



PRESS RELEASE

CIRCLE GROUP: RESULTS FOR THE YEAR 2019 APPROVED.

VALUE OF PRODUCTION +27% (6.1 MILLION EURO), REVENUES FROM PROPRIETARY SOFTWARE +80%, NET PROFIT OF THE PARENT COMPANY 0.5 MILLION EURO (+51%), INVESTMENT IN M&A, PRODUCT EVOLUTION, ACTIVITIES OF INTERNATIONALIZATION AND MARKET DEVELOPMENT EXCEEDING 2.6 MILLION EURO

Main consolidated results at 31st December 2019:

- Value of production Euro 6.1 million Euro +27% (4.8 million Euro at 31st December 2018) with an increase of revenues from proprietary software (in particular, Milos® and MasterSPED) +80%
- Adjusted EBITDA 1.5 million Euro (1.3 million Euro at 31st December 2018) and adjusted EBIT 0.9 million Euro (0.78 million Euro at 31st December 2018)
- Net profit 0.5 million Euro (0.6 million Euro at 31st December 2018)
- Net Financial Position (cash) 0.33 million Euro (2.1 million Euro liquidity at 31st December 2018) as a result of cash flows from investment for M&A, investment for product evolution as well as non-recurrent activities for market development and internationalization for a total amount exceeding 2.6 million Euro with a financial impact of about 1.8 million Euro
- Positive trend in the first two months of 2020, consistent with business model of the Group focused on digitisation of intermodal logistics.



Milan, March 27th 2020

The Board of Directors of Circle S.p.A. (“Circle”), company heading the homonymous group, specialized in the analysis and development of automation and digitalization solutions for the port sectors and intermodal logistics, listed on the AIM Italia market, organized and managed by Borsa Italiana, during the conference call meeting held today, approved the Consolidated Financial Statements and the Draft Separate Financial Statements at December 31st 2019.

“We are delighted to confirm the development path of the Group, which saw during 2019 a significant growth of its value of production with an increase of 27% compared to 2018, and of net profit of the Parent company with an increase of 51%” stated Luca Abatello, CEO of Circle S.p.A. During 2019 the most important events in this path were the purchase of 100% of Progetto Adele software house with its Master SPED and Master TRADE software products, as well as the evolution of proprietary software, Milos® in the first place, through the development of new modules dedicated to new target customers. We believe that these non-recurrent activities and new relevant investment exceeding 2.6 million Euro will have very positive effects both in the short and medium-term. Despite current health crisis we are fully operational also by virtue of peculiarities of our business model focused on digitisation of intermodal logistics and thanks to the use of smart working”.

Consolidated highlights at December 31st 2019

Circle Group recorded a **Value of Production** of 6.1 million Euro, +27% compared to 4.8 million Euro at December 31st 2018. This result was possible also thanks to significant synergies connected to the purchase of 100% of Progetto Adele software house in July 31st 2019, a company devoted to logistics and freight forwarding with Master SPED and Master TRADE software products (with a contribution of about 1.1 million Euro in the considered period). Thanks to this purchasing, as well as the development of new software modules, the revenues from proprietary software Milos® and MasterSPED registered a significant increase of 80% on a yearly basis. Moreover, the revenues from international projects saw the important growth of 21% on a yearly basis (among the most significant projects, it is worth to mention FENIX project, DG MOVE projects for rail and maritime developments, feasibility study for a Port Community System in Pakistan).

ADJUSTED EBITDA totalled 1.5 million Euro (1.3 million Euro at December 31st 2018),



non including non-recurrent operating costs for market development and internationalization of new software modules equal to about 0.3 million Euro.

EBITDA amounted to 1.2 million Euro (1.3 million Euro at December 31st 2018) resulting in a 20% EBITDA margin.

ADJUSTED EBIT totalled 0.9 million Euro (0.78 million Euro at December 31st 2018) as a result of adjustments on adjusted EBITDA, after amortisations and depreciation of about 0.6 million Euro.

EBIT amounted to 0.6 million Euro (0.77 million Euro at December 31st 2018).

Net Profit totalled 0.5 million Euro (0.77 million Euro at December 31st 2018) after income taxes of 0.11 million Euro.

Net Financial Position (cash) amounted to 0.33 million Euro (2.1 million Euro at December 31st 2018) as a result of cash flows from investment for M&A, investment for product evolution as well as non-recurrent activities for market development and internationalization for a total amount exceeding 2.6 million Euro with a financial impact of about 1.8 million Euro.

Equity stood at 4.4 million Euro (4.0 million Euro at December 31st 2018).

Circle S.p.A. highlights at December 31st 2019

Value of Production amounted to 3.1 million Euro (2.7 million Euro at December 31st 2018) with an increase of 15%.

ADJUSTED EBITDA totalled 0.9 million Euro (0.8 million Euro at December 31st 2018), non including non-recurrent operating costs for market development and internationalization of new software modules equal to about 0.3 million Euro, with **ADJUSTED EBITDA MARGIN** of about 28%.

L'EBITDA amounted to 0.6 million Euro (0.8 million Euro at December 31st 2018) resulting in a 18% EBITDA margin.

ADJUSTED EBIT totalled 0.6 million Euro (0.4 million Euro at December 31st 2018) as a result of adjustments on adjusted EBITDA, after amortisations and depreciation of about 0.3 million Euro.



EBIT amounted to 0.25 million Euro (0.4 million Euro at December 31st 2018).

Net Profit totalled 0.5 million Euro with a significant increase of 51% compared to December 31st 2018 (0.3 million Euro at December 31st 2018) after income taxes of 0.3 million Euro.

Net Financial Position (cash) amounted to 0.1 million Euro (1.7 million Euro at December 31st 2018) as a result of cash flows from investment for M&A, investment for product evolution as well as non-recurrent activities for market development and internationalization.

Equity stood at 4.0 million Euro (3.5 million Euro at December 31st 2018).

Allocation of Net Profit

The Board of Directors of Circle S.p.A. resolved to propose to the General Meeting to allocate the Net Profit for the year, totalling 522.623 Euro, to the legal reserve for 165.000 Euro and to retained earnings reserve for 522.458 Euro.

Own shares

Own shares of the Company are equal to 6.600 at December 31st 2019.

Significant events during the reporting period

- 2019/01/21 – new contract with European Commission (DG MOVE) to analyze the evolution opportunities of Telematic Applications for Freight (“TAF TSI”)
- 2019/01/28 – plan for Motorways of the Sea “MoS Implementation Plan 2019-2022”
- 2019/03/27 – plan for Buy Back and free allocation of ordinary shares
- 2017/04/03 – approval by European Union of “I RAIL” project for integration of railway transport with Customs and logistics
- 2019/04/24 – approval by MISE of IPO tax credit of 50% of expenditure incurred
- 2019/05/06 – launch of new Milos® TOS version and full operativity for Samer Seaports & Terminals (DFDS MED - U.N.Ro-Ro.)
- 2019/05/20 - approval by European Union of E-BRIDGE project for technological improvement of port of Genoa
- 2019/07/01 – participation to European project FENIX on Rhine-Alpe Corridor and, through Info.era, on Baltic-Adriatic Corridor



- 2019/07/31 – purchase of Progetto Adele software house
- 2019/09/02 – operativity of Milos® TOS new version for San Giorgio Terminal
- 2019/10/09 – update of Fast Corridor solution
- 2019/11/20 – inclusion of GSCV Milos® suite in Supply Chain Operational Visibility Vendor Guide by Gartner Inc.
- 2019/12/23 – new partnership with DASTech S.r.l. for IaaS & Cybersecurity Infrastructures of the Group.

Significant events during the reporting period

During the first two months of 2020 the activities related to the evolution and marketing of last versions of Milos® TOS Multipurpose and MTO with a significant interest from target market.

Milos® TOS Multipurpose platform was released on a new terminal with Samer Seaports and Terminals, resulting from the cooperation and synergy with subsidiary Info.era in Trieste and from enhanced cooperation with Danish company DFDS (DFDS MED former UNRORO); the product was also released on four terminals in Leghorn for CILP.

Circle is carrying out important cooperations within EU projects: in the first place Fenix, with Morocco, Turkey and Egypt for the development of International Fast Secure Trade Lanes, cooperating in particular with ANP agency for a International Fast Secure Trade Lanes between Europe and Morocco. Moreover, the participation to a mission in Cairo and the subsequent participation to Fruit Logistics Exhibition in Berlin allowed to develop new partnerships for IFSTL pilot project in Alexandria.

Significant partnerships are underway in Turkey with DFDS MED and ULUSOY.

It was completed the definition and development of first “rail last mile” module which is now being tested in the ports of Trieste, Genoa, Savona and has been studied for the port of La Spezia and for the most important Italian rail harbour poles. Top management believes this issue will see strategic evolutions during the next months and years.

It is also specified that the purchase of 100% of 2BM S.r.l. announced in March, 19th 2019 (please see related press release) is currently suspended due to the health crisis.



Business outlook

2019 positive trend is confirmed during the first two months of 2020 with a strong focus on the development of proprietary products.

It is specified that the Group faced COVID-19 pandemic in the shortest possible time with new smart working procedures, which were started rapidly and efficiently thanks to business model of the Group focused on digitisation and to a business organisation already including *agile* work for employees. Top management believes that the trend of growing digitisation will speed up certain processes of modernisation of intermodal logistics sector. In addition, the Group has defined an operating plan to face possible extension of health crisis.

Convening of the Annual General Meeting

The Board of Directors resolved to convene the Annual General Meeting on April 28th 2020 at 17:35 PM via a video-conference according to government regulations for COVID-19 pandemic and to pronouncing n. 187 of March 11st 2020 of Society Commission of Milan Notary Council to discuss and vote on the following agenda:

1. Approval of the Balance Sheet and presentation of the Consolidated Financial Statement at 31st December 2019. Allocation of the net profit for the year. Pertinent and consequent resolutions.

The documents related to the agenda will be made publicly available on one national newspaper, at the company's registered office, as well as on the website www.circletouch.eu as required by applicable laws.

This press release is available at www.circletouch.eu and www.linfo.it.

*Established in Genoa in June 2012, **Circle S.p.A.** is a company with distinctive vertical skills in the port sector and intermodal logistics specialized in consulting and in the development of **products for automation and for the Supply Chain digitalization**. The acquisition, at the end of 2017, of 51% of Info.era guaranteed the strengthening of the related **Milos®** and **Sinfomar®** software products, focused on the intermodal logistics sector, inland terminals and port terminals, ports (Port Community System of the Port of Trieste, in example), as well as to MTOs and maritime agencies. During 2019 Circle is further strengthening the solutions portfolio,*



*in the IOT, Optimization, Digital Twin, Big Data, Process Automation sectors and, in July 2019, Circle has acquired 100% of Progetto Adele, a software house specialized in the development of vertical software systems on the Supply Chain with the two **Master SPED** and **Master TRADE** solutions, respectively dedicated to shipping and logistics, and commerce and industry. Furthermore, through the Connecting EU Business Unit, Circle supports Public Entities and Companies by identifying their positioning at European level (**EU Branding**) and funding opportunities (**Project Anticipation**). From October 26th, 2018 Circle is listed on the AIM Italia market of Borsa Italiana (alphanumeric code: CIRC; ISIN code for ordinary shares: IT.0005344996). Circle is an Innovative SME.*

For further information:

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Attachments:

- Consolidated Income Statement at December 31st 2019 (compared to December 31st 2018)
- Consolidated Balance Sheet at December 31st 2019 (compared to December 31st 2018)
- Consolidated Net Financial Position at December 31st 2019 (compared to December 31st 2018)
- Consolidated Financial Statement at December 31st 2019 (compared to December 31st 2018)
- Circle S.p.A. Income Statement at December 31st 2019 (compared to December 31st 2018)
- Circle S.p.A. Balance Sheet at December 31st 2019 (compared to December 31st 2018)



- Circle S.p.A. Net Financial Position at December 31st 2019 (compared to December 31st 2018)
- Circle S.p.A. Financial Statement at December 31st 2019 (compared to December 31st 2018)

Conto Economico Consolidato €/000	31.12.2019	31.12.2018	variazione
Ricavi delle vendite e delle prestazioni	4.349	3.628	722
Incrementi per lavori interni	536	429	107
Altri ricavi e proventi	1.197	737	460
Valore della produzione	6.083	4.794	1.289
Costi della produzione	525	243	282
Costi per servizi e godimento beni di terzi	1.791	1.336	455
Costo del personale	2.429	1.839	591
variazione delle rimanenze	26	8	19
Accantonamenti su rischi	5	0	5
Oneri diversi di gestione	99	73	26
EBITDA	1.208	1.297	(89)
Ammortamenti e svalutazioni	606	524	83
EBIT	601	773	(172)
Proventi e oneri finanziari netti	1	1	(0)
Risultato prima delle imposte	602	774	(172)
Imposte esercizio	111	153	(42)
Risultato netto	491	621	(130)

Stato patrimoniale Consolidato €/'000	31.12.2019	31.12.2018	variazione
Immobilizzazioni immateriali	2.404	1.419	985
Immobilizzazioni materiali	242	50	192
Immobilizzazioni finanziarie	21	16	5
Totale Immobilizzazioni	2.668	1.485	1.183
Crediti verso clienti	2.843	1.489	1.354
Rimanenze	25	51	(26)
Anticipi da clienti	(137)	(165)	28
Debiti verso fornitori	(905)	(793)	(113)
Capitale Circolante Operativo (CCO)	1.826	582	1.244
Altre attività correnti	1.476	1.037	439
Altre passività correnti	(1.058)	(659)	(398)
Ratei e risconti netti	(138)	(263)	125
Capitale Circolante Netto	2.107	699	1.408
Fondi	(40)	(5)	(35)
TFR	(638)	(313)	(325)
Capitale Investito Netto	4.096	1.866	2.230
Posizione finanziaria Netta	(337)	(2.096)	1.759
Patrimonio Netto	4.433	3.962	471
Posizione finanziaria Netta Consolidata €/'000	31.12.2019	31.12.2018	variazione
Disponibilità liquide	(999)	(1.847)	847
Titoli detenuti per la negoziazione	(1)	(251)	250
Liquidità	(1.000)	(2.097)	1.097
Debiti bancari Correnti	663	1	662
Altri debiti finanziari correnti	0	0	0
Indebitamento finanziario corrente	663	1	662
Indebitamento finanziario corrente netto	(337)	(2.096)	1.760
Indebitamento finanziario non corrente	0	0	0
Indebitamento finanziario netto	(337)	(2.096)	1.760

Rendiconto finanziario	31/12/2019	31/12/2018
A. Flussi finanziari derivanti dall'attività operativa		
Utile dell'esercizio Gruppo	381.789	460.220
Utile dell'esercizio Terzi	109.169	161.182
Imposte sul reddito	111.393	153.060
Interessi Passivi/(Interessi Attivi)	(961)	(1.307)
(Dividendi)	0	0
(Plusvalenze)/minusvalenze derivanti dalla cessione di attività	0	0
1. Utile (perdita) dell'esercizio prima delle imposte sul reddito, interessi, dividendi e plus/minusvalenze da cessione	601.390	773.155
<i>Rettifiche per elementi non monetari che non hanno avuto contropartita nel Capitale Circolante Netto</i>		
Ammortamento immobilizzazioni materiali	52.816	18.377
Ammortamento immobilizzazioni immateriali	514.780	493.611
Accantonamenti a Fondi	126.809	90.211
Svalutazioni per perdite durevoli di valore	0	0
	0	0
<i>Rettifiche di valore di attività e passività finanziarie di strumenti finanziari derivanti che non comportano movimentazioni monetarie</i>		
Altre rettifiche per elementi non monetari	0	0
2. Flusso finanziario prima delle variazioni del con	1.295.795	1.375.354
<i>Variazione del capitale circolante netto</i>		
Diminuzione (aumento) rimanenze	26.082	7.566
Diminuzione (aumento) crediti commerciali	(1.354.453)	(130.959)
Aumento (diminuzione) debiti commerciali	84.310	165.406
Decremento/(Incremento) ratei e risconti attivi	(65.577)	2.790
(Decremento)/incremento ratei e risconti passivi	(59.354)	264.762
Altre variazioni del con	(168.277)	(909.052)
3. Flusso finanziario dopo la variazione del con	(242.474)	745.867
<i>altre rettifiche</i>		
Interessi incassati/(pagati)	1.307	11.341
Imposte sul reddito pagate	9.020	(679.117)
Dividendi incassati	0	0
(Utilizzo fondi)	233.534	(117.327)
Flusso finanziario dell'attività operativa (A)	10.002	(39.236)
B. Flussi finanziari derivanti dall'attività d'investimento		
Attività di investimento		
Investimenti netti in immobilizzazioni materiali	(245.182)	(16.506)
Investimenti netti in immobilizzazioni immateriali	(1.500.071)	(796.119)
Investimenti netti in immobilizzazioni finanziarie	(4.700)	(1.000)
Attività finanziarie non immobilizzate	250.020	195.595
(Acquisizione)/ cessione di società controllate al netto delle disponibilità liquide	0	0
Flusso finanziario dell'attività di investimento (B)	(1.499.933)	(1.185.676)

C. Flussi finanziari derivanti dall'attività di finanziamento		
<i>Mezzi di terzi</i>		
Incremento/(decremento) debiti a breve verso banche	662.254	0
Accensione (rimborso) finanziamenti	0	(2.548)
<i>Mezzi propri</i>		
Diminuzione capitale e riserve del gruppo	(19.606)	1.579.322
Diminuzione capitale e riserve di terzi	0	0
Dividendi (e acconti su dividendi) pagati	0	0
Flusso finanziario dell'attività di finanziamento (C)	642.648	1.576.774

Variazione nella liquidità = (a+b+c)	(854.898)	351.862
Liquidità netta a inizio esercizio	1.846.500	1.494.638
	<i>Variazione nella liquidità</i>	
	(847.283)	351.862
Liquidità netta a fine esercizio	999.217	1.846.500



Conto Economico Circle S.p.A. €/000	31.12.2019	31.12.2018	variazione
Ricavi delle vendite e delle prestazioni verso terzi	2.062	1.754	308
Incrementi per lavori interni	322	337	-15
Altri ricavi e proventi	758	645	113
Valore della produzione	3.142	2.736	406
Costi della produzione	18	17	1
Costi per servizi e godimento beni di terzi	1.524	1.063	461
Costo del personale	956	814	142
variazione delle rimanenze	0	0	0
Accantonamenti su rischi	5	0	5
Oneri diversi di gestione	66	43	23
EBITDA	572	799	-227
Ammortamenti e svalutazioni	322	398	-76
EBIT	250	401	-151
Proventi e oneri finanziari netti	904	4	900
Svalutazioni	600	0	600
Risultato prima delle imposte	554	405	149
Imposte esercizio	31	59	-28
Risultato netto	523	346	177

Stato patrimoniale Circle S.p.A. €/000	31.12.2019	31.12.2018	variazione
Immobilizzazioni immateriali	895	867	28
Immobilizzazioni materiali	21	12	9
Immobilizzazioni finanziarie	1.918	704	1.214
Totale Immobilizzazioni	2.833	1.583	1.250
Crediti verso clienti	1.630	910	720
Rimanenze	16	16	0
Anticipi da clienti	(137)	(164)	27
Debiti verso fornitori	(648)	(678)	30
Capitale Circolante Operativo (CCO)	862	85	777
Altre attività correnti	1.209	932	277
Altre passività correnti	(682)	(400)	(282)
Ratei e risconti netti	(160)	(275)	115
Capitale Circolante Netto	1.229	342	887
Fondi	(5)	(5)	0
TFR	(127)	(103)	(24)
Capitale Investito Netto	3.930	1.817	2.113
Posizione finanziaria Netta	(106)	(1.716)	1.610
Patrimonio Netto	4.036	3.533	503
Posizione finanziaria Netta Circle S.p.A. €/1000	31.12.2019	31.12.2018	variazione
Disponibilità liquide	(622)	(1.466)	844
Titoli detenuti per la negoziazione	(1)	(250)	249
Liquidità	(623)	(1.716)	1.093
Debiti bancari Correnti	516	0	516
Altri debiti finanziari correnti	0	0	0
Indebitamento finanziario corrente	516	0	516
Indebitamento finanziario corrente netto	(106)	(1.716)	1.610
Indebitamento finanziario non corrente	0	0	0
Indebitamento finanziario netto	(106)	(1.716)	1.610

Rendiconto Finanziario Circle S.p.A.	2019	2018
A. Flussi finanziari derivanti dalla gestione reddituale		
Utile/(Perdita) dell'esercizio	522.623	345.605
(Imposte sul reddito)	31.339	59.403
Interessi passivi /(Interessi Attivi)	- 2.127	- 4.030
(Dividendi)	- 900.000	
(Plusvalenze)/Minusvalenze derivanti dalla cessione di attività		-
Utile/Perdita dell'esercizio prima d'imposte sul reddito, Interessi dividendi e plus/minusvalenze da cessione	- 348.165	400.978
<i>Rettifiche per elementi non monetari che non hanno avuto contropartita nel capitale circolante netto</i>		
Accantonamenti ai fondi	5.000	39.664
Ammortamenti delle immobilizzazioni	312.409	398.250
Svalutazioni per perdite durevoli di valore	600.000	-
Altre rettifiche per elementi non monetari	24.322	- 337.433
Flusso Finanziario prima delle variazioni del ccn	593.566	501.439
<i>Variazioni del capitale circolante netto</i>		
Decremento/(Incremento) delle rimanenze	-	-
Decremento/(Incremento) dei crediti vs clienti	- 719.907	- 114.988
Incremento/(Decremento) dei debiti vs fornitori	- 29.755	115.407
Decremento/(Incremento) ratei e risconti attivi	- 51.407	2.062
Incremento/(Decremento) ratei e risconti passivi	- 63.747	265.501
Altri (incrementi) / altri decrementi del capitale circolante netto	- 23.117	- 996.290
Flusso Finanziario dopo le variazioni del ccn	- 294.367	- 226.869
<i>Altre rettifiche</i>		
Interessi incassati/(pagati)	2.127	4.030
(Imposte sul reddito pagate)	- 31.339	- 60.203
Dividendi incassati	900.000	
(Utilizzo dei fondi)	- 5.000	- 18.806
Flusso finanziario delle gestione reddituale (A)	571.421	- 301.848
B. Flussi finanziari derivanti dall'attività di un Investimento		
<i>Immobilizzazioni materiali</i>		
(Investimenti)	- 14.224	- 2.540
Decrementi	-	-
<i>Immobilizzazioni immateriali</i>		
(Investimenti)	- 334.261	- 687.020
Decrementi		
<i>Immobilizzazioni finanziarie</i>		
(Investimenti)	- 1.813.762	- 691.733
Decrementi		
<i>Attività finanziarie non immobilizzate</i>		
(Investimenti)		
Decrementi	250.020	195.595
<i>Acquisizione o cessione di società controllate o di rami d'azienda al netto delle disponibilità liquide</i>		
Flusso finanziario dell'attività di Investimento (B)	- 1.912.227	- 1.185.698

C. Flussi finanziari derivanti dall'attività di finanziamento		
<i>Mezzi di terzi</i>		
Incremento/(Decremento) debiti a breve verso banche	250.727	-
Accensione finanziamenti	265.757	-
Rimborso finanziamenti	-	-
<i>Mezzi Propri</i>		
Aumento di capitale a pagamento	-	1.579.322
Dividendi (e acconti su dividendi) pagati		
Cessione/(Acquisto) di azioni proprie	- 19.606	
Flusso finanziario dell'attività di finanziamento (C)	496.878	1.579.322
Incremento/(Decremento) delle disponibilità liquide (A±B±C)	- 843.928	91.776
Effetti cambi sulle disponibilità liquide	-	-
Disponibilità liquide a inizio esercizio	1.465.560	1.373.784
Depositi bancari e postali	1.465.257	1.373.667
Assegni		
Denaro e valori in cassa	303	117
Disponibilità liquide a fine esercizio	621.632	1.465.560
Depositi bancari e postali	621.624	1.465.257
Assegni		
Denaro e valori in cassa	8	303