



PRESS RELEASE

CIRCLE: THE BOARD OF DIRECTORS APPROVES THE HALF-YEAR CONSOLIDATED FINANCIAL REPORT AT JUNE 30th 2020

VALUE OF PRODUCTION +21%, 14% EBITDA MARGIN

MAIN CONSOLIDATED RESULTS 1H2020

- Value of Production: 3.2 million Euro, +21% (2.6 million Euro 1H2019)
- Adjusted EBITDA (except non-recurrent costs related to pandemic): 0.7 million Euro (0.7 million Euro 1H2019)
- Adjusted EBIT (except non-recurrent costs related to pandemic): Euro 0,4 milioni (Euro 0,4 milioni 1H2019)
- Net Profit: 0.04 million Euro (0.38 million Euro 1H2019)
- Net Financial Position (cash) 0.47 million Euro (0.34 million Euro at 31st December 2019) after investments for product evolution as well as non-recurrent activities for market development and internationalization
- Proprietary products Milos®, MasterSped® and MasterTrade® +54%; new “federative” services were launched in September to meet the needs for a full digitalisation of the Supply Chain
- Among the most significant events after the reporting period are the strengthening of Log@Sea network of enterprises, and the participation to European projects MOSES and 5G-LOGINNOV

Milan, September 24th, 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 port and intermodal logistics sectors, listed on the AIM Italia market organized and managed by Borsa Italiana, during the conference call meeting held today, approved the half-year consolidated financial report at June 30th 2020 which is subject to limited audit.

Luca Abatello, President & CEO at Circle, stated: “Despite the difficult economic situation, we are satisfied with the substantial increase of Value of Production, with a 21% growth compared to 1H2019. We managed not to interrupt any of the investments, activities and projects we planned before the crisis caused by COVID-19 pandemic and lockdown and I



think this a great result, especially if you consider that North-Western Italy was also affected by huge problems at transport system for a long time.

In some ways the pandemic has accelerated the evolution of our products, in particular with the launch of innovative “federative” services launched in September to meet the needs for a full digitalisation of the Supply Chain.

Moreover, I'd like to remind new important alliances, the release of Milos® TOS suite for CILP Terminal in Leghorn (an extremely challenging context), the contract to supply with Milos® TOS suite TIMT - Trieste Intermodal Maritime Terminal, which includes Samer & Co. Shipping and Turkish operator Ulusoy, the contract to participate to TEBETS project (Technological Boost for Efficient port Terminal operations following Safety-related events) financed by Italian MISE and European projects MOSES and 5G-LOGINNOV which represent very important starting points to make the most of the recovery of the sector in the next months”.

Consolidated highlights at June 30th 2020

Value of Production amounted to 3.2 million Euro (2.6 million Euro 1H2019) with an increase of 21%.

The Group has made indeed constant actions to improve efficiency and strengthen the synergies with subsidiaries **Info.era** and **Progetto Adele**. These initiatives, together with internal optimisations, brought to a 54% growth of **proprietary products Milos®, MasterSped® and MasterTrade®**.

Adjusted EBITDA (except non-recurrent costs related to pandemic) totalled 0.7 million Euro (0.7 million Euro 1H2019)

EBITDA amounted to 0.4 million Euro (0.7 million Euro 1H2019) with 14% EBITDA margin

Adjusted EBIT (except non-recurrent costs related to pandemic) totalled 0.4 million Euro (0.4 million Euro 1H2019)

EBIT amounted to 0.07 million Euro (0.47 million Euro 1H2019)

Net Profit totalled 0.04 million Euro (0.38 million Euro 1H2019)



Net Financial Position (cash) amounted to 0.47 million Euro (0.34 million Euro at December, 31st, 2019) after investments for product evolution as well as non-recurrent activities for market development and internationalization

Net Profit totalled 0.04 million Euro (0.38 million Euro 1H2019)

Equity stood at 4.45 million Euro (4.43 million Euro at December, 31st, 2019)

During 1H2020 **investments**, amounting to 0.4 million Euro, were made mainly for the evolution of Milos® TOS and MTO suite, MasterSped® and new “federative” services launched by Circle Group, including those related to the dematerialisation of security and customs procedures, which is an even more strategic aspect because of the pandemic.

Circle S.p.A. highlights at June 30th 2020 (*)

Value of Production: 1.78 million Euro (1.76 million Euro 1H2019)

EBITDA adjusted (esclusi costi non ricorrenti derivanti dall'emergenza sanitaria): 0.5 million Euro (0.5 million Euro 1H2019)

EBITDA: 0.3 million Euro (0.53 million Euro 1H2019); 18% EBITDA margin

EBIT: 0.13 million Euro (0.3 million Euro 1H2019)

Net Profit: 0.1 million Euro (0.28 million Euro 1H2019)

() Not subject to limited audit*

Own shares

Own shares of the Company are equal to 17.160 (representing 0,4945% of share capital) at June 30th 2020.



Significant events after the reporting period

- **July, 15th:** Circle strengthens Log@Sea, the business network established in 2014 with the purpose of offering services for the digitalisation of the Supply Chain, Gate Automation and Traffic Monitoring. With remaining 49% for Aitek - Italian company leader in design and implementation of innovative technological solutions for the market of Intelligent Transport Systems - Circle brings to 51% its participation to the business network with the objective of strengthening the offer of solutions for Gate automation and digitalisation of port and intermodal nodes through the most advanced VCA (“Video Content Analysis”) modules based on Machine Learning and Deep Learning (“AI technology”) techniques, Blockchain and IoT (“Internet of Things”).
- **July, 16th:** Circle announces its participation to MOSES (AutoMated Vessels and Supply Chain Optimisation for Sustainable Short Sea Shipping) European project, financed by European Union within Horizon 2020 Programme and coordinated by NTUA - National Technical University of Athens. Selected with other 16 partners from 7 European Countries, Circle will receive a contribution of EUR 266.875 as leader of different strategic tasks, like promotion and dissemination through digital multichannel platform for Motorways of the Sea www.onthemosway.eu and among related stakeholders within its assignment at the side of European Commission (DG MOVE) for the development of “MoS Implementation Plan 2019-2022”.
- **September, 9th:** Circle announces its participation to 5G-LOGINNOV European project, including new generation of 5G terminals for future Connected and Automated Mobility (CAM), new types of Internet of Things-5G devices, data analytics, next generation traffic management and emerging subsets of 5G networks functions, for port areas and city-ports to handle upcoming and future capacity, traffic, efficiency and environmental challenges. Selected with other 15 partners, Circle will receive a contribution of EUR 296.625 to provide consulting services about logistic processes and to lead promotion and dissemination activities.

Business outlook

Current scenario, which is made complicated by COVID-19 pandemic, makes it



particularly challenging to make market forecasts. That being said, considering the positive feedback received from stakeholders, new “federative” innovative services launched to meet the increasing need for a full digitalisation of the Supply Chain, as well as new important contracts signed by Connecting EU Business Unit (which are expected to lead to new synergies and complementary projects), the Management remains optimistic about the path of development undertaken and its evolution.

Meetings with financial community - 2020 AIM Investor Day and 2020 Integrae SIM Investor Day

On October, 1st, 2020, Circle is taking part to 2020 AIM Investor Day organized by IR Top Consulting with the support of Borsa Italiana. During the event, which will take place via live stream, Luca Abatello is going to meet the financial community and present at 11:30 AM main results and development strategy of Circle.

In addition, on October, 1st, 2020, Circle is taking part also to 2020 Integrae SIM Investor Day. During the event, which will take place via live stream, Luca Abatello is going to meet the financial community and present at 14:00 PM main results and development strategy of Circle.

Investor Relations Manager

In compliance with new Borsa Italiana amendments to AIM Regulations which provide for the appointment of the Investor Relations Manager, the Board of Directors of Circle has confirmed Mrs. Nicoletta Garzoni in this role.



Documentation

The documents related to will be made publicly available on the website www.cir-cletouch.eu in the Investor Relations section as required by applicable laws.

This press release is available at www.cir-cletouch.eu and www.1info.it.

Attachments:

- Consolidated Income Statement at June, 30th 2020
- Consolidated Balance Sheet at June, 30th 2020
- Consolidated Financial Statement at June, 30th 2020
- Consolidated Net Financial Position at June, 30th 2020

*Established in Genoa in June 2012, **Circle S.p.A.** is the company heading the homonymous group, specialized in the **analysis and development of automation and digitalization solutions for the port and intermodal logistics sectors**. 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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Consolidated Income Statement at June, 30th 2020

Conto Economico Consolidato €/000	30.06.20	30.06.19
Ricavi delle vendite	2.214	1.904
Incrementi per lavori interni	393	252
Altri proventi	586	489
Valore della produzione	3.192	2.645
Costi delle materie prime	(210)	(84)
Costi per servizi e godimento beni di terzi	(846)	(726)
Costo del personale	(1.710)	(1.077)
Variazione delle rimanenze	19	(14)
Oneri diversi di gestione	(44)	(42)
EBITDA	400	701
Ammortamenti e svalutazioni	(327)	(254)
EBIT	74	447
Proventi e oneri finanziari netti	(5)	(1)
Risultato ante imposte	69	446
Imposte esercizio	(25)	(98)
Risultato Netto	43	347
Risultato Netto di pertinenza del Gruppo	2	299
Risultato Netto di pertinenza di Terzi	41	48

Consolidated Balance Sheet at June, 30th 2020

Stato Patrimoniale Consolidato € /000	30.06.20	31.12.19
Immobilizzazioni Immateriali	2.594	2.404
Immobilizzazioni Materiali	200	242
Immobilizzazioni Finanziarie	18	21
Totale Immobilizzazioni	2.812	2.668
Crediti verso clienti	2.475	2.843
Rimanenze	44	25
Anticipi da clienti	(112)	(137)
Debiti verso fornitori	(701)	(905)
Capitale Circolante Operativo (CCO)	1.706	1.826
Altre attività correnti	1.501	1.476
Altre passività correnti	(915)	(1.058)
Ratei e risconti netti	(384)	(138)
Capitale Circolante Netto (CCN)	1.909	2.107
Fondi	(40)	(40)
TFR	(707)	(638)
Capitale Investito Netto (CIN)	3.975	4.096
Posizione Finanziaria netta	(474)	(337)
Patrimonio netto	4.449	4.433
Totale Fonti	3.975	4.096

Consolidated Financial Statement at June, 30th 2020

<u>Rendiconto finanziario</u>	30/06/2020	31/12/2019
A. Flussi finanziari derivanti dall'attività operativa		
Utile dell'esercizio Gruppo	2.435	381.789
<i>Utile dell'esercizio Terzi</i>	41.006	109.169
Imposte sul reddito	25.146	111.393
Interessi Passivi/(Interessi Attivi)	5.195	(961)
(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	73.782	601.390
<i>Rettifiche per elementi non monetari che non hanno avuto contropartita nel Capitale Circolante Netto</i>		
Ammortamento immobilizzazioni materiali	46.598	52.816
Ammortamento immobilizzazioni immateriali	279.924	514.780
Accantonamenti a Fondi	86.435	126.809
Svalutazioni per perdite durevoli di valore	0	0
	0	0
Rettifiche di valore di attività e passività finanziarie di strumenti finanziari derivanti che non comportano movimentazioni monetarie		
Altre rettifiche per elementi non monetari	0	0
2. Flusso finanziario prima delle variazioni del cnn	486.738	1.295.795
<i>Variazione del capitale circolante netto</i>		
Diminuzione (aumento) rimanenze	(18.934)	26.082
Diminuzione (aumento) crediti commerciali	367.668	(1.354.453)
Aumento (diminuzione) debiti commerciali	(228.691)	84.310
Decremento/(licremento) ratei e risconti attivi	7.767	(65.577)
(Decremento)/incremento ratei e risconti passivi	237.936	(59.354)
Altre variazioni del ccn	(411.796)	(168.277)

3. Flusso finanziario dopo la variazione del ccn	440.689	(241.474)
<i>altre rettifiche</i>		
Interessi incassati/(pagati)	961	1.307
Imposte sul reddito pagate	307.058	9.020
Dividendi incassati	0	0
(Utilizzo fondi)	(17.067)	233.534
Flusso finanziario dell'attività operativa (A)	731.641	2.387
B. Flussi finanziari derivanti dall'attività d'investimento		
Attività di investimento		
Investimenti netti in immobilizzazioni materiali	(4.398)	(245.182)
Investimenti netti in immobilizzazioni immateriali	(469.924)	(1.500.071)
Investimenti netti in immobilizzazioni finanziarie	0	(4.700)
Attività finanziarie non immobilizzate	246	250.020
(Acquisizione)/ cessione di società controllate al netto delle disponibilità liquide	0	0
Flusso finanziario dell'attività di investimento (B)	(474.075)	(1.499.933)
C. Flussi finanziari derivanti dall'attività di finanziamento		
<i>Mezzi di terzi</i>		
Incremento/(decremento) debiti a breve verso banche	(310.623)	662.254
Accensione (rimborso) finanziamenti	0	0
<i>Mezzi propri</i>		
Diminuzione capitale e riserve del gruppo	(27.967)	(19.606)
Diminuzione capitale e riserve di terzi	0	0
Dividendi (e acconti su dividendi) pagati	0	0
Flusso finanziario dell'attività di finanziamento (C)	(338.589)	642.648
Variazione nella liquidità = (a+b+c)	(81.024)	(854.898)
<u>Liquidità netta a inizio esercizio</u>	999.217	1.846.500
	<i>Variazione nella liquidità</i>	(81.022)
<u>Liquidità netta a fine esercizio</u>	918.195	999.217



Consolidated Net Financial Position at June, 30th 2020

Posizione Finanziaria Netta Consolidata €/000	30.06.20	31.12.19
Disponibilità liquide	(918)	(999)
Titoli detenuti per la negoziazione		(1)
Liquidità	(918)	(1.000)
Debiti bancari correnti	444	663
Altri debiti finanziari correnti		
Indebitamento finanziario corrente	444	663
Indebitamento finanziario corrente netto	(474)	(337)
Indebitamento finanziario non corrente		
Indebitamento finanziario netto	(474)	(337)