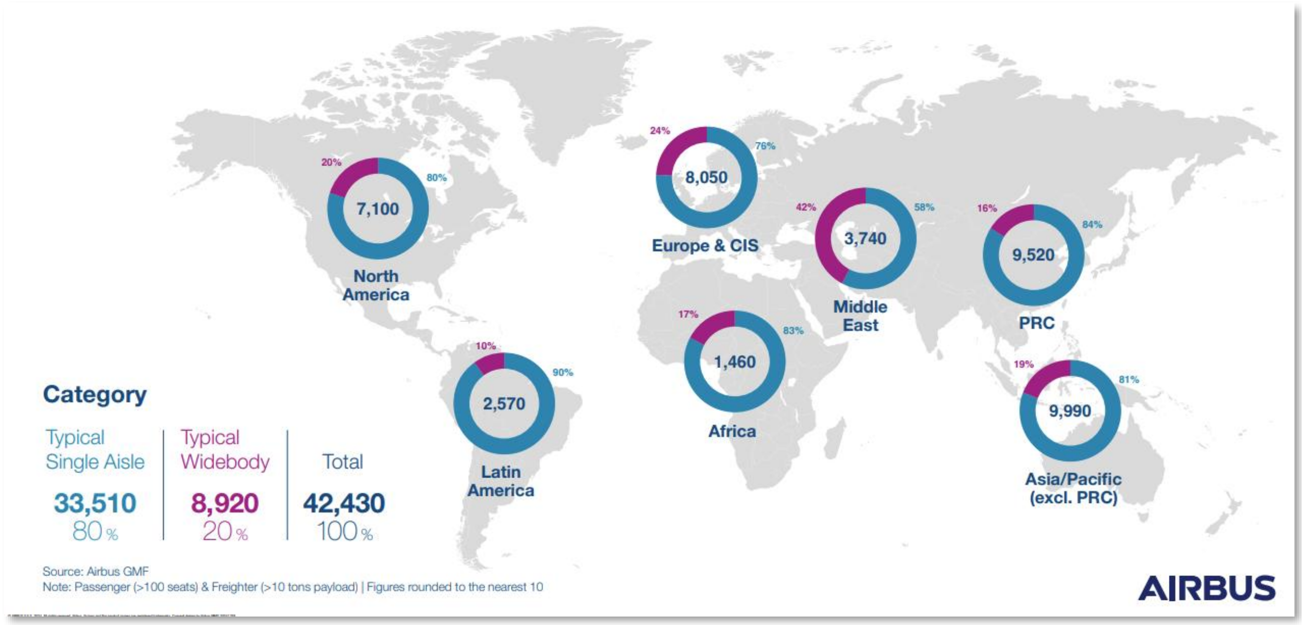
During 2024, Airbus and Boeing collected net orders (i.e. net of cancellations) for 826 and 377 aircraft, respectively, and delivered 766 and 348 aircraft, respectively. For reference, in 2023 Airbus had delivered 735 aircraft while Boeing 528.The year 2024 thus was the sixth consecutive year in which Airbus overtook Boeing in deliveries.

The order books of both OEMs remain at extremely robust levels, with 8,658 aircraft for Airbus and 5,595 for Boeing. For both major manufacturers, the vast majority of the order backlog consists of single-aisle aircraft (Airbus A220, A320; Boeing 737).
It will be very interesting to observe in the coming years the ability of Airbus and Boeing to increase their production accruals and above all 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.

It will also be of interest to monitor the progress made by China's COMAC in terms of ramp-up, certification, and commercialisation of its C919 single-aisle aircraft.

Both Airbus and Boeing estimate that more than 42,000 new aircraft will be required globally for passenger and cargo transport over the next 20 years (2024–2043).As an example, below is the geographical breakdown of this demand as projected by Airbus in its Global Market Forecast 2024.



Source: Airbus Global Market Forecast 2024

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 Défense 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 Défense sector will therefore continue 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 defence, and between production and aftermarket. In particular, the ALA Group is the only one in the world that can say it offers its products and services strategically on all three major aircraft in the Défense sector, such as Lockheed Martin's F-35 JSF, the Eurofighter consortium's Thyphoon 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 127% of pre-pandemic levels in 2025.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.

Growth Prospects and Challenges for the Sector

With the post-pandemic recovery phase effectively over, there are numerous growth opportunities available for Aerospace and Défense 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 (continuously growing) 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 relevant continuing inflationary scenarios on raw materials, energy and transport costs; pressure on labour costs; uncertainty on interest rates and exchange rate volatility in an increasingly interconnected global market, grappling with changing political arrangements.

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, castings), 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, 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 fast and 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 labour 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, as well as Electrical Interconnection Systems (production and installation of electrical cabling through the Spanish subsidiaries SCP and Sintersa).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 Défense 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), the provision of integrated logistics services (attributable to the Group's Service Provider business area), and electrical harnesses production activities (through the subsidiaries SCP and Sintersa).

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 around Euro 131 million in 2021 to Euro 291 million at 31 December 2024 (+122%; CAGR 30.5%).

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 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 their growth targets, 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.
From a strategic point of view, the focus will stay on the Aerospace and Defence sectors, 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 Space. 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 Management Report of the ALA Group at 31 December 2024, which we submit for your examination and attention, shows a net profit of Euro 16,843,756 (Euro 9,787,480 at 31 December 2023), of which Euro 16,879,945 attributable to the Group (Euro 9,830,245 at 31 December 2023).

Group Performance and Results

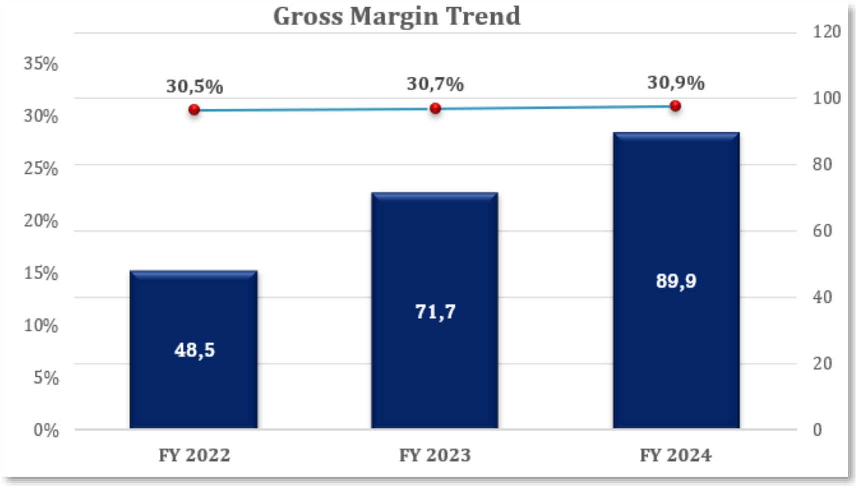
Income Statement	2,024	2,023
Revenues Service Providers	120,540	89,529
Revenues Distribution	140,291	120,716
Revenues Production	23,146	18,793
Revenues on site assembly	5,912	3,267
Revenues Others	1,064	768
Total Revenues	**290,953**	**233,073**
COGS	(201,090)	(161,413)
Gross Margin	**89,863**	**71,660**
% on Total Revenues	*30.9%*	*30.7%*
Service Costs	(19,008)	(17,287)
Leaseholds Costs	(3,513)	(2,889)
Other Operating Expenses	(811)	(758)
Labour Costs	(30,713)	(25,308)
Total Costs	**(54,044)**	**(46,252)**
EBITDA	**35,819**	**25,408**
% on Total Revenues	*12.3%*	*10.9%*
Depreciation	(441)	(61)
Amortization	(4,601)	(4,133)
Total D&A	**(5,042)**	**(4,194)**
Provision for risk	**55**	**-**
EBIT	**30,721**	**21,213**
% on Total Revenues	*10.6%*	*9.1%*
Financial Income/Loss	**(7,003)**	**(6,221)**
Financial Adjust. (exchange difference)	95	(69)
EBT	**23,814**	**14,924**
% on Total Revenues	*8.2%*	*6.4%*
Taxes	**(6,970)**	**(5,136)**
Net Income	**16,844**	**9,787**
% on Total Revenues	*5.8%*	*4.2%*

Amounts in Euro thousands

Total Revenues – Euro 290.95 million: as at 31 December 2024, production value reached a record high of Euro 290.95 million, compared to Euro 233.1 million in the previous year, representing a YoY increase of +24.8%.This increase was certainly due to a significant improvement in the performance of the main business lines.

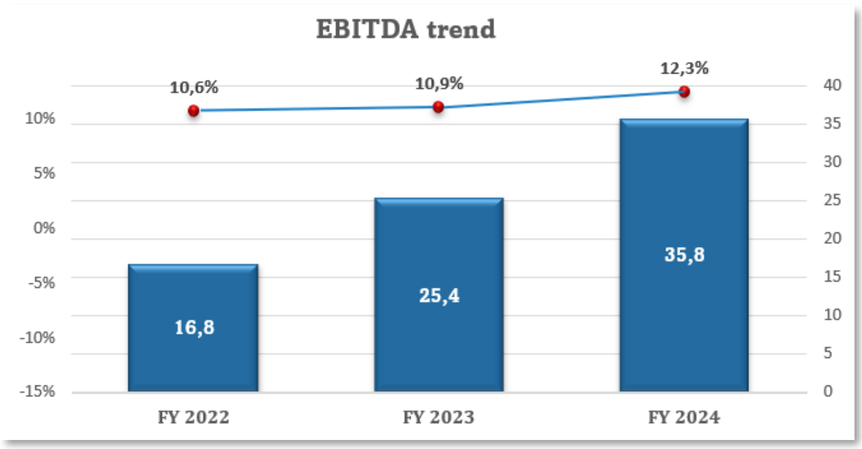
Cost of Goods Sold – Euro 201.1 million: the cost of goods sold reflected the increase in revenues, recording an increase in absolute value of approximately Euro 39.7 million compared to the previous financial year (Euro 51.2 million), with also a lower incidence, in percentage terms, on revenues (about 69.1% compared to 69.3% in 2023).

Gross Margin – Euro 89.9 million: compared to the financial year 2023, in correlation with the increase in total revenues shown above, the Group showed a Gross Margin on Total Revenues of approximately 30.9%, improved on the previous year 2023 by about 0.2 percentage points.



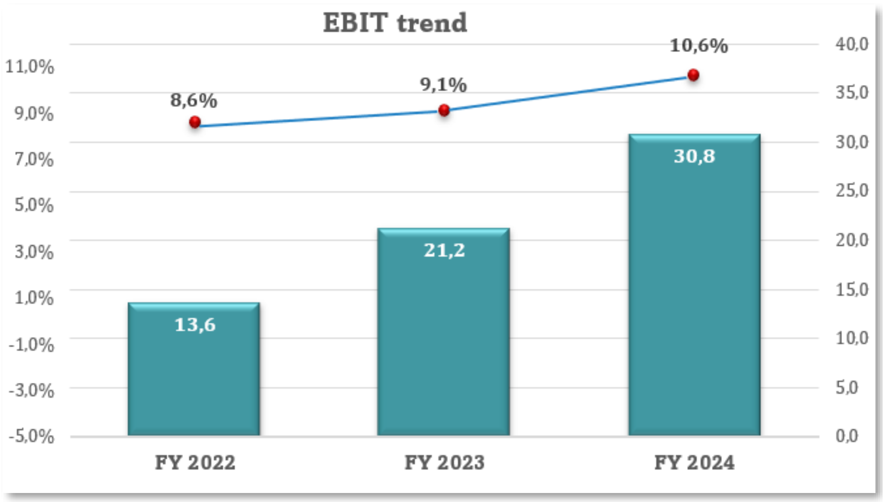
Total Costs – Euro 54.0 million: total costs increased by approximately Euro 7.8 million. In particular, the main increases were attributable to labour cost for approximately Euro 5.4 million and to service costs and other operative expenses for approximately Euro 2.4 million.

EBITDA (Gross Operating Margin) – Euro 35.8 million: the EBITDA shows a significant increase of +41.0% compared to 2023, highlighting the quality of the additional revenues recorded by the ALA Group in 2024.



Depreciation & Amortization – Euro 5.0 million: they increased by approximately Euro 0.8 million compared to the previous financial year, mainly as a result of the higher capex and goodwill relating to the purchase of the Spanish equity investments.

EBIT – Euro 30.7 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 9.5 million from the value recorded at 31 December 2023 (Euro 7.6 million), mainly due to the increase in the value of production. The EBIT trend demonstrates a consistent improvement over previous financial years. The asset-light structure adopted by the group over time has allowed it to have an EBIT that is not significantly different from the EBITDA.



Financial Income/Loss – loss of Euro 6.9 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 entered into.

Earnings Before Tax – profit of Euro 23.8 million: the pre-tax result was around Euro 8.9 million higher than in previous year, as a result of the above. The percentage on Total Revenues went from 6.4% in the previous financial year to 8.2% in the reporting year, showing a reduction of approximately 1.8 percentage point.

Income taxes – equal to Euro 7.0 million: this amount includes approximately Euro 7.4 million in current taxes, along with the recognition of deferred and prepaid tax adjustments for an amount of approximately Euro 428 thousand. The effective tax rate for the year stands at around 29%, compared to approximately 34% in the 2023 financial year.

In light of the above, Net Income at 31 December 2024 amounted to approximately Euro 16.9 million, up by around 72.1% compared to the result at 31 December 2023 (Euro 7.1 million).

GROUP FINANCIAL POSITION AND CASH FLOWS

Amounts in Euro thousands	2,024	2,023	Change
Net Working Capital [1]	89,703	61,158	28,545
Fixed Assets	41,091	42,407	(1,316)
Non-Current Provisions/Liabilities	(6,549)	(8,933)	2,384
Net Invested Capital	**124,245**	**94,632**	**29,613**
Net Debt/(Cash)	47,713	29,173	18,540
Shareholders' Equity	76,532	65,459	11,073
Total Sources of Finance	**124,245**	**94,632**	**29,613**

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

Net Working Capital – Euro 89.7 million: net working capital at period end showed an increase, compared to the previous financial year, of approximately Euro 28.6 million, deriving mainly from the increase in inventories compared to 31 December 2023.

Fixed Assets – Euro 41.1 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 30.6 million).

Provisions – Euro 6.5 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 Spanish group Sintersa SCP, as provided for in the purchase agreement of September 2022, Euro 2,072 thousand to the estimate of the long-term incentive plan for Group 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 recognition of the second earn-out tranche due under other payables.

Net Invested Capital – Euro 124.2 million: this item increased by around Euro 29.6 million compared to 2023 and the change mainly referred to an increase in net working capital.

Net Debt (Cash) – Euro 47.7 million: the net financial position showed an increase in debt of about Euro 18.5 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	2,024	2,023	Change
Non-current Financial Liabilities	(45,029)	(42,665)	(2,364)
Current Financial Liabilities	(33,833)	(20,760)	(13,072)
Cash and Cash Equivalents	31,148	34,252	(3,104)
Net (Debt)/Cash	**(47,713)**	**(29,173)**	**(18,540)**

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

Shareholders' Equity – Euro 76.5 million: this item changed due to the result for the financial year 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 of the previous financial year:

Amounts in Euro thousands	2024	2023	Change
ASSETS			
Cash and Banks	31,148	34,252	(3,104)
Receivables from Customers	37,115	30,044	7,071
Prepayments and Accrued Income	672	904	(232)
Other Receivables	5,599	4,754	845
Inventories and WIP	119,785	91,022	28,763
A) Total Current Assets	**194,319**	**160,976**	**33,343**
Financial Assets	407	472	(65)
Technical Assets	6,411	4,584	1,827
Intangible Assets	34,273	37,352	(3,079)
Total Fixed Assets	**41,091**	**42,407**	**(1,316)**
TOTAL ASSETS	235,410	203,383	32,027

Amounts in Euro thousands	2024	2023	Change
LIABILITIES			
Payables to Banks and Other MT Financial	33,832	20,760	13,072
Accounts Payable	57,968	52,707	5,261
Accrued Expenses and Deferred Income	306	262	44
Tax Payables	4,614	2,707	1,907
Other Payables	3,989	3,874	111
Advances from Customers	6,595	6,017	578
B) Total Current Liabilities	**107,301**	**86,326**	**20,974**
Payables to Banks and Other MLT Financial Payables	45,029	42,665	2,364
Provisions	6,548	8,933	(2,385)
Total MLT Liabilities	**51,577**	**51,597**	**(20)**
TOTAL LIABILITIES	158,878	137,924	20,954

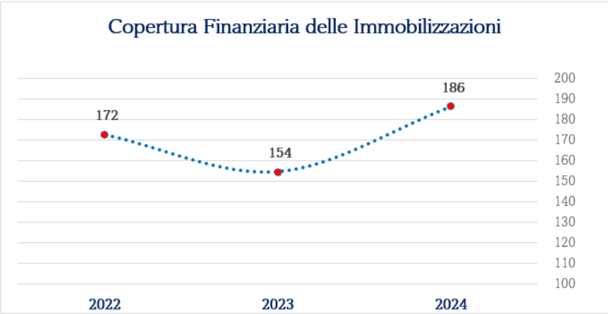
Amounts in Euro thousands	2024	2023	Change
Shareholders' Equity			
Share Capital	9,500	9,500	-
Legal Reserve	2,080	2,080	-
Other Reserves	3,608	3,021	587
Share Premium Reserve	17,900	17,900	-
Retained Profit Brought Forward	26,600	23,171	3,430
Profit (Loss) for the year	16,844	9,787	7,056
Total Shareholders' Equity	**76,532**	**65,459**	**11,073**
TOTAL LIABILITIES + SHAREHOLDERS' EQUITY	235,410	203,383	32,027
Net Working Capital (A-B)	87,018	74,650	12,369

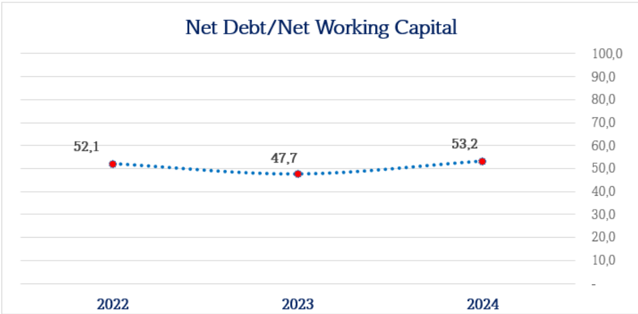
(Euro thousands)

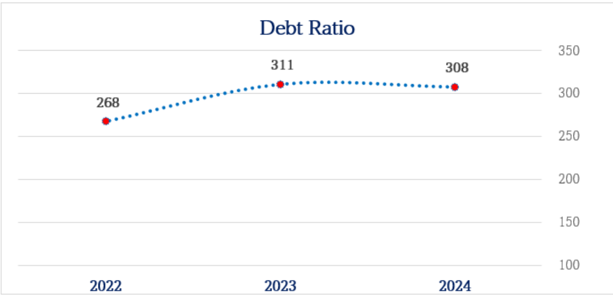
FINANCIAL PERFORMANCE INDICATORS

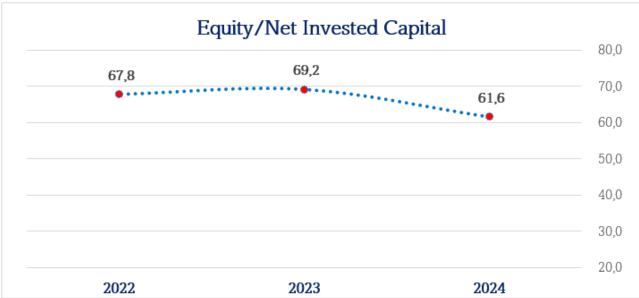
The main financial performance indicators at 31 December 2022, 31 December 2023 and 31 December 2024 are shown below. All indicators show a marked improvement of the financial structure and a high level of capitalization both with respect to investments and net working capital.

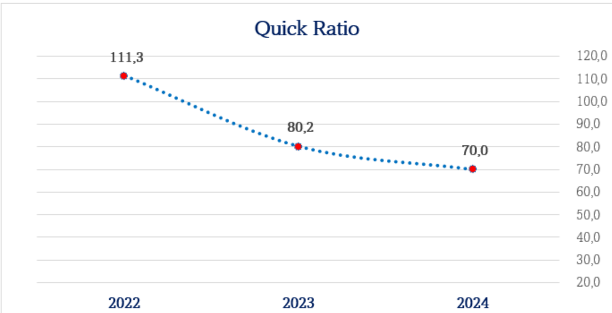
Financial KPIs	2,024	2,023	2,022
Fixed Asset Coverage Ratio	186	154	172
Net Debt/Net Working Capital	53.2	47.7	52.1
Debt Ratio	307	311	268
Equity/Net Invested Capital	61.6	69.2	67.8
Current Ratio	184	186	206
Quick Ratio	70.0	80.2	111.3

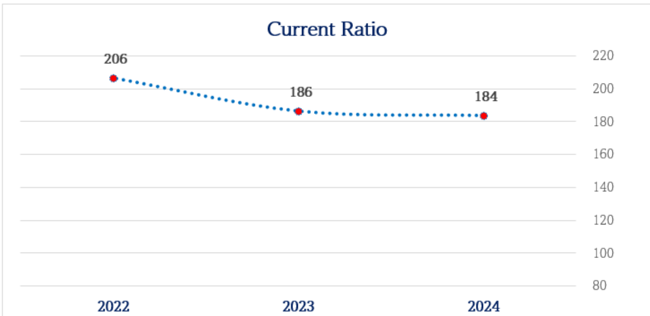












The trend of all financial indicators shows a satisfactory situation both in terms of liquidity and investment sustainability, largely covered by equity and an adequate debt ratio. In particular, *equity/net invested capital ratio* decreased from 69.2 to 61.6 in percentage terms. The *debt ratio* slightly decreased from 311 at December 2023 to 308 at December 2024. The *fixed asset coverage ratio* increased from 154 to 187, while the *ratio of net debt to working capital* increased from 47.7 in the previous year to 53.2 as at 31 December 2024. As for immediate liquidity, the quick ratio decreased from 80.2 to 70.0 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 Group does not exhibit significant exposure to risks related to assets or liabilities denominated in currencies other than the euro, as the majority of contracts are settled in the domestic currency.
This type of risk has been classified as "medium", taking into account the following factors:

1) Adoption of Consolidated Financial Statements, involving the conversion of local currencies into euros, which creates an administrative (non-financial) effect that cannot be offset;

2) Inventory held in foreign currencies (purchased and sold in the same currency): the impact of this depends on the storage period before sale, which can significantly affect the gross margin;

3) Cross-selling operations (purchasing and selling in different currencies): in these cases, hedging is generally not applicable, unless currency negotiation is possible directly with the supplier or customer;

4) Financial exchange rate impact (due to the collection of receivables and settlement of payables in foreign currencies): this is the only aspect that can be mitigated at the Finance level, and it affects the exchange rate below the EBITDA threshold.

Credit Risk

Credit risk represents the exposure of the Group companies to potential losses arising from counterparties failing to meet their contractual obligations. The ALA Group is not particularly exposed to credit risk in view of the quality of its customers, mainly consisting of 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 analyses 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 – pursuant to the “Provisions relating to transactions with related parties” issued by Consob with Regulation 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 31 December 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 year were concluded. Finally, it should be noted that there were no changes or developments in the related-party transactions described in the Management Report for financial year 2024.

It should be noted that receivables recorded in the Interim Financial Statements at 31 December 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 for about Euro 154 thousand.

As at 31 December 2024, payables to the parent company amounted to approximately Euro 2.728 thousand, of which Euro 802 thousand relate to commercial transactions, while the remainder refers to tax liabilities accrued during the current year, resulting from the tax consolidation agreement between the parties.

The economic items recognized in the Financial Statements at 31 December 2024 refer for around Euro 1,187 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 around Euro 18 thousand to revenues for intercompany services rendered to the Parent Company.

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 S.p.A.	154,262	(2,728,482)
Total	**154,262**	**(2,728,482)**

Reconciliation of Costs/Revenues	ALA S.p.A.	
	Costs	Revenues
A.I.P.Italia S.p.A.	1,187,295	18,000
Total	**1,187,295**	**18,000**

PERSONNEL INFORMATION

At the end of 2024, the Group's workforce consisted of approximately 646 employees divided between the Italian offices (Pozzuoli, 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, Barcelona).The table below 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.

	2,022	2,023	2,024
Average workforce	486	507	646

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

In 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 2024, the ALA Group undertook the renewal audit for the certification of the Quality Management System according to EN9120:2018.The activity covered all sites already included in the current Group certification, with the addition of the new headquarters in Texas, USA, with a total number of 25 audit days. The audit process concluded without any non-conformities being issued by the Certification Body, which consequently renewed the relevant certificate until August 2027.

In addition to the certification audit, internal audit activities (for a total of 31 audits) and audits at our suppliers (for a total of 14 audits) were also carried out during 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.

Export Compliance

During 2024, only one intra-community transfer was recorded concerning armament material for the parent company ALA Spa. During the year, the Group also renewed its TULPS licences (authorising the possession and sale of defence-related materials) for its operational sites in Pozzuoli (Naples) and San Maurizio Canavese (Turin).

It should also be noted that in the last part of the year a consultancy project started 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.The aforementioned project will be completed by the first quarter of 2025.

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, with the maintenance audit completed in December 2024.

Information Security Management System

In the second half of 2024, the Group launched a Global Project aimed at obtaining certification under the ISO 27001:2022 Information Security Management System (ISMS) standard. The certification body IMQ has been contracted to oversee the process. The project builds upon the established certification of ALA North America (certified since 2020), and will include the main operational sites of ALA S.p.A., ALA UK, ALA France, and ALA Germany.

The objective is to achieve Group-wide ISO 27001 certification - mirroring the existing Group approach to the EN 9120 certification - by the first half of 2025.

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 SpA is responsible for filing the consolidated tax returns for IRES purposes.

Financial Instruments

As regards the interest rate derivatives outstanding at 31 December 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 Financial Statements at 31 December 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.

SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

In 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 as at 31 December 2024 show a new and significant improvement in economic and financial performance compared to the figures as at 31 December 2023.In 2024, the ALA Group also performed in line with the most recent and challenging estimates of stock market analysts, sustaining a run-rate both in terms of value of production and EBITDA that was clearly up on the previous year and 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, Défense and Rail.

In particular, in the 12-month period to 31 December 2024, the ALA Group recorded a value of production and EBITDA that were 24.8% and 41.0% higher, respectively, than in 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 agreed 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 Défense 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

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.

In addition, following the analysis of corporate ESG performance, the Group Parent Company ALA S.p.A. obtained for the second year on a row a sustainability rating that showed a high degree of awareness of the environmental, social and governance issues being scored.

ALA Trees Forest

In 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 1,800 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 Pavillon 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 investors had the opportunity to meet the Company 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 corporate news.

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).

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 & Défense 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 Défense 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.

SIGNIFICANT EVENTS THAT OCCURRED AFTER 31 December 2024

Participation in the Aero India Show

In February 2025, the ALA Group participated for the first time in its history in the prestigious Aero India show held in Bangalore, a biennial event now in its 15th edition and with more than 900 exhibiting companies. In fact, the ALA Group looks with great interest at future business development opportunities in the region.

Participation in the Verticon Show

In March 2025, the company participated in the Verticon show, formerly known as Heli Expo, held in Dallas, Texas. Verticon is the world's largest event for the rotary wing market, where the ALA Group is already present with customers of absolute prestige, both in Europe and North America.

Participation in Aeromart Montreal

Also in March 2025, ALA Group participated in the Aeromart B2B event in Montreal, Quebec, Canada. Montreal is the world's third largest hub for the aeronautics and defense sector and a region of strategic interest for the company's future growth.

GOING CONCERN

The Consolidated Financial Statements at 31 December 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 analysed 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 financial year, the analysis of related-party transactions and the significant events that occurred during the year.

During the financial year 2024, the performance of the ALA Group significantly 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 Financial Statements at 31 December 2024 based on the going-concern assumption.

BUSINESS OUTLOOK

It is legitimate to expect that air traffic demand and Défense spending will continue to grow in the next future, 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 Défense 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 programme 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 those manufacturers still struggling with production 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 next future with optimism, also considering the robust order intake over the past 12 months.

In the wake of the record results achieved in 2024, the ALA Group will aim to further strengthen its position among the world's leading players in the industry. 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, Asia Pacific and Middle East markets, where the ALA Group still occupies a marginal position compared to the existing potential.

From an operating point of view, the focus will remain on maintaining excellent customer service levels in both Service Provider and Stocking Distribution. 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.

In 2025, ALA Group will remain committed to the ongoing ramp-up of the logistics platform dedicated to the customer Dassault Aviation.

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 undertaken especially in the last 5 years of international growth, continuous improvement of profitability and creation of value and wealth for its shareholders.

Naples, 27 March 2025

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

02_CONSOLIDATED FINANCIAL STATEMENTS

BALANCE SHEET ASSETS

	31 December 2024	31 December 2023
B) Fixed Assets		
I – Intangible Assets		
1) Start-Up and Expansion Costs	2,259,709	3,003,732
4) Concessions, Licenses, Trademarks and Similar Rights	463,763	460,925
5) Goodwill	30,586,648	32,733,526
6) Assets in Progress and Advance Payments	-	-
7) Other	962,896	1,153,377
Total Intangible Assets	*34,273,016*	*37,351,560*
II – Tangible Assets		
1) Land and Buildings	509,387	533,495
2) Plant and Machinery	2,142,576	1,592,690
3) Industrial and Commercial Equipment	1,307,408	1,509,535
4) Other Assets	1,951,775	947,794
5) Assets in Progress and Advance Payments	499,483	-
Total Tangible Assets	*6,410,630*	*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	372,655	369,268
Total Receivables	372,655	369,268
4) Derivative Financial Instruments	14,632	82,820
Total Financial Assets	*407,287*	*472,088*
Total Fixed Assets (B)	*41,090,932*	*42,407,161*
C) Current Assets		
I – Inventories		
1) Raw and Ancillary Materials and Consumables	1,062,203	954,182
2) WIP and Semi-Finished Goods	2,641,412	1,984,119
4) Finished Products and Goods	113,249,457	84,411,601
5) Advances	2,831,828	3,671,712
Total Inventories	119,784,900	91.021.614
II – Receivables		
1) Receivables from Customers	36,960,514	29,074,915
due within one year	36,960,514	29,074,915
4) Receivables from Parent Companies	154,262	969,212
due within one year	154,262	969,212
5-bis) Tax Receivables	4,502,202	3,755,050
due within one year	4,502,202	3,755,050
5-ter) Deferred Tax Assets	424,780	214,674
5-quater) Other Receivables	672,009	784,591
due within one year	672,009	784,591
Total Receivables	*42,713,766*	*34,798,441*
IV – Cash and Cash Equivalents		

1) Bank and Postal Deposits	31,143,058	34,248,219
3) Cash at Hand and in Bank	5,316	3,751
Total Cash and Cash Equivalents	*31,148,374*	*34,251,969*
Total Current Assets (C)	*193,647,041*	*160,072,024*
D) Prepayments and Accrued Income	671,945	903,873
Total Assets	235,409,918	203,383,058

BALANCE SHEET LIABILITIES

	31 December 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	2,080,076	2,080,076
VI – Other Reserves, separately indicated		
Advance for Future Capital Increase	1,719,999	1,719,998
Consolidation Reserve	1,381,470	1,191,947
Translation Reserve	718,264	153,987
Rounding Reserve	-	-
Total Other Reserves	*3,819,733*	*3,065,932*
VII – Reserve for Expected Cash Flow Hedges	(246,407)	(153,039)
VIII – Profits (Losses) Carried Forward	26,600,480	23,170,543
IX- Profit (Loss) for the year	16,879,945	9,830,245
X - Negative Reserve for Own Shares in Portfolio	-	-
Total Shareholders' Equity Attributable to the Group	*76,533,827*	*65,393,756*
Shareholders' Equity Attributable to Non-Controlling Interests		
Capital and Reserves Attributable to Non-Controlling Interests	34,679	108,345
Profit (Loss) for the Year Attributable to Non-Controlling Interests	(36,189)	(42,764)
Total Shareholders' Equity Attributable to Non-Controlling Interests	*(1,510)*	*65,581*
Total Consolidated Shareholders' Equity	*76,532,317*	*65,459,337*
B) Provisions for Risks and Charges		
2) Provisions for Taxes, including deferred	172,214	316,372
3) Provisions for Derivative Financial Instruments	261,038	235,858
4) Other	5,741,194	8,021,642
Total Provisions for Risks and Charges	6,174,447	8,573,872
C) Employee Severance Indemnity	373,746	358,832
D) Payables		
3) Payables for Shareholder Loans	-	-
4) Payables to Banks	76,445,142	62,993,931
due within one year	31,416,290	20,329,182
due beyond one year	45,028,852	42,664,750
5) Payables to Other Lenders	2,416,069	430,643
due within one year	2,416,069	430,643
6) Advance Payments	6,594,898	6,016,852
due within one year	5,047,771	6,016,852

due beyond one year	1,547,127	-
7) Accounts Payable	55,239,771	51,987,231
due within one year	55,239,771	51,987,231
11) Payables to Parent Companies	2,728,482	720,138
due within one year	2,728,482	720,138
12) Tax Payables	4,613,720	2,706,889
due within one year	4,613,720	2,706,889
13) Payables to Social Security Institutions	1,016,102	934,576
due within one year	1,016,102	934,576
14) Other Payables	2,968,929	2,938,970
due within one year	2,968,929	2,938,970
Total Payables	*152,023,113*	*128,729,231*
E) Accrued Expenses and Deferred Income	**306,295**	**261,786**
Total Liabilities	**235,409,918**	**203,383,058**

CONSOLIDATED INCOME STATEMENT

	31 December 2024	31 December 2023
A) Value of Production		
1) Revenues from Sales and Services	288,875,303	229,566,577
2) Change in Inventories of WIP, Semi-Finished and Finished Products	1,013,927	2,981,826
5) Other Revenues and Income		
a) Grants	184,081	342,436
b) Other	879,566	182,329
Total Other Revenues and Income	*1,063,647*	*524,765*
Total Value of Production	*290,952,877*	*233,073,167*
B) Cost of Production		
6) Cost of Raw, Ancillary and Consumable Materials and Goods for Resale	228,718,990	183,733,906
7) Service Costs	17,127,197	15,898,906
8) Leasehold Costs	3,512,639	2,871,302
9) Labour Costs		
a) Wages and Salaries	23,752,687	18,777,366
b) Social Security Costs	5,909,688	4,651,745
c) Employee Severance Indemnity	502,153	649,492
e) Other Costs	2,330,201	1,257,077
Total Labour Cost	*32,494,728*	*25,335,680*
10) Amortization & Depreciation and Write-downs		
a) Amortization of Intangible Assets	3,534,052	3,329,265
b) Depreciation of Tangible Assets	1,067,668	803,908
d) Write-Downs of Current Receivables and Cash and Cash Equivalents	440,372	60,954
Total Amortization & Depreciation and Write-Downs	*5,042,092*	*4,194,126*
11) Changes in Raw, Ancillary and Consumable Materials and Goods for Resale	(27,529,824)	(20,932,536)
12) Provisions for Risks	55,000	-
14) Other Operating Expenses	810,616	757,959
Total Cost of Production	*260,231,439*	*211,859,343*
Difference Between Value and Cost of Production (A - B)	**30,721,438**	**21,213,825**

C) Financial Income/Charges		
16) Other Financial Income d) Income Other Than the Above	360,836	143,094
Total Income Other Than the Above	*360,836*	*143,094*
Total Other Financial Income	*360,836*	*143,094*
17) Interest and Other Financial Charges		
c) Interest and Other Financial Charges (to Parent Companies)	1,187,295	707,575
d) Other	6,179,121	5,656,984
Total Interest and Other Financial Charges	*7,366,416*	*6,364,559*
17-bis) Gains and Losses on Foreign Exchange	97.726	(68,541)
Total Financial Income/Charges (15+16-17+-17-bis)	***(6,907,853)***	***6,290,006***
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)	**23,813,585**	**14,923,818**
20) Income Taxes for the Year – Current, Deferred and Prepaid		
a) Current taxes	7,397,574	4,460,254
b) Taxes Relating to Previous Years	(150,065)	(133,791)
c) Deferred and Prepaid Taxes	(277,680)	809,876
d) Income (Charges) from Tax Consolidation/Transparency Regime	-	-
Total Income Taxes for the Year – Current, Deferred and Prepaid	*6,969,829*	*5,136,338*
21) Profit (Loss) for the year	**16,843,756**	**9,787,480**
Profit (Loss) for the Year Attributable to Non-Controlling Interests	**(36,189)**	**(42,764)**
Profit (Loss) for the Year Attributable to the Group	**16,879,945**	**9,830,245**

CONSOLIDATED CASH FLOW STATEMENT

	31 December 2024	31 December 2023
A) Cash Flows from Operating Activities (Indirect Method)		
Profit (Loss) for the year	16,843,756	9,787,480
Income Taxes	6,969,829	5,136,338
Interest Expenses/(Income)	6,795,326	6,290,006
(Dividends)	-	-
Capital (Gains)/Losses Deriving from the Disposal of Assets	-	-
1) Profit (Loss) for the Year Before Income Taxes, Interest, Dividends and Capital Gains/Losses	***30,608,911***	***21,213,824***
Adjustments for Non-Cash Items Not Offset in Net Working Capital	-	-
Provisions	4,626,959	10,711,578
Amortization & Depreciation of Fixed Assets	4,601,720	4,133,172

Write-Downs for Impairment Losses	440,372	60,954
Adjustments for Non-Cash Financial Assets and Liabilities Related to Derivative Financial Instruments	470,908	(567,025)
Other Adjustments for Non-Cash Items	734,147	139,434
Total Adjustments for Non-Cash Items Not Offset in Net Working Capital	*10,874,107*	*14,478,113*
2) Cash Flow Before Changes in Net Working Capital	***41,483,017***	***35,691,937***
Changes in Net Working Capital		
Decrease/(Increase) in Inventories	(31,380,983)	(25,621,170)
Decrease/(Increase) in Accounts Receivables	(8,237,851)	(3,437,967)
Increase/(Decrease) in Accounts Payables	3,252,540	17,604,375
Decrease/(Increase) in Prepayments and Accrued Income	231,928	(351,994)
Increase/(Decrease) in Accrued Expenses and Deferred Income	44,508	108,801
Other Decreases/(Other Increases) in Net Working Capital	2,093,719	104,415
Total Changes in Net Working Capital	*(33,996,141)*	*(11,593,539)*
3) Cash Flow After Changes in Net Working Capital	***7,486,877***	***24,098,398***
Other Adjustments		
Interest Collected/(Paid)	(7,366,416)	(4,993,240)
(Income Taxes Paid)	(1,932,051)	(1,481,603)
Dividends Collected	-	-
(Use of Provisions)	(4,685,225)	(2,632,482)
Other Collections/(Payments)	-	-
Total Other Adjustments	*(13,983,692)*	*(9,107,326)*
Cash Flow from Operating Activities (A)	***(6,496,815)***	***14,991,072***
B) Cash Flows from Investing Activities		
Tangible Assets		
(Investments)	(2,894,784)	(1,987,246)
Disposals	-	20,114
Intangible Assets		
(Investments)	(455,508)	(9,586,079)
Disposals	-	-
Financial Assets		
(Investments)	(3,387)	(43,424)
Disposals	-	-
Financial Assets not held as fixed assets	-	-
Disposals	68,188	107,655
(Acquisition of Business Units Net of Cash and Cash Equivalents) *	-	-
Cash Flow from Investing Activities (B)	***(3,285,491)***	***(11,488,979)***
C) Cash Flows from Financing Activities		
Borrowings		
Increase/(Decrease) in Short-Term Payables to Banks	8,402,135	2,215,651
New Loans	13,500,000	16,500,000
(Loan Repayments)	(8,450,924)	(12,619,587)
Self-Financing		
Capital Increases	-	-
(Dividends and Interim Dividends Paid)	(6,772,500)	(4,244,100)
Cash Flow from Financing Activities (C)	***6,678,711***	***1,851,964***
Increase (Decrease) in Cash and Cash Equivalents (A ± B ± C)	***(3,103,595)***	***5,354,056***
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	3,750	4,583
Total Cash and Cash Equivalents at the Start of the Year	***34,251,969***	***28,897,913***
of which unavailable		
Closing Balance of Cash and Cash Equivalents		
Bank and Postal Deposits	31,143,058	34,248,219
Cheques	-	-
Cash at Hand and in Bank	5,316	3,750
Total Cash and Cash Equivalents at the End of the Year	***31,148,374***	***34,251,969***
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, Défense, 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 FINANCIAL STATEMENTS AT 31 DECEMBER 2024

The Consolidated Financial Statements as at 31 December 2024 and this Explanatory Note have been prepared in accordance with the Italian Civil Code provisions relating to annual financial statements, as amended by Legislative Decree No. 139/2015 implementing EU Directive 2013/34, and in compliance with the provisions of the Euronext Growth Milan Issuers' Regulation, as well as the national accounting standards and interpretative documents issued by the Italian Accounting Standards Board (OIC) in force as of 31 December 2024.The Consolidated Financial Statements consist of the following: the Balance Sheet (prepared in accordance with Articles 2424 and 2424-bis of the Italian Civil Code), the Income Statement (in accordance with Articles 2425 and 2425-bis of the Italian Civil Code), the Cash Flow Statement (prepared pursuant to Article 2425-ter of the Italian Civil Code), also considering the adjustments provided by OIC 17, and this Explanatory Note.

This Explanatory Note is intended to provide explanation, analysis, and, where necessary, supplementary information on the financial statement data. It contains the information required under Article2427 of the Italian Civil Code, in line with the amendments introduced by Legislative Decree 139/2015 and the national accounting standards and OIC documents in force as at 31 December 2024.Where necessary, the financial statements of the subsidiaries have been adjusted to ensure alignment with the accounting standards of the Parent Company.

The consolidated reporting date corresponds with the financial year-end of all companies included in the consolidation scope. For the purposes of consolidation, the financial statements approved by the respective Shareholders' Meetings or governing bodies of the individual companies were used; where not available, pro-forma financial positions prepared by the administrative bodies were applied.

These consolidated financial statements have been presented in comparative form with the previous year’s data, and are accompanied by a Reconciliation Statement between the Parent Company’s equity and profit/loss and those of the consolidated financial statements.

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 Decree127/91.

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 shown.

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

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

The Consolidated Financial Statements at 31 December 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 Financial Statements at 31 December 2024 did not entail the need for derogations for exceptional cases, as provided for by Article 29, Paragraph 4, of Italian Legislative Decree127/1991.

The Consolidated Financial Statements at 31 December 2024 of the Group were approved by the Board of Directors on 27 March 2025, as indicated in the financial calendar available on the Company's website, with publication on the same date.

These Consolidated Financial Statements are audited by PricewaterhouseCoopers S.p.A.

SCOPE OF CONSOLIDATION

The Consolidated Financial Statements at 31 December 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 Financial Statements at 31 December 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 31 December 2024 and the operating results, financial position and cash flows at 31 December 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
SINTERSA PORTUGAL LDA	Lisbon (PT)	100	Sintersa Sistemas de Interconexion	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, if in Italy, or Foreign Country	Share Capital in Euro (**)	Profit (Loss) for the Last Financial Year in Euro (**)	Shareholders' Equity in Euro (**)	Shareholding in Euro (**)	Shareholding %
Westbury Electronic Service Inc	USA (New York)	19,251	(278,866)	1,313,434	1,313,434	100.00
A.L.A.North America Inc.	USA (New York)	48,128	1,340,279	6,255,256	6,255,256	100.00
ALA Uk ltd	UK (London)	120,601	1,084,271	9,819,828	9,819,828	100.00
ALA France Sas	France (Toulouse)	2,409,524	2,696,524	5,662,688	5,662,688	100.00
ALA Yail Aerotech Israel LTD	Israel (Tel Aviv)	5,279	(73,854)	1,217,466	620,908	51.00
ALA Germany GmbH	Germany (Hamburg)	195,000	609,651	983,167	983,167	100.00
Suministros De Conectores Profesionales S. A	Spain (Madrid)	60,101	2,079,177	6,095,297	6,095,297	100.00

Sistemas De Interconexion, S. A	Spain (Madrid)	60,101	2,318,811	9,083,547	9,083,574	100.00
Sintersa Portugal LDA	Portugal (Lisbon)	1,000	66,747	336,537	336,537	100.00

(**) Figures from the Financial Statements/accounting 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 Financial Year in Euro	Shareholders' Equity in Euro	Shareholding in Euro	Shareholding %	Book Value
Distretto Tecnologico Aerospaziale della Campania S.C.A R.L.(data at 31/12/2023)	VIA Partenope, 5 80122 NAPLES	907,500	-	907,499	20,629	2.27	20,000

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

The Consolidated Financial Statements at 31 December 2024 are based on the accounting statements at 31 December 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 year 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. In addition, as of the current financial year, the scope of consolidation includes Sintersa Portugal Lda, a company based in Lisbon, which is in turn controlled by Sistemas De Interconexion, S.A. 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 unfavourable 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 unfavourable 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 year 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 Year Attributable to Non-Controlling Interests") and Income Statement "Profit (Loss) for the Year 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 year 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 year 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 31 December 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 year-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 year for Income Statement items.

The difference between the result for the year deriving from the conversion at average exchange rates and that resulting from the conversion at year-end exchange rates, and the effect of changes in exchange rates between the start and the end of the year 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 year 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 31 December	2024
EUR/USD	1.0389
EUR/GBP	0.8292
EUR/ILS	3.7885
Source: Bank of Italy	
Average Exchange Rates at 31 December	**2024**
EUR/USD	1.08240
EUR/GBP	0.84662
EUR/ILS	4.00670
Source: Bank of Italy	

BASIS OF PREPARATION FOR THE CONSOLIDATED FINANCIAL STATEMENTS AT 31 December 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 Decree127/1991), 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 favour 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 31 December 2023:

- The measurement of items in the Consolidated 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 year, while risks and losses pertaining to the financial period were taken into account, even if known after year end.
- The application of the accrual basis resulted in the effect of transactions being recorded in the accounts of the financial year to which they refer and not in the period in which their collections and payments were made.
- The preparation of the Consolidated Financial Statements at 31 December 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 year in which they are found to be necessary and appropriate, if such changes only affect such financial year, and in the following years if the changes affect both current and subsequent years.
- 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 year. 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 financial year 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 year pursuant to special laws on the subject. For the preparation of the Consolidated Financial Statements at 31 December 2024, the same measurement criteria adopted by the Parent Company were applied, suitably adjusted to take into account the provisions of Italian Legislative Decree127/91 concerning the preparation of the Consolidated Financial Statements.

The measurement criteria adopted for the preparation of the Consolidated Financial Statements at 31 December 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 year, 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 favourable 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 31 December 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 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 Financial Statements 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 year 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 year, 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 year.
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 31 December 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 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 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 Article2426, 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 year end, 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.

Accrued Expenses and Deferred Income

The accruals and deferrals item includes costs and revenues pertaining to the current financial year but payable or receivable in future years, as well as costs and revenues incurred within the year but relating to future periods, in line with the accrual accounting principle. 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 financial year 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 year 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 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 year on the basis of current legislation (Article 2120 of the Italian Civil Code) and collective labour agreements, net of any use.

The provision corresponds to the total of the individual positions accrued at 31 December 2006 in favour 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 year, 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 year.

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

Sales revenue from the provision of services relating to core operations is recognized net of returns, discounts, allowances and bonuses, as well as taxes directly connected with the sale of products and/or the provision of services. Revenue is recognized in accordance with the provisions of the new OIC 34 standard, applicable for financial statements for periods beginning on or after 1 January 2024, which is divided into the following phases:

• determination of the total price of the contract;
• identification of the elementary unit of metering;
• enhancement of elementary accounting units; and
• recognition of revenues.

The total price of the contract can be deduced from the contractual clauses. Any additional consideration is included in the total price of the contract of sale only when it becomes reasonably certain.

The Group analyses sales contracts in order to establish which are the elementary units of accounting, i.e. whether a single sales contract can give rise to several rights and obligations to be accounted for separately in relation to the individual goods, services or other services promised to the customer. The individual elementary accounting units are not separated when the goods and services provided for in the contract are integrated or interdependent with each other, the services provided for in the contract are not part of the characteristic activities, each of the services provided for in the sales contract is carried out in the same financial year and when, in the presence of contracts that are not particularly complex, the separation of the individual elementary accounting units would produce insignificant effects on the total amount of revenues.

Taking into account the above and on the basis of the analyses carried out, the Group believes that the individual sales contracts entered into in the previous year and in the previous year contain a single basic accounting unit. After determining the value of the basic accounting units, the Group proceeds to recognize the revenues in the financial statements on the basis of the accrual principle.

For elementary accounting units representing the sale of goods, revenue is recognized when both of the following conditions are met:
• the substantial transfer of the risks and rewards associated with the sale has taken place; and
• the amount of revenues can be reliably determined.

Costs

Costs are accounted for on an accrual basis, regardless of the date of collection and payment, net of returns, discounts, rebates and premiums. Transactions with related entities took place at arm's length.

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 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 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 previous financial 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 the current assets of the subsequent year.

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 34,273,016 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	2,259,709	(744,023)	(25%)
4) Concessions, Licenses, Trademarks and Similar Rights	460,925	463,763	2,838	1%
5) Goodwill	32,733,526	30,586,648	(2,146,878)	(7%)
6) Assets in Progress and Advance Payments	-	-	-	-
7) Other	1,153,377	962,896	(190,481)	(17%)
Total	**37.351.560**	**34,273,016**	**3,078,544**	**(8%)**

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 Year	**3,003,732**	**460,925**	**32,733,526**	**-**	**1,153,377**	**37,351,560**
Increases	192,262	228,265	-	-	3,890	424,417
Decreases	-	-	-	-	-	-
Translation Differences	21,676	-	-	-	9,415	31,091
Depreciation	(957,961)	(225,427)	(2,146,878)	-	203,786	(3,534,052)
Net Value at End of Year	**2,259,709**	**463,763**	**30,586,648**	**-**	**962,896**	**34,273,016**

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

Start-Up and Expansion Costs amounted to Euro 2,259,709 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 444.7 thousand, (ii) recognition as expansion costs of costs for internal work of approximately Euro 885.5 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 Group 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, totalling Euro 463,763, 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 30,586,648 net of amortization for the financial year and referred to the goodwill incorporated in the purchase price for the two Spanish companies Sintersa and SCP for Euro 29,423 thousand, goodwill incorporated in the purchase price for the companies ALA France and ALA UK for Euro 782 thousand, and goodwill generated with the acquisition of ALA Germany, for approximately Euro 382 thousand. With reference to goodwill recognized on the acquisitions of ALA France, ALA UK and ALA Germany, it should be noted that the Company determined a useful life of 10 years.

As regards the goodwill of the Spanish Group, 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).

Moreover, with reference to the abovementioned 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 such goodwills, 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, as the results achieved in 2023 are substantially in line with forecasts.

Other Intangible Assets amounted to Euro 962,896 and mainly included expenses for leasehold improvements incurred by the Group 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 financial year was recorded in the Income Statement for a total of Euro 3,534,052.

Increases compared to the previous year mainly referred to investments made by the Parent Company ALA S.p.A.

Tangible Assets

Tangible assets amounted to Euro 6,410,630 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	509,387	(24,108)	(5%)
2) Plant and Machinery	1,592,690	2,142,576	549,885	35%
3) Industrial and Commercial Equipment	1,509,535	1,307,408	(202,126)	(13%)
4) Other Assets	947,794	1,951,775	1,003,982	106%
5) Assets in Progress and Advance Payments	-	499,483	499,483	N.A.
Total	**4,583,514**	**6,410,63**	**1,827,116**	**40%**

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 Year	**533.495**	**1,592,690**	**1,509,535**	**947,794**	**-**	**4,583,514**
Increases	3,572	538,202	509,409	1,338,544	499,483	2,889,210
Decreases/Reclassifications	-	392,576	(400,703)	8,127	-	-
Translation Differences	-	1,818	(1,658)	5,414	-	5,414
Depreciation	(27,680)	(382,711)	(309,174)	(348,104)	-	(1,067,668)
Net Value at End of Year	**509,387**	**2,142,576**	**1,307,408**	**1,951,775**	**499,483**	**6,410,630**

Land and Buildings amounted to Euro 509,387 and referred to the properties, mainly warehouses, owned by the Group Parent Company.

Plant and Machinery, totaling Euro 2,142,576, consisted of various systems owned by the Group Parent Company: electrical, fire and alarm systems, telephone equipment, including the OIC Accounting Standard 17 reclassification for Euro 367 thousand, used for consolidation purposes, of the leasing agreement signed by the Group 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”. This item also includes approximately Euro 387 thousand for the purchase of new machinery and equipment for the new Seville site of the Sintersa Group, and Euro 103.9 thousand for investments made by the French subsidiary.

Industrial and Commercial Equipment for Euro 1,307,408 included various small equipment, warehouse shelving and other miscellaneous equipment. The increase for the year in question is mainly attributable to ALA UK (Euro 21 thousand), the Parent Company (Euro 28 thousand), ALA France (Euro 24.9 thousand), the company Sintersa for the new headquarters in Seville (Euro 429.6 thousand).

Other Assets, with a net worth of Euro 1,951,775, included office furniture and furnishings, mainly for the headquarters at Mostra d’Oltremare in Naples, and various electronic machinery and forklifts. The increase in the year under review is mainly attributable to the Parent Company (Euro 129.8 thousand) and to Sintersa for the opening of the new Seville office (Euro 1,183 thousand).

Depreciation for the financial year was recorded in the Income Statement for a total of Euro 1,067,668.

Financial Assets

Financial assets, at 31 December 2024, amounted to Euro 407,287 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.

List of Equity Investments in Other Companies:

Company Name	City, if in Italy, or Foreign Country	Share Capital in Euro	Profit (Loss) for the Last Financial Year in Euro	Shareholders' Equity in Euro	Shareholding in Euro	Shareholding %	Book Value
Aerospace Technology District della Campania S.C.A R.L.(data at 31/12/2023)	VIA Partenope, 5 80122 NAPLES	907,500	-	907,499	20,629	2.27	20,000

Financial Assets – Receivables

Receivables classified under financial assets amounted to Euro 372,655.The breakdown of the individual items and changes for the financial year at 31 December 2024 are shown in the table below:

Description	Initial Net Value	Final Net Value	Change
Other Receivables (due within 12 months)	369,268	372,655	(3,387)
Total	**369,268**	**372,655**	**(3,387)**

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	14,632	68,188
Total	**82,820**	**14,632**	**68,188**

As at 31 December, Derivative Financial Instruments classified under assets amounted to Euro 14,632 (Euro 82,820 in the previous year).The item included the positive fair value of the Interest Rate Swap agreements outstanding at 31 December 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:

Type of contract	Operation number	Notional Contract Amount	Underlying currency	Date of signing	Start date	Expiry Date	MTM Euro 31/12/2024
Interest Rate Swap with floor +0.0%	IRG05064253	5,000,000	EUR	03 August 2021	03 August 2021	03 August 2025	**14,632**

As regards the interest rate derivatives outstanding at 31 December 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 31 December 2024 amounted to Euro 119,784,900 net of the provision for inventory obsolescence for Euro 10,891,392.

Description	Initial Net Value	Final Net Value	Change	% Change
Raw and Ancillary Materials and Consumables	954,182	1,062,203	108,021	11%
WIP and Semi-Finished Goods	1,984,119	2,641,412	657,293	33%
Inventories of Finished Products	84,411,601	113,249,457	28,837,856	34%
Advance Payments	3,671,712	2,831,828	(839,884)	(23%)
Total Inventories of Finished Products	**91,021,614**	**119,784,900**	**28,763,286**	**32%**

Inventories of Finished Products and Goods were mainly attributable to the management of the Provider contract with the customer Leonardo SpA. 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**
Use during the financial year	(293,323)
Translation differences	203,331
Provision for the year	2,707,688
Balance at 31 December 2024	**10,891,392**

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 42,713,766 (Euro 34,798,441 in the previous year). 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	36,960,514	7,885,599
Receivables from Parent Companies	969,212	154,262	(814,950)
Tax Receivables	3,755,050	4,502,202	747,153
Deferred Tax Assets	214,674	424,780	210,106
Other Receivables	784,591	672,009	(112,582)
Total	**34,798,441**	**42,713,766**	**7,915,325**

Receivables from Customers totalled Euro 36,960,514 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 year end, taking into consideration uncollectible positions that have already arisen or that are deemed probable, and general economic, sector and country risks. At 31 December 2024, this provision amounted to Euro 1,316,638, of which Euro 897 thousand allocated to the provision for doubtful debts recorded in the Financial Statements of the Parent Company and Euro 244 thousand referred to the bad debt provision of the American subsidiaries.

	Value at Start of Year	(Uses)/other movements for the year	Provisions for the year	Value at End of Year
Provision for bad debts	832,311	(88,120)	572,447	1,316,638

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.

Receivables from parent companies, amounting to Euro 154,262, relate to commercial transactions conducted under normal market conditions and in accordance with contractual agreements.

Tax Receivables, equal to Euro 4,502,202, mainly include the VAT credit of the Group Parent Company for Euro 2,054 thousand, as well as tax credits which amounted to Euro 240.2 thousand at 31 December 2024.

Deferred Tax Assets, equal to Euro 424,780, 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 672,009, 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 31 December 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	9,858,722	18,058,126	9,043,666	36,960,514
Receivables from Parent Companies	154,262	-	-	154,262
Tax Receivables	3,132,659	1,364,946	4,597	4,502,202
Deferred Tax Assets	292,474	101,912	30,394	424,780
Other Receivables	116,917	356,006	199,086	672,009
Total	**13,555,034**	**19,880,989**	**9,277,743**	**42,713,766**

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 31,148,374 at 31 December 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	31,143,058	(3,105,161)	(9.07)%
Cash in Hand and at Bank	3,751	5,316	1,566	41.75%
Total	**34,251,969**	**31,148,374**	**(3,103,595)**	**(9.06)%**

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 31 December 2024 amounted to Euro 671,975.

Description	Initial Balance	Final Balance	Change	% Change
Prepayments	903,873	671,945	(231,928)	(26%)
Total	**903,873**	**671,945**	**(231,928)**	**(26%)**

Prepayments and accrued income referred mainly to prepayments for software fees, database and telecommunications fees and maintenance of the Parent Company for Euro 671,945.It should be noted that at 31 December 2024 there were no items with a duration of more than 5 years.

Information on Balance Sheet Liabilities

Shareholders' Equity

Shareholders' equity at 31 December 2024 amounted to a total of Euro 76,532,317 (Euro 65,459,337 at 31 December 2023), of which Euro 76,533,827 attributable to the Group, and Euro 1,510 attributable to non-controlling interests.

With reference to the financial year 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 2023	Allocation of Result	Translation Differences	Dividend Distribution	Other Changes	Result for the period	Balance at 31 December 2023
Shareholders' Equity:							
Attributable to the Group:							
I) Share Capital	9,500,000	-	-	-	-	-	9,500,000
IV) Legal Reserve	1,750,253	329,822	-	-	-	-	2,080,076
II) Share Premiums Reserve	17,900,000	-	-	-	-	-	17,900,000
VI) Other Reserves, separately indicated	-						-
Advance for Future Capital Increase	1,720,000	-	-	-	-	-	1,720,000
Euro Rounding	(2)	-	-	-	-	-	(2)
Consolidation Reserve	1,191,947	-	-	-	-	-	1,191,947
Translation Reserve	377,499	-	(223,511)	-	-	-	153,988
Total VI) Other Reserves, separately indicated	**3,289,443**	**329,822**	**(223,511)**	**-**	**-**	**-**	**3,065,933**
2.A.VII Reserve for Expected Cash Flow Hedges	190,475	-	-	-	(343,514)	-	(153,039)
VIII) Profits (Losses) Carried Forward	19,939,020	7,362,448	-	(4,244,100)	113,175	-	23,170,543
IX) Profit (Loss) for the Period	7,692,270	(7,692,270)	-	-	-	9,830,245	9,830,245
X) Negative Reserve for Own Shares in Portfolio	-	-	-	-	-	-	-
Total Shareholders' Equity Attributable to the Group:	**60,261,461**	**-**	**(223,511)**	**(4,244,100)**	**(230,339)**	**9,830,245**	**65,393,756**
Attributable to Non-Controlling Interests:							
Capital and Reserves Attributable to Non-Controlling Interests	56,719	130,419	15,348	-	(94,141)	-	108,345
Profit (Loss) Attributable to Non-Controlling Interests	130,419	(130,419)	-	-	-	(42,764)	(42,764)
Total Shareholders' Equity Attributable to Non-Controlling Interests:	**187,138**	**-**	**15,348**	**-**	**(94,141)**	**(42,764)**	**65,581**
Total Shareholders' Equity:	**60,448,599**	**-**	**(208,163)**	**(4,244,100)**	**(324,480)**	**9,787,480**	**65,459,337**

Description	Balance at 01 January 2024	Allocation of Result	Translation Differences	Dividend Distribution	Other Changes	Result for the period	Balance at 31 December 2024
Shareholders' Equity:							
Attributable to the Group:							
I) Share Capital	9,500,000	-	-	-	-	-	9,500,000
IV) Legal Reserve	2,080,076	-	-	-	-	-	2,082,576
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	-	-	(1,195,504)	-	1,717,500
Euro Rounding	(2)	-	-	-	2	-	(2)
Consolidation Reserve	1,191,947	-	-	-	189,523	-	1,381,470
Translation Reserve	153,988	-	813,813	-	(249,536)	-	718,264
Total VI) Other Reserves, separately indicated	**3,065,933**	**1,195,504**	**813,813**	**-**	**(1,255,515)**	**-**	**3,819,733**

2.A.VII Reserve for Expected Cash Flow Hedges	(153,039)	-	-	-	(93,368)	-	(246,407)
VIII) Profits (Losses) Carried Forward	23,170,543	8,634,741	-	(6,772,500)	1,567,697	-	26,600,480
IX) Profit (Loss) for the Period	9,830,245	(9,830,245)	-	-	-	16,879,945	16,879,945
X) Negative Reserve for Own Shares in Portfolio	-	-	-	-	-	-	-
Total Shareholders' Equity Attributable to the Group:	**65,393,756**	**-**	**813,813**	**(6,772,500)**	**222,375**	**16,879,945**	**76,533,827**
Attributable to Non-Controlling Interests:							
Capital and Reserves Attributable to Non-Controlling Interests	108,345	(42,764)	33,393	-	(64,295)	-	34,679
Profit (Loss) Attributable to Non-Controlling Interests	(42,764)	42,764	-	-	-	(36,189)	(36,189)
Total Shareholders' Equity Attributable to Non-Controlling Interests:	**65,581**	**-**	**33,393**	**-**	**(64,295)**	**(36,189)**	**(1,510)**
Total Shareholders' Equity:	**65,459,337**	**-**	**847,206**	**(6,772,500)**	**154,518**	**16,843,756**	**76,532,317**

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 Year as Reported in the Financial Statements of the Parent Company	71,623,356	13,062,213
Result for the Year of the Subsidiaries	9,842,789	9,842,789
Elimination of the Book Value of Consolidated Companies:		
a) Difference between the Book Value and Pro-Rata Value of Shareholders' Equity	4,133,642	-
b) Capital Gains/Losses Attributed at the Acquisition Date of the Investees	-	-
c) Consolidation Reserve	1,381,470	-
d) Translation Reserve	718,264	-
e) Change in the Scope of Consolidation	-	-
Amortization of Goodwill	(7,203,612)	(2,146,878)
Reversal of the Intercompany Cash-Flow Hedge Reserve	-	80,441
Other movements: elimination of intercompany dividends	(4,014,330)	(4,014,330)
Finance Lease Accounting Pursuant to IAS 17	50,739	19,521
Consolidated Shareholders' Equity and Net Income	**76,532,317**	**16,843,756**
Shareholders' Equity and Result for the Year Attributable to the Group	*76,533,827*	*16,879,945*
Shareholders' Equity and Result for the Year Attributable to Non-Controlling Interests	*(1,510)*	*(36,189)*

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	2,080,076	-	2,080,076	-
Share Premium Reserve	17,900,000	-	-	17,900,000
Other Reserves:Advance for Future Capital Increase	1,719,999	1,719,999	-	-
Other Reserves:Various	-	-	-	-
Other Reserves:Consolidation Reserve	1,381,470	-	-	1,381,470
Other Reserves:Translation Reserve	718,264	-	-	718,264
Reserve for Expected Cash Flow Hedges	(246,407)	-	-	(246,407)

Profits Carried Forward	26,600,480	-	26,600,480	-

Share Capital, which totalled Euro 9,500,000, is represented by the entire Share Capital of the Parent Company A.L.A.S.p.A. The capital increase of Euro 20 million relates to the issue of 2,000,000 ordinary shares resulting from the capital increase supporting the admission to trading of ALA's ordinary shares on the Euronext Growth Milan multilateral trading facility (formerly AIM Italia), organised and managed by Borsa Italiana S.p.A.('Borsa Italiana').

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 2,080,076, is formed by the allocation of 5% of the profits from previous years, as resolved by the Shareholders' Meeting.

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

Other Reserves amounted to Euro 3,819,733 and mainly consists of reserves pertaining to the Group Parent Company for Advance for Future Capital Increase equal to Euro 1,719,998, as well as the Consolidation Reserve, equal to Euro 1,381,470, and the Translation Reserve equal to Euro 718,264.

Profits Carried Forward attributable to the Group amounted to Euro 26,600,480 and derive from the consolidated results of previous periods.

Profit for the Year was equal to Euro 16,843,756, of which Euro 16,879,945 attributable to the Group, and Euro (36.189) attributable to non-controlling interests.

There is also a **Reserve for Expected Cash Flow Hedges** equal to Euro (246,407).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 31 December 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 31 December 2024, the Group recorded **Provisions for Risks and Charges** equal to Euro 6,174,447, broken down as follows:

Description	Initial Balance	Final Balance	Change
Deferred Taxes	316,372	172,214	(144,158)
Derivative Financial Instruments	235,858	261,038	25,180
Other	8,021,642	5,741,194	(2,280,448)
Total	**8,573,872**	**6,174,447**	**(2,399,425)**

The balance as of 31 December 2024 amounted to about Euro 6,174,447, mainly attributable to the Parent Company's financial statements and related for Euro 3,5 million to the recognition of earnout shares, to be paid to the former shareholders of the Spanish group Sintersa SCP, as provided for in the purchase agreement of September 2022, Euro 2,072 thousand to the estimate of the long-term incentive plan for Group 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 recognition of the second earn-out tranche due under other payables.

The change of Euro 25,180 compared to 31 December 2024 relates to the provision recognised for negative fair value derivative financial instruments as at the reporting date.

Institute	Type of contract	Operation number	Notional Contract Amount	Underlying currency	Date of signing	Start date	Expiry Date	MTM Euro 31/12/2024
BPM	Collar with split premium – amortizing	01-1-108	9,000,000	EUR	20 January 2023	31 March 2023	31 March 2027	**(44,322)**
DEUTSCHE BANK	Collar with split premium – amortizing	346,877	8,330,000	EUR	20 January 2023	31 March 2023	31 July 2027	**(43,661)**
BPER	Collar with split premium – amortizing	2023/0000619	7,170,000	EUR	20 January 2023	31 March 2023	31 March 2027	**(35,569)**
BPER	Interest Rate Swap with floor +0.0%	2023/0009540	3,000,000	EUR	15 November 2023	15 November 2023	15 May 2025	**(2,634)**
INTESA SANPAOLO	Interest Rate Swap	105,337,244	10,000,000	EUR	12 July 2024	12 July 2024	29 April 2027	**(134,850)**
	Total derivative liabilities							**(261,038)**

Employee Severance Indemnity

Employee Severance Indemnity referred exclusively to the balance of the Group Parent Company, which amounted to Euro 373,746 at 31 December 2024.The breakdown of individual items and changes during the period are shown below:

Description	Initial Balance	Provisions for the year	Payments to funds	Use during the financial year	Final Balance
Employee Severance Indemnity	358,833	502,325	(309,592)	(177,819)	373,746
Total	**358,833**	**502,325**	**(309,592)**	**(177,819)**	**373,746**

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 152,023,113 (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	76,445,142	13,451,211
Payables to Other Lenders	430,643	2,416,069	1,985,426
Advance Payments	6,016,852	6,594,898	578,046
Accounts Payable	51,987,231	55,239,771	3,252,540
Payables to Parent Companies	720,138	2,728,482	2,008,344
Tax Payables	2,706,889	4,613,720	1,906,831
Payables to Social Security Institutions	934,576	1,016,102	81,526
Other Payables	2,938,970	2,968,929	29,958
Total	**128,729,231**	**152,023,113**	**23,293,882**

Payables to Banks, equal to Euro 76,445,142 at 31 December 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	31,416,290	11,087,108
Due after 12 months	42,664,750	45,028,852	2,364,102
Total Payables to Banks	**62,993,931**	**76,445,142**	**13,451,211**

The increase in financial debt is primarily attributable to the new loan agreement entered into with the financial institute Intesa Sanpaolo for an amount of Euro 10 million, and the new financing line of Euro 3.5 million for the additional earn-out tranche, signed by the Parent Company.

Accounts Payable, equal to Euro 55,239,771, were ordinary in nature and included invoices to be received, net of credit notes pertaining to the year and yet to be received.

Payables to Parent Companies, equal to Euro 2,728,482 were attributable to the financial statements of the Group Parent Company and represented tax payables with the parent company AIP Italia SpA.

Tax Payables, all attributable to current operations, amounted to Euro 4,613,720; they mainly referred to payables for current taxes and other tax obligations of Group companies.

Payables to Social Security Institutions, equal to Euro 1,016,102, in line with previous year, referred mainly to payables due by Group Companies and employees to social security institutions, of which approximately Euro 350 thousand payable to INPS (National Social Security Institute).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 2,968,929, includes approximately Euro 1.746 million attributable to ALA S.p.A., consisting mainly of payables for deferred remuneration, as well as payables to employees and other collaborators.

The breakdown of payables by maturity, pursuant to Article2427, 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	31,416,290	45,028,852	-	76,445,142
Payables to Other Lenders	2,416,069	-	-	2,416,069
Advance Payments	5,047,771	1,547,127	-	6,594,898
Accounts Payable	55,047,771	-	-	55,239,771
Payables to Parent Companies	2,728,482	-	-	2,728,482
Tax Payables	4,613,720	-	-	4,613,720
Payables to Social Security Institutions	1,016,102	-	-	1,016,102
Other Payables	2,968,929	-	-	2,968,929
Total	**105,447,133**	**46,575,979**	**-**	**152,023,113**

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 31 December 2024 by geographical area is shown in the table below:

Description	Italy	EU	Non-EU	Total
Payables to Banks	62,811,829	12,806,690	826,623	76,445,142
Payables to Other Lenders	309,656	-	2,106,413	2,416,069
Advance Payments	387,822	6,106,934	100,141	6,594,898
Accounts Payable	23,038,106	18,245,521	13,956,114	55,239,771
Payables to Parent Companies	2,728,482	-	-	2,728,482
Tax Payables	1,452,631	2,081,110	1,079,979	4,613,720
Payables to Social Security Institutions	645,249	370,853	-	1,016,102
Other Payables	1,746,295	898,931	323,703	2,968,929
Total	**93,120,071**	**40,510,038**	**18,393,003**	**152,023,113**

Accrued Expenses and Deferred Income

Accrued expenses and deferred income recorded under liabilities for a total of Euro 306,295 (Euro 261,786 in the previous year) 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	306,295	44,509
Total	**261,786**	**306,295**	**44,509**

Information on the Income Statement

The Income Statement illustrates the result for the financial year.

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 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 31 December 2024 showed a balance of Euro 290,952,877 (equal to Euro 233,073,167 at 31 December 2023).

Value of Production	31 December 2023	31 December 2024	Change
Revenues from Sales and Services	229,566,577	288,875,303	59,308,726
Changes in Inventories of WIP, Semi-Finished and Finished Products	2,981,826	1,013,927	(1,967,899)
Other Revenues and Income	524,765	1,063,647	538,882
Total	**233,073,167**	**290,952,877**	**57,879,709**

Revenues from Sales and Services

Revenues from sales and services amounted to Euro 288,875,303, recording an increase of approximately 25.8% (Euro 59,308,726 in absolute terms) compared to the result for the previous financial year 2023 (Euro 229,566,577).This increase was certainly due to a significant improvement in the performance of the main Business lines.

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 balance of Euro 1,013,927 at 31 December 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 1,063,647 (Euro 524,765 in the previous financial year).This item consisted mainly of government grants and other ordinary miscellaneous income.

Cost of Production

Cost of production recorded a balance of Euro 260,231,439 (Euro 211,860,604 in the previous year).The main items are shown below, compared with the flows of the previous financial year.

Description	31 December 2023	31 December 2024	Change
Cost of Raw Materials	183,733,906	228,718,990	(44,985,083)
Service Costs	15,898,906	17,127,197	(1,228,291)
Leasehold Costs	2,871,302	3,512,639	(641,337)
Labour Costs	25,335,680	32,498,946	(7,159,048)
Amortization & Depreciation and Write-Downs	4,194,126	5,042,092	(847,966)
Changes in Raw, Ancillary and Consumable Materials and Goods for Resale	(20,932,536)	(27,529,824)	6,597,288
Provisions for Risks	-	55,000	(55,000)
Other Operating Expenses	757,959	810,616	(52,658)
Total	**211,859,343**	**260,231,439**	**(48,372,096)**

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.

As previously highlighted, this increase is mainly due to the growth in business volumes discussed earlier. In particular, the main increases were attributable to labour cost for approximately Euro 5.4 million and to service costs and other operative expenses for approximately Euro 2.4 million.

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 totalled Euro 228,718,990 (Euro 183,733,906 in the previous year).This increase, equal to approximately +24.5%, is primarily attributable to the rise in revenues, as detailed in the preceding sections.

Service Costs

Service Costs recorded under cost of production in the income statement amounted to Euro 17,127,197 (Euro 15,898,906 in the previous year).This figure was higher than the previous year both in absolute terms (up Euro 1,228,291) and percentage terms (7.7%).The increase is mainly attributable to the increase in turnover, referred to in the previous parts.

Leasehold Costs

Leasehold Costs recorded under cost of production in the income statement amounted to Euro 3,512,639 (Euro 2,871,302 in the previous year), net of the accounting of finance leases pursuant to financial methodology. This item mainly consisted of rents, vehicle and equipment leasing instalments and operating lease payments.

Labour Costs

This item included all expenses for employees, including costs for deferred charges accrued pursuant to the law and collective labour agreements.

At 31 December 2024, labour costs amounted to Euro 32,494,728 (Euro 25,335,680 in the previous year), an increase of approximately 28.3%.

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 3,534,052) and tangible assets (Euro 1,067,668).

During the 2024 financial year, only the provision for credit risks not covered by the policy was made for approximately Euro 352,613, of which Euro 295 thousand related to the Parent Company's accounting position, for approximately Euro 19.6 thousand to the subsidiary ALA North America, for approximately Euro 26.4 thousand to the subsidiary ALA UK and for approximately Euro 11.7 to the Spanish subsidiary SCP.

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	31 December 2023	31 December 2024	Change
Raw, Ancillary and Consumable Materials and Goods for Resale (initial / final inventory)	(20,932,536)	(27,529,824)	6,597,288
Total	**(20,932,536)**	**(27,529,824)**	**6,597,288**

The item under review showed a negative balance of Euro 27,529,824 at 31 December 2024.The amount is stated net of write-downs of the financial year for Euro 2,617,697, which reflect the obsolescence of goods that are no longer suitable for sale or slow moving.

Other Operating Expenses

Other operating expenses, amounting to Euro 810,616, are recorded under production costs in the income statement. These include residual cost components, of which Euro 451,000 relate to the Parent Company and Euro 178,000 relate to ALA North America.

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 financial year. As shown in the table below, the total value of the item was substantially in line with the previous financial year 2023.Instead, the trend differed for realized or unrealized gains and losses on foreign exchange, which recorded a more significant loss in 2024.

Financial Income/Charges	31 December 2023	31 December 2024	Change
Other Financial Income	143,094	360,836	217,743
Interest and Other Financial Charges	(6,364,559)	(7,366,416)	(1,001,857)
Gains (Losses) on Foreign Exchange	(68,541)	97,726	166,267
Total	**(6,290,006)**	**(6,907,853)**	**(617,847)**

Gains and Losses on Foreign Exchange

Gains on foreign exchange, equal to Euro 97,726 (losses for Euro 68,541 in the previous year) 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 31 December 2024, estimated on the basis of the exchange rates in force on the same date.

Income Taxes for the Year – Current, Deferred and Prepaid

This item showed a balance of Euro 6,969,829 (Euro 5,136,338 in the previous year), which represented the estimate of income taxes on profits realized at 31 December 2024 by the individual companies of the ALA Group based on the effective tax rate.

Description	31 December 2023	31 December 2024	Change
Income Taxes for the Year	4,460,254	7,397,574	2,937,321
Taxes Relating to Previous Years	(133,791)	(150,065)	(16,274)
Deferred and Prepaid Taxes	809,876	(277,680)	(1,087,556)
Total	**5,136,338**	**6,969,829**	**1,833,490**

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. Consolidation-related expenses amounting to Euro 3,625,063 are also reported.

IRAP for the year, which is not included in the tax consolidation scheme, amounted to Euro 1,067,822.

Other Information

The additional disclosures regarding the Consolidated Financial Statements at 31 December 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. The table below 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.

Average workforce	2,022	2,023	2,024
Average number of employees	486	507	646

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 Article2427, 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

The following table shows the annual compensation of the Group's auditors and auditing companies, as required by Article 2427 No. 16-bis of the Italian Civil Code:

Description	Amount
Auditors' fees for the audit of the Statutory Financial Statements and for the audit of the Consolidated Financial Statements (parent company) *	66,000
Fees paid to the Independent Auditors for their audit on a limited basis of the Consolidated Interim Financial Statements at 30 June 2024*	24,000
Total Parent Company	**90,000**
Fees to other auditing firms for the audit of statutory financial statements (subsidiaries of the Parent Company ALA SpA)	80,000
Total Subsidiaries	**80,000**

(*) The value indicated does not include value added tax, ISTAT adjustments and out-of-pocket expenses.

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 Financial Statements at 31 December 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 Financial Statements at 31 December 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 financial year, 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 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 receivables recorded in the Interim Financial Statements at 31 December 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 for about Euro 154 thousand.

As at 31 December 2024, the payables recorded against the parent company amounted to approximately Euro 2,728,482 refer to commercial transactions for approximately Euro 802 thousand, which took place under normal market conditions and according to contractual agreements, and for the remaining part to tax payables accrued in the current year, as a result of the tax consolidation contract between the parties.

The economic items recognized in the Financial Statements at 31 December 2024 refer for around Euro 1,187 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 around Euro 18 thousand to revenues for intercompany services rendered to the Parent Company.

Reconciliation of Trade Payables/Receivables	ALA S.p.A.	
	Receivables	Payables
A.I.P.Italia S.p.A.	154,262	2,728,482
Total	**154,262**	**2,728,482**

Reconciliation of Costs/Revenues	ALA S.p.A.	
	Costs	Revenues
A.I.P.Italia S.p.A.	1,187,295	18,000
Total	**1,187,295**	**18,000**

Information on Off-Balance-Sheet Agreements

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

Information on Significant Events After Year-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 year-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:

Institute	Type of contract	Operation number	Notional Contract Amount	Underlying currency	Date of signing	Start date	Expiry Date	MTM Euro 31/12/2024
BPM	Collar with split premium – amortizing	01-1-108	9,000,000	EUR	20 January 2023	31 March 2023	31 March 2027	**(44,322)**
DEUTSCHE BANK	Collar with split premium – amortizing	346,877	8,330,000	EUR	20 January 2023	31 March 2023	31 July 2027	**(43,661)**
BPER	Collar with split premium – amortizing	2023/0000619	7,170,000	EUR	20 January 2023	31 March 2023	31 March 2027	**(35,569)**
BNL	Interest Rate Swap with floor +0.0%	IRG05064253	5,000,000	EUR	03 August 2021	03 August 2021	03 August 2025	**14,632**
BPER	Interest Rate Swap with floor +0.0%	2023/0009540	3,000,000	EUR	15 November 2023	15 November 2023	15 May 2025	**(2,634)**
INTESA SANPAOLO	Interest Rate Swap	105,337,244	10,000,000	EUR	12 July 2024	12 July 2024	29 April 2027	**(134,850)**
	Total derivative liabilities							**(246,407)**

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 31 December 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.

Final Considerations

These Consolidated Financial Statements for the period ended 31 December 2024, comprising the Balance Sheet, Income Statement, Cash Flow Statement and Explanatory Notes, give a true and fair view of the financial position and results of operations for the year and correspond to the accounting records.

Naples, 27 March 2025

On behalf of the Board of Directors

Ing. Roberto Tonna
Chief Executive Officer