



PRESS RELEASE

**CIRCLE: THE BOARD OF DIRECTORS APPROVES THE HALF-YEAR FINANCIAL REPORT CONSOLIDATED AT JUNE 30th 2019. PRODUCTION VALUE IN GROWTH OF 8.5%, WITH EBITDA MARGIN OF 26.5%.
 CIRCLE SPA (*) PRODUCTION VALUE GROWTH 20%, EBITDA + 26%,
 MILOS REVENUES + 40%**

Main consolidated results 1H2019

- **Production value: € 2.6 million (+ 8.5% vs. 1H2018)**
- **EBITDA: € 0.7 million (+ 8.6%) with an EBITDA margin of 26.5%**
- **EBIT Adjusted (excluding amortization of IPO investments): + 6%**
- **Net profit: € 0.35 million (€ 0.38 million at 1H2018)**
- **Net Financial Position: Active (cash) for € 1.3 million (active for € 2.1 million at 12/31/2018)**

Main results Circle S.p.A. 1H2019 (*)

- **Production Value: Euro 1,76 mln (+20,5% vs 1H2018)**
- **EBITDA: Euro 0,53 mln (+26%) with EBITDA margin of 30%**
- **Net Profit: Euro 0,28 mln (Euro 0,26 mln at 1H2018)**

() Data not subjected to a limited review*

Milan, September 19th 2019

The Board of Directors of Circle S.p.A. ("Circle"), a company headed by the homonymous Group specialized in the analysis of processes and in the development of solutions for the digitisation and automation of port sectors and intermodal logistics, listed on the AIM Italia market, organized and managed by Borsa Italiana, has approved today the half-year financial report as at June 30th 2019.

Luca Abatello, CEO of Circle, stated: *"We are very satisfied by the results achieved in the first half of 2019, with a production value of 2.6 million euros, up by over 8.5%, thanks to a significant increase in revenues generated by proprietary frameworks, Milos® first of all, and thanks to the expansion abroad. The first half of 2019 has also been characterized by significant investments both for product implementations and for the expansion of offers on the market. Circle's involvement in international projects continues to increase, confirming high-standing recognition by the operators. On the European front important objectives have been achieved, including Circle participation in the E-BRIDGE, IRAIL*



and FENIX projects. Still internationally, Circle has launched a new project of "International Fast and Secure Trade Lane" (IFSTL) between the ports of La Spezia and Casablanca which involves numerous strategic operators. Finally, activities related to the innovative components Internet of Things, Industry 4.0 and Big Data / Artificial Intelligence moved forward; moreover, important collaborations are underway in Morocco and Turkey, consolidating our Group presence in the Mediterranean and Black Sea markets.

During the first half of the year we also launched our external growth policy, as announced at the IPO, completing the acquisition of Progetto Adele, a significant company with over 2 million euros of revenues which completes the range of vertical solutions in the supply chain covering the freight forwarder and logistics segments. In the second half of the year we plan to bring joint solutions to the market fueling growth and increasing synergies".

Main consolidated results at June 30th 2019

The **Production Value** of Euro 2.6 million records an increase of 8.5% compared to the same period of the previous year (Euro 2.4 million).

The main contribution has been generated by the revenues deriving from Milos® which grew by 40% and by the 26% increase in the projects carried out with international counterparts.

It should be noted that the Production Value would have shown an **approximately 58% growth** including in the consolidation area the new acquisition Progetto Adele, which will take effect from August 1st 2019.

EBITDA stands at € 0.7 million (€ 0.6 million at June 30th 2018) corresponding to an EBITDA margin of 26.5% in line with the figure at June 30th 2018.

The Group has implemented constant efficiency actions, as well as consolidating the synergies generated by the acquisition of Info.era.

EBIT Adjusted, equal to Euro 0.51 million, gross of the amortization of extraordinary and non-recurring costs related to the IPO, equal to Euro 0.06 million, is growing up by approximately 6% compared to Euro 0.48 million at June 30th 2018. EBIT is approximately Euro 0.45 million.

Net Profit amounts to € 0.35 million (€ 0.38 million at June 30th 2018).

The **Net Financial Position** is active (cash) and equal to Euro 1.3 million (Euro 2.1 million at December 31st, 2018), thanks to the growth linked to the evolution of the MILOS® platform, to the integration of the solutions of the acquired Infoera, to the shares of internationalization and the progress of external growth operations.

Equity amounted to 4.3 million euros compared to 4.0 million euros at December 31st 2018.

Investments during the first half of 2019, amounting to Euro 0.3 million, have been dedicated to the further development of the Milos®TOS Suite, in order to complete the new "MTO" platform, as well as the software platforms and project activities necessary for the signing of three major European projects; there are also expenses related to the preparatory activities for the acquisition of the Progetto Adele company and to other possible JVs being assessed mainly abroad.



Main results of Circle S.p.A. at June 30th 2019*

The Production Value is equal to Euro 1.76 million (+ 20.5% vs. 1H2018) with EBITDA of Euro 0.53 million (+ 26%) and EBITDA margin of 30%.

The Net Profit amounts to Euro 0.28 million (Euro 0.26 at 1H2018).

* *Data not subjected to a limited review*

Own Shares

Circle S.p.A. on June 30th 2019 owns 6,600 own shares, equal to 0.1902% of the share capital as part of the authorization approved by the Board of Directors on April 15th 2019, already subject to disclosure pursuant to art. 144-bis of Consob Regulation n. 11971/1999.

Subsequent Events to June 30th 2019

- **July 1st:** Circle communicates its participation in the European project "FENIX - A European Federated Network of Information eXchange in LogistiXStudy", which will intervene on 9 European TEN-T logistics corridors and 4 maritime connections pertaining to "Motorways of the Sea" receiving contributions for a total of Euro 1.3 million in the period 2019-2022.
- **July 9th:** Circle announces the launch and implementation of an "International Fast and Secure Trade Lane" (IFSTL) between the ports of La Spezia and Casablanca, involving AdSP of the Eastern Ligurian Sea, Agence Nationale des Ports (ANP), Terminal del Golfo (TDG), Tarros and Terminal San Giorgio (TSG), as well as the Casablanca Terminal and Tarros Maroc.
- **July 31st:** Circle defines the acquisition of 100% of the company "Progetto Adele Srl", a software house specialized in logistics and distribution, established in Genoa in 2003 with a Production Value of Euro 2.2 million at December 31st 2018, an increase of 39% compared to 2017 and an EBITDA margin of 11.5%.
- **August 28th:** Circle communicates its participation in EasyLog, a European project whose goal is to facilitate intermodal mobility of goods between cross-border regions using ICT technologies to improve accessibility to port nodes and financed for a total of almost € 2 million (of which € 1.7 million from the European Regional Development Fund ERDF), of which Circle obtained a first assignment of 81,800 euros.
- **September 2nd:** Circle communicates the full operation of its Milos® TOS (Terminal Operating System) for the efficiency of the operating and logistic system in the TSG terminal of the port of Genoa, thus strengthening its presence in the MED area.

Predictable management evolution

Management confirms positive expectations also for the second half of 2019, with a significant growth goal compared to the previous year, as well as the consolidation of the mentioned "Progetto Adele" M&A transaction, despite a market slowdown due to the domestic and macroeconomic political global situation.

Compared to international activities, Circle's activity during the summer of 2019 focused on countries in the MED Area (Portugal, EU - Brussels, Morocco, Turkey, Romania) as well as the evaluation of further activities in Egypt, Estonia, Middle East.



Meeting with the financial community - Lugano Investor Day 2019

Circle announces that on September 27th 2019 it will participate in the X Edition of the Lugano IR Top Investor Day organized by IR Top Consulting with the support of Borsa Italiana. During the event Luca Abatello will meet the Swiss financial community during the plenary presentation and in the context of one-to-one and group meetings.

Documentation

The Consolidated Financial Report on June 30th 2019 will be available to the public within the terms and in the manner prescribed by the AIM Italia Issuers Regulation, as well as on the Company's website, www.circletouch.eu, in the "Investor Relations / Financial Statements and Reports" section .

This press release is available on www.circletouch.eu in the Investor Relations section - Press releases and on www.1info.it.

In attached:

- Consolidated income statement at 06/30/2019
- Consolidated Balance Sheet at 06/30/2019
- Consolidated Cash Flow at 06/30/2019
- Consolidated Net Financial Position at 06/30/2019

*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 informations:

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Consolidated Income Statement at 06/30/2019

Conto Economico Consolidato €/000	30.06.19	30.06.18
Ricavi delle vendite	1.904	1.837
Incrementi per lavori interni	252	225
Altri proventi	489	375
Valore della produzione	2.645	2.438
Costi delle materie prime	(84)	(150)
Costi per servizi e godimento beni di terzi	(726)	(704)
Costo del personale	(1.077)	(931)
Variazione delle rimanenze	(14)	13
Oneri diversi di gestione	(42)	(20)
EBITDA	701	646
Ammortamenti e svalutazioni	(254)	(166)
EBIT	447	480
Proventi e oneri finanziari netti	(1)	1
Risultato ante imposte	446	482
Imposte esercizio	(98)	(99)
Risultato Netto	347	383
Risultato Netto di pertinenza del Gruppo	299	312
Risultato Netto di pertinenza di Terzi	48	71

Consolidated Balance Sheet at 06/30/2019

Stato Patrimoniale Consolidato €'000	30.06.19	31.12.18
Immobilizzazioni Immateriali	1.438	1.419
Immobilizzazioni Materiali	50	50
Immobilizzazioni Finanziarie	13	13
Totale Immobilizzazioni	1.501	1.483
Crediti verso clienti	2.244	1.489
Rimanenze	37	51
Anticipi da clienti		
Debiti verso fornitori	(572)	(793)
Capitale Circolante Operativo (CCO)	3.211	2.230
Altre attività correnti	1.217	1.039
Altre passività correnti	(818)	(824)
Ratei e risconti netti	(279)	- 263
Capitale Circolante Netto (CCN)	3.332	2.183
Fondi	(,2)	(5)
TFR	(343)	(313)
Capitale Investito Netto (CIN)	2.989	1.865
Posizione Finanziari netta	(1.301)	(2.097)
Patrimonio netto	4.290	3.962
Totale Fonti	2.989	1.865

Consolidated Cash Flow at 06/30/19

Rendiconto finanziario (€)	30/06/19	30/06/18
A. Flussi finanziari derivanti dall'attività operativa		
Utile dell'esercizio Gruppo	€ 298.968,15	€ 311.711,74
Utile dell'esercizio Terzi	€ 48.440,00	€ 71.024,00
Imposte sul reddito	€ 98.295,00	€ 98.893,00
Interessi Passivi/(Interessi Attivi)	€ 1.250,08	€ (1.326,05)
(Dividendi)	€ -	€ -
(Plusvalenze)/minusvalenze derivanti dalla cessione di attività	€ -	€ -
	€ 446.953,23	€ 480.302,69
1. Utile (perdita) dell'esercizio prima delle imposte sul reddito, interessi, dividendi e plus/minusvalenze da cessione		
<i>Rettifiche per elementi non monetari che non hanno avuto contropartita nel Capitale Circolante Netto</i>		
Ammortamento immobilizzazioni materiali	€ 9.929,70	€ 9.125,05
Ammortamento immobilizzazioni immateriali	€ 244.462,21	€ 143.008,05
Accantonamenti a Fondi	€ 43.948,95	€ 44.574,76
Svalutazioni per perdite durevoli di valore	€ -	€ -
	€ -	€ -
Rettifiche di valore di attività e passività finanziarie di strumenti finanziari derivanti che non comportano movimentazioni monetarie		
Altre rettifiche per elementi non monetari	€ -	€ -
2. Flusso finanziario prima delle variazioni del cnn	€ 745.294,09	€ 677.010,55
<i>Variazione del capitale circolante netto</i>		
Diminuzione (aumento) rimanenze	€ 14.076,50	€ (13.416,04)
Diminuzione (aumento) crediti commerciali	€ (755.751,66)	€ (205.686,92)
Aumento (diminuzione) debiti commerciali	€ (287.007,37)	€ (50.248,03)
Decremento/(licremento) ratei e risconti attivi	€ 13.106,70	€ 21.645,45
(Decremento)/incremento ratei e risconti passivi	€ 2.557,37	€ 51.834,00
Altre variazioni del cnn	€ (238.800,59)	€ (14.180,98)
3. Flusso finanziario dopo la variazione del cnn	€ (506.524,96)	€ 466.958,03
<i>altre rettifiche</i>		
Interessi incassati/(pagati)	€ 1.307,00	€ 11.341,00
Imposte sul reddito pagate	€ 20.458,56	€ (269.217,60)
Dividendi incassati	€ -	€ -
(Utilizzo fondi)	€ (18.578,05)	€ (82.844,13)
Flusso finanziario dell'attività operativa (A)	€ (503.337,45)	€ 126.237,30
B. Flussi finanziari derivanti dall'attività d'investimento		
Attività di investimento		
Investimenti netti in immobilizzazioni materiali	€ (9.796,57)	€ (14.722,93)
Investimenti netti in immobilizzazioni immateriali	€ (263.803,81)	€ (292.684,24)
Investimenti netti in immobilizzazioni finanziarie	€ (0,10)	€ -
Attività finanziarie non immobilizzate	€ 246,00	€ 195.841,00
(Acquisizione)/ cessione di società controllate al netto delle disponibilità liquide	€ -	€ -
Flusso finanziario dell'attività di investimento (B)	€ (273.354,48)	€ (111.566,17)
C. Flussi finanziari derivanti dall'attività di finanziamento		
<i>Mezzi di terzi</i>		
Incremento/(decremento) debiti a breve verso banche	€ (253,56)	€ (603.387,56)
Accensione (rimborso) finanziamenti	€ -	€ -
Mezzi propri		
Diminuzione capitale e riserve del gruppo	€ (19.605,22)	€ 44.021,66
Diminuzione capitale e riserve di terzi	€ -	€ -
Dividendi (e acconti su dividendi) pagati	€ -	€ -
Flusso finanziario dell'attività di finanziamento (C)	€ (19.858,78)	€ (559.365,90)
Variazione nella liquidità = (a+b+c)	€ (796.550,71)	€ (544.694,77)
Liquidità netta a inizio esercizio	€ 1.846.500,23	€ 1.150.388,00
<i>Variazione nella liquidità</i>	€ (796.550,93)	€ (544.694,77)
Liquidità netta a fine esercizio	€ 1.049.949,30	€ 605.693,23



Consolidated Net Financial Position at 06/30/2019

Posizione Finanziaria Netta Consolidata €/000	30.06.19	31.12.18
Disponibilità liquide	1.050	1.847
Titoli detenuti per la negoziazione	250	251
Liquidità	1.300	2.096
Debiti bancari correnti	0,448	0,703
Altri debiti finanziari correnti		
Indebitamento finanziario corrente	0,448	0,703
Indebitamento finanziario corrente netto	1.301	2.097
Indebitamento finanziario non corrente		
Indebitamento finanziario netto	1.301	2.097