



PRESS RELEASE

CIRCLE ACQUIRES 100% OF “PROGETTO ADELE”, SOFTWARE-HOUSE WITH REVENUES OF MORE THAN 2 € MILLION, SPECIALIZED IN LOGISTICS AND FREIGHT FORWARDING

Genoa, July 31th 2019

Circle S.p.A. ("Circle"), company headed by 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, communicates to have defined today the acquisition of 100% of the share capital of Progetto Adele Srl ("Progetto Adele"), a software house specialized in logistics and distribution.

"We are extremely satisfied with the today agreement which completes the range of vertical solutions in the supply chain, covering the freight forwarder and logistics segments", Luca Abatello, Chairman and CEO of Circle, stated. "These products, integrated with our innovative solutions of Tracking, Internet of Things and intermodal transport, allow enormous efficiency, costs reduction and increase in performance as required by the major international importers and exporters, with a view to Supply Chain Visibility. Furthermore, the transaction has been concluded with excellent economic and financial terms and conditions thanks to synergies and ability to create value recognized by the target company".

1. Business description and profits attributable to these activities, performed by the target “Progetto Adele Srl”

Progetto Adele, established in Genoa in 2003, is specialized in the development of vertical software systems on the supply chain (and complementary as segments to those of Circle Group) through 2 solutions: **Master SPED** and **Master TRADE**, entirely developed by the company. In particular Master SPED Web edition, *enterprise software* dedicated to the **shipping and logistics sectors**, and Master TRADE Web edition, *enterprise software* dedicated to the **trade and industry sectors**, allow to manage, all the aspects of logistics and freight forwarding through their own applications,, from administrative operations to customer and supplier orders, to warehouse management with automatic reorders and shipments, to invoice management, to the customs component and document controls (using *Single Window Doganale* and integrations with *Port Community Systems*).

In 2018 Progetto Adele recorded **Production Value** of approximately Euro 2.2 million, up to 39.0% compared to December 31st, 2017, **EBITDA** of around Euro 0.259 million (+48.3% compared to 2017), EBITDA Margin of approximately 11.5%, **Net Profit** of approximately € 0.107 million (+50.5% compared to approximately € 0.071 million in 2017) and a **Net Financial Position** *cash positive* of approximately €1.2 million (*cash positive* for approximately Euro 1.0



million in 2017).

The transaction is "*significant*" pursuant to art. 12 of the AIM Italia Issuers Regulation.

2. Financial details and financial contribution

The signed agreement provides the purchase of 100% of the share capital of Progetto Adele. The purchase price is equal to Euro 0.55 million in addition to the cash on July 30th 2019 which is equal to € 1.365 million, and will be paid in three tranches per cash: for € 1.6 million at the same time as the closing of today, for € 0.2 million at September 30th, 2019, for € 0,1 million after approval of 2019 Financial Statement (at December 31st 2019).

In addition, the agreement provides a purchase price adjustment mechanism based on the difference between the EBITDA recorded at December 31st 2018 and the EBITDA resulting from the approval of the financial statements at December 31st 2021.

EV/EBITDA multiple applied to the transaction is equal to 2.07x EBITDA 2018 considering the Net Financial Position at July 30th 2019.

The agreement provides the appointment of three-member Board of Directors in Progetto Adele: Riccardo Langella, will stay as Board Member, as shareholder and sole Board Member of Progetto Adele. Riccardo Langella will continue to be in charge of the technical management and customers. Alexio Picco (already Director and Head of the Connecting EU Division of Circle) and Luca Abatello (already President and CEO of Circle) will appoint as Board of Directors.

"This important agreement aims to promote a different approach to the market by expanding and optimizing the services offered, and we hope that this acquisition will lead to a further growth in new national and international scenarios", Riccardo Langella commented.

3. Impact of the transaction on the company

The agreement will allow Circle to accelerate its business growth and expansion through external business lines already declared in the IPO phase and according to its corporate strategies. The acquisition of Progetto Adele, in particular, in addition to reinforcing its commercial presence on the market, will create important synergies and will expand Circle's offer by combining **Sinfomar®** and **Milos®** with the **Master SPED** and **Master TRADE** products, creating a portfolio of complementary solutions.

For this operation Circle has been assisted by the law firm LCA and by the accounting firm Giovanni Palma.

This press release is available in the Investors Section of the www.circletouch.eu website and on www.1info.it.



*Established in Genoa in 2012, **Circle S.p.A.** provides process and management consulting services, innovative technological solutions and digital marketing solutions for transport and logistics sector. Leading Company in the development of automation processes for Ports, dry ports, logistics platforms and intermodal operators through **Milos®** - an innovative modular software for the optimization of transport of containers, trailers, vehicles and each type of goods - the Company can boast professionals mainly involved in analysis of the processes, in projects financed by EU and in software development forming a dynamic and young team. The Company, with a dynamic team composed mainly by experienced professionals in the analysis of processes and developers in "Agile" methodology, in November 2017 has acquired 51% of **Info.era**, software-house with twenty years of experience in the maritime and shipping world.*

*The operation have guaranteed to Circle and Info.era the strengthening of the relative software products, which express a complementary nature of targets being addressed, respectively, to the intermodal logistics sector (**Milos®** by Circle - now in use among leading production companies , such as Ikea, Sogemar), in several Mediterranean ports, inland terminals such as Lugo and port terminals such as CILP of Livorno and port (**Sinfomar®** by Info.era, Port Community System of the Port of Trieste). Thanks to the management experience in the field of European Projects, Circle supports, through the Connecting EU Business Unit, Public Bodies and Companies, identifying their positioning at European level (EU Branding) and funding opportunities (Project Anticipation). From October 26, 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.*

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