



## PRESS RELEASE

**CIRCLE: THE BOARD OF DIRECTORS APPROVES THE HALF-YEAR FINANCIAL CONSOLIDATED REPORT AT JUNE 30<sup>th</sup>, 2022**

**VALUE OF PRODUCTION +25%, PROPRIETARY PRODUCTS MILOS® +35%, ADJUSTED EBITDA +27%, EBIT + 47%**

### **MAIN CONSOLIDATED RESULTS 1H2022**

- Value of Production: 5.2 million Euro, +25% (Euro 4.2 million 1H2021)
- adjusted EBITDA: 0.92 million Euro (gross of non-recurring costs of Euro 0.07 million incurred for the move and unification of the Headquarters in Piazza Borgo Pila in Genoa), (0.74 million Euro 1H2021), +27%
- EBITDA: 0.86 million Euro (0.74 million Euro 1H2021), +17%
- EBIT: 0.44 million Euro (0.3 million Euro 1H2021), +47%
- Net Profit: 0.35 million Euro (0.32 million Euro 1H2021), +7.3%, percentage that rises to +46% if we exclude extraordinary components from 2021 results
- Net Financial debt (cash): about 1 million Euro (cash for 1 million Euro at 31<sup>st</sup> December 2021); Adjusted Net Financial debt about 3.1 million Euro (2.5 million Euro at 31<sup>st</sup> December 2021), as a result of credits on EU projects
- Milos® proprietary products +35%; new federative services +149%
- Among the most significant events of the reporting period the launch of Milos® Global Supply Chain Visibility suite and numerous EU and PNRR projects signed

*Milan, 29<sup>th</sup> September 2022*

The Board of Directors of [Circle S.p.A.](#) ("Circle" or "the Company"), company heading the homonymous Group specialized in the analysis and development of innovative digitization solutions for port and intermodal logistics and in international consultancy with focus on Green Deal and energy transition, listed on the Euronext Growth Milan market organized and managed by Borsa Italiana, during the conference call meeting held today, approved the half-year consolidated financial report at June 30<sup>th</sup> 2022, which is subject to limited audit.

*Luca Abatello, President & CEO at Circle, stated: "The year opened with a very satisfactory start, followed by a slowdown linked to the consequences of the war in Ukraine, the pressing inflation and rising energy costs that are putting pressure on the Italian production system. In this complex scenario, we are pleased to have had significant growth rates, with a 25% increase in*



*the Value of Production and a 47% growth in EBIT. With the launch of Milos® Global Supply Chain Visibility for Manufacturing & Distribution suite and further innovative Federation Services, our offer is now complete and representative of all major players and segments of the Supply Chain and their needs.*

*I would also like to highlight the great growth of the Group's competences, with particular focus on Artificial Intelligence and Machine Learning applied to the multimodal component.*

*Regarding the strand of the Next Generation EU, the Energy Transition and, the release of the economic resources for digitalization made available by the PNRR, I would like to emphasize the capability of Circle to materialize important results, with the participation to projects which are decisive also for the next years".*

### **Main consolidated results at June 30th 2022**

**Value of Production** amounted to 5.2 million Euro with an increase of 25% (Euro 4.2 million 1H2021).

It should be noted the +35% increase of proprietary software products, also in SaaS (Software as a Service) mode on cloud, and Milos® federative services +149% increase

**Adjusted EBITDA** amounted to 0.92 million Euro, (gross of non-recurring costs of Euro 0.07 million incurred for the move and unification of the Headquarters in Piazza Borgo Pila in Genoa), risultando in crescita del 27% rispetto all'EBITDA del primo semestre 2021.

L'**EBITDA** è pari a circa Euro 0,86 milioni (Euro 0,74 nel 1H2021), con EBITDA Margin del 16,5%.

After depreciation of 0.4 million Euro, **EBIT** amounted to 0.4 million Euro (0.3 million Euro 1H2021), + 47%.

**Net Profit** totalled **0.35 million Euro** (0.32 million Euro 1H2021), +7.3%, percentage that rises to +46% if we exclude from 2021 results extraordinary components (sale of a share and related extraordinary dividend) equal to 0.08 million Euro.

**Net Financial debt (cash)** amounted to 1 million Euro (cash for 1 million Euro at 31<sup>st</sup> December 2021) after investments for product evolution for 0.3million Euro.

**Adjusted Net Financial debt** amounted to 3.1 million Euro (cash for 2.5 million Euro at 31<sup>st</sup> December 2021), as a result of credits on EU projects.

**Equity** stood at 7.6 million Euro (7 million Euro at 31<sup>st</sup> December 2021).



During 1H2022 **investments**, amounting to 0.3 million Euro (0.25 million Euro during 1H2021), were made mainly for the evolution of Milos® TOS and MTO suite, Optimization, Global Supply Chain Visibility, MasterSped®, and further innovative Federative Services for the interoperability with shipping lines and a new Green Dashboard.

It should be noted the +20% increase of Value of Production of **Circle S.p.A.** (2.4 million Euro) and the +52% increase of the EBITDA (0.6 million Euro).

### **Own Shares**

Own shares of the Company are equal to 13,200 (representing 0.36% of share capital) at June 30<sup>th</sup>, 2022.

### **Significant events during the reporting period**

- 21/02/2022 - entry of Magellan Circle in the international ReNEW consortium for the energy transition of inland waterway transport (contract value: about € 175,000)
- 25/03/2022 - Market launch of Milos® Global Supply Chain Visibility for Manufacturing & Distribution suite
- 06/05/2022 - "Innovation" award at Finance Gala & Summit organized by Integrae SIM
- 12/05/2022 - business grew in the first quarter of 2022 to confirm and strengthen the objectives of the Strategic Roadmap 2024 thanks to the opportunities coming from the PNRR and the Next Generation EU
- 14/06/2022 - obtained from SIMEST a subsidized loan of over € 430,000 of which a non-repayable contribution of about € 108,000 for the internationalization of the Group, with particular focus on Portugal and Belgium
- 16/06/2022 - signed a consultancy contract to support the customs route and railway management of leading Italian intermodal freight operator (contract value: about € 280,000 in 3 years)
- 29/06/2022 - entry of Friulia, the financial company of the Friuli-Venezia Giulia Region, into the Share Capital of Info.era with a 20% share and simultaneous subscription by the shareholders Circle, Catone Investimenti and Friulia, of a Capital Increase of € 400,000 pro-quota.

### **Significant events after the reporting period**

- 04/07/2022 - signed contract with leading international multimodal operator



(contract value: about € 350,000 in 5 years)

- 13/07/2022 - resolution of the Board of Directors to submit to the Shareholders' Meeting a proposal for authorization to purchase and dispose of own shares and to give an exploratory mandate to the President for the study of a Stock Option plan for the management and personnel of the Company and/or of any subsidiaries
- 20/07/2022 - Master SPED® chosen by a Shipping House to ensure customers a complete visibility and traceability of shipments (contract value: about € 45,000 per year for 3 years)
- 03/08/2022 - approval by the Shareholders' Meeting of the proposal for authorization to buy and dispose of own shares
- 08/08/2022 - new contract to support global transport and logistics company in the path of activation of innovative customs procedures (contract value: about € 140,000 in 5 years)
- 10/08/2022 - participation in the RAISE innovation ecosystem (contract value: about € 780,000 over 3 years as a non-repayable contribution)
- 11/08/2022 - start of the purchase plan and disposal of own shares
- 22/08/2022 - Milos® TOS suite operating at intermodal terminal Servizi ISE
- 05/09/2022 - start of CONCILIAMO project for work-life balance of employees (funding value of approximately € 167,000)
- 08/09/2022 - Magellan Circle participation in the MedBAN - Mediterranean Blue Acceleration Network project for a greener, digital and resilient economy (project value: about € 80,000 in 2 years)
- 12/09/2022 - first half 2022 highlights
- 21/09/2022 - new contract with primary railway operator for the management of the Temporary Custody for Warehouse Transfer within railway and intermodal corridors (contract value: about € 70,000 annually)
- 26/09/2022 - Magellan Circle coordinates Horizon Europe SEANERGY project to support the transformation of ports into clean energy producers and users (project value: about € 360,000 in the reference period September 2022-February 2025).

### **Business Outlook**

During the first six months of 2022, the focused demand for innovative federative services implemented by the Group continued, with reference to value tracking, security, customs, rail/intermodal, also in the light of the articulated international situation that requests a punctual control of the multimodal logistic chain.

CIRCLE Group has demonstrated to know how to seize the great opportunities deriving from



the PNRR and the Next Generation EU and the megatrends of the sector tied to the new technologies to support the digitalization, thus intercepting the necessities and the potentialities of this decisive phase for ports, intermodal logistics and multimodal transports. The strengthening by the Italian Government of "Transition 4.0" incentives (and similar instruments at European level) has further accelerated the demand for digitalization processes of the logistic chain.

At the same time, the consolidation of the Next Generation EU Plan has generated a strong demand for support services linked to issues of European planning and "EU branding" that continue to be very intense both at the level of direct EU projects and at the level of private companies interested in making the most of existing opportunities and never so wide as now. In this regard RAISE ("Robotics and AI for Socioeconomic Empowerment"), project, promoted by the University of Genoa, Italian Institute of Technology (IIT) and CNR, with a value for Circle of 780,000 Euro was defined in September.

Important projects related to internationalization were also launched. The Group, in fact - in addition to having joined the ReNEW International Consortium, with Magellan Circle, for the energy transaction of inland waterway transport, for a value of 175,000 Euro - has obtained from SIMEST a subsidized loan of over 430,000 Euro, on the internalization projects being carried out by the Company in Portugal and Belgium. Moreover, the project MedBan - Mediterranean Blue Acceleration Network, worth 80,000 Euro, has been awarded through Magellan Circle and has been given the task of coordinating, always through Magellan Circle, the Horizon Europe SEANERGY plan to support the transformation of the ports in producers and clean energy users, for a value of approximately 360,000 Euro.

The launch, in late March, of the new Milos® Global Supply Chain Visibility for Manufacturing & Distributions suite aimed at giving a further concrete answer to the industrial companies that are forced to a punctual monitoring of the logistics and transport costs at the international level, of delivery times, risks and that see in the suite a need transformed into an opportunity for proactive and predictive management.

The growth of the recurring cloud-based (SaaS) Federative Services, which represent one of the Group's strategic assets, continues much more than proportionally, with a particular focus also on the aviation component, made in 2021 and early 2022 much more competitive by still very high sea freight rates.

Finally, the monitoring of the Group's external growth opportunities continues, with the evaluation of various concrete opportunities on the table aimed at strengthening both the



most innovative segments and the international presence.

The Group is continuously monitoring the course of the economic indicators to the aim to adapt own strategy where the slowdown possibly promptly in course becomes a recession like some analysts to today prophesy (also in the light of the US, Germany, and the Ukraine/gas/inflation crises still outstanding).

Circle Group, following the national provisions and in the general interest of protecting the health of all, has consolidated, and expanded the procedures of smart working (also active for years, in a much smaller percentage) to its employees and collaborators, always ensuring full uptime and availability via email, mobile phone and other remote audio/video sharing systems.

In this regard, CIRCLE Group has launched "CONCILIAMO" project, for work-life balance of its employees. Co-funded by the Department for Family Policies with a contribution of Euro 167,000, CONCILIAMO is intended for employees of Italian companies of the CIRCLE Group and promotes:

- smart working through targeted training to support this mode of work and the provision of technological equipment and enabling infrastructure
- family support for staff with minors
- customized training.

CIRCLE Group has refined and is implementing the Strategic Roadmap, which was presented on 1<sup>st</sup> December 2020 during Circle's first Virtual Investor Day and then updated periodically as from investor meetings. In particular, the focus of the Strategic Roadmap will be on the segments of market object of investments and activity (terminal, MTO, shippers/industries, freight forwarders) with a logic of increase of volume with particular focus on the proprietary products, to have an expanded customer base to which propose then the set of innovative solutions implemented and federative services available.

The increasing digitalization trend can also accelerate some processes of modernization in the intermodal logistics in favor of new computer science solutions, and this aspect can counteract the heavy impacts coming from the disruption of the logistic chain for Covid-19, the growth of the hires and the changes of the supply routes due to the war in Ukraine.

### **Meetings with financial community**

Circle will meet the financial community to present 1H2022 results on **October 4<sup>th</sup> 2022**



within a **web conference** organized by Integrae SIM and **October 14<sup>th</sup>, 2022, in Lugano** within **2022 Mid & Small Cap Investor Day 2022** organized by IR Top Consulting.

### **Documentation**

The documents related will be made publicly available on the website [www.circlegroup.eu](http://www.circlegroup.eu) on in the Investor Relations section and on [www.borsaitaliana.it](http://www.borsaitaliana.it) as required by applicable laws.

### **Attachments:**

- Consolidated Income Statement at 30/06/2022
- Consolidated Balance Sheet at 30/06/2022
- Consolidated Net Financial debt at 30/06/2022
- Consolidated Financial Statement at 30/06/2022

*This press release is available at [www.circlegroup.eu](http://www.circlegroup.eu) in the Investor Relations section and [www.linfo.it](http://www.linfo.it).*

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***CIRCLE Group** is the Group specialized in the analysis and development of **innovation and digitalization solutions for the port and intermodal logistics sectors** and in **international consultancy with a focus on the Green Deal and energy transition topics** headed by **Circle S.p.A.**, Innovative SME listed on the **Euronext Growth Milan market of Borsa Italiana** since October 26<sup>th</sup>, 2018 (alphanumeric code: CIRC; ISIN code for ordinary shares: IT. 0005344996).*

*Besides Circle, the Group comprises software houses **Info.era** and **Progetto Adele**, purchased respectively at the end of 2017 and in July 2019, as well as consulting companies **Circle Connecting EU** and **Magellan Circle**.*

*Synergies between Circle, Info.era and Progetto Adele have allowed the Group to expand the portfolio of solutions it offers in the fields of IoT, optimization, Digital Twin, Big Data and Process Automation, and to strengthen its software products: **Milos®** – the suite for all players of intermodal logistics, such as inland terminals, port terminals, ports, MTOs and shipping agencies – the Port Community System **Sinfomar**, **Master SPED®** and **Master TRADE®** solutions – respectively dedicated to shipping and logistics and to commerce and industry.*

*Conceived to make migration of customers to a digital business model, **Federative services** provide in cloud and pay-per-use mode, more efficient, complete Circle's services for the Supply Chain.*

*With **Circle Connecting EU**, Circle supports Public Entities and Companies, by identifying their positioning*



at a European level (**Strategic Communication and Advocacy**) and funding opportunities (**EU Funding Accelerator**).

Moreover, thanks to the joint venture agreement and purchase of **Magellan Circle**, a Portuguese entity delivering advocacy services to European Institutions, **Circle Connecting EU** offers further services at a European level regarding the Iberian Peninsula, having strengthened its presence in Brussels and having exploited the maximum advantages from opportunities linked to the **Next Generation EU Recovery Fund**.

Lastly, Circle leads the network of enterprises **Log@Sea**, enhancing its evolved solutions for the Gate Automation of ports and intermodal hubs.

#### For more information

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**Consolidated Income Statement at 30/06/2022**

<b>Conto Economico Consolidato €/000</b>	<b>30.06.2022</b>	<b>30.06.2021</b>	<b>Variazione</b>
Ricavi delle vendite e delle prestazioni	4.415	3.164	1.251
Incrementi per lavori interni	305	240	65
Altri ricavi e proventi	503	776	-273
<b>Valore della produzione</b>	<b>5.222</b>	<b>4.180</b>	<b>1.042</b>
Costi della produzione	148	177	-29
Costi per servizi e godimento beni di terzi	1.938	1.463	475
Costo del personale	2.141	1.738	403
variazione delle rimanenze	10	23	-13
Accantonamenti su rischi	0	0	0
Oneri diversi di gestione	124	42	82
<b>EBITDA</b>	<b>860</b>	<b>737</b>	<b>123</b>
Ammortamenti e svalutazioni	423	439	-16
<b>EBIT</b>	<b>438</b>	<b>298</b>	<b>140</b>
Proventi e oneri finanziari netti	-13	74	-87
<b>Risultato prima delle imposte</b>	<b>425</b>	<b>372</b>	<b>53</b>
Imposte esercizio	80	51	29
<b>Risultato netto</b>	<b>345</b>	<b>321</b>	<b>24</b>



**Consolidated Balance Sheet at 30/06/2022**

<b>Stato patrimoniale Consolidato €/000</b>	<b>30.06.2022</b>	<b>31.12.2021</b>	<b>Variazione</b>
Immobilizzazioni immateriali	3.455	3.196	259
Immobilizzazioni materiali	150	151	-1
Immobilizzazioni finanziarie	-	-	-
<b>Totale Immobilizzazioni</b>	<b>3.604</b>	<b>3.348</b>	<b>256</b>
Crediti verso clienti	4.246	4.196	50
Rimanenze	43	53	-10
Anticipi da clienti	- 256	-178	-78
Debiti verso fornitori	-1.513	-2.095	582
<b>Capitale Circolante Operativo (CCO)</b>	<b>2.519</b>	<b>1.975</b>	<b>544</b>
Altre attività correnti	3.796	3.001	795
Altre passività correnti	-2.016	-1.310	-706
Ratei e risconti netti	-383	-84	-299
<b>Capitale Circolante Netto</b>	<b>3.916</b>	<b>3.583</b>	<b>333</b>
Fondi	-40	-40	-
TFR	-934	-863	-71
<b>Capitale Investito Netto</b>	<b>6.546</b>	<b>6.027</b>	<b>519</b>
<b>Indebitamento Finanziario Netto</b>	<b>-1.017</b>	<b>-984</b>	<b>-33</b>
<b>Patrimonio Netto</b>	<b>7.573</b>	<b>7.011</b>	<b>562</b>



**Consolidated Net Financial debt at 30/06/2022**

Indebitamento Finanziario Netto Consonidato €/000	30.06.2022	31.12.2021	Variazione
Disponibilità liquide	-1.623	-1.912	289
Titoli detenuti per la negoziazione	-	-	-
Liquidità	-1.623	-1.912	289
Debiti bancari Correnti	606	928	-322
Altri debiti finanziari correnti	-	-	-
Indebitamento finanziario corrente	606	928	-322
Indebitamento finanziario corrente netto	-1.017	-984	-33
Indebitamento finanziario non corrente	-	-	-
Indebitamento finanziario netto	-1.017	-984	-33

## Consolidated Financial Statement at 30/06/2022

Descrizione conto	30/06/2022	31/12/2021
<b>A) Flussi finanziari derivanti dall'attività operativa (metodo indiretto)</b>		
Utile (perdita) dell'esercizio	345.055	321.285
Totale delle imposte sul reddito dell'esercizio, correnti, differite e anticipate	79.760	51.233
Interessi passivi/(attivi)	12.776	--67.525
(Dividendi)		
(Plusvalenze)/Minusvalenze derivanti dalla cessione di attività		
1) Utile (perdita) dell'esercizio prima d'imposte sul reddito, interessi, dividendi e plus/minusvalenze da cessione	437.591	304.993
<b>Rettifiche per elementi non monetari che non hanno avuto contropartita nel capitale circolante netto</b>		
Accantonamenti ai fondi	143.932	209.513
Ammortamenti delle immobilizzazioni	411.461	813.840
Svalutazioni per perdite durevoli di valore		
Rettifiche di valore di attività e passività finanziarie di strumenti finanziari derivati che non comportano movimentazione monetarie		
Altre rettifiche in aumento/(in diminuzione) per elementi non monetari		
Totale rettifiche per elementi non monetari che non hanno avuto contropartita nel capitale circolante netto	555.393	1.023.353
2) Flusso finanziario prima delle variazioni del capitale circolante netto	992.984	1.328.346
<b>Variazioni del capitale circolante netto</b>		
Decremento/(Incremento) delle rimanenze	10.037	15.805
Decremento/(Incremento) dei crediti verso clienti	--857.858	--1.148.977
Incremento/(Decremento) dei debiti verso fornitori	--503.812	927.089
Decremento/(Incremento) dei ratei e risconti attivi	18.186	18.272
Incremento/(Decremento) dei ratei e risconti passivi	281.482	--63.453
Altri decrementi/(Altri Incrementi) del capitale circolante netto	853.341	--1.381.352
Totale variazioni del capitale circolante netto	--198.624	--1.632.616
3) Flusso finanziario dopo le variazioni del capitale circolante netto	794.360	--304.270
<b>Altre rettifiche</b>		
Interessi incassati/(pagati)	67.525	--12.656
(Imposte sul reddito pagate)	--285.143	--212.678

Dividendi incassati		
(Utilizzo dei fondi)	--73.374	--86.323
Altri incassi/(pagamenti)		
Totale altre rettifiche	--290.992	--311.657
Flusso finanziario dell'attività operativa (A)	503.368	--615.927
<b>B) Flussi finanziari derivanti dall'attività d'investimento</b>		
<b>Immobilizzazioni materiali</b>		
(Investimenti)	--32.332	--24.333
Disinvestimenti		
<b>Immobilizzazioni immateriali</b>		
(Investimenti)	--636.025	--1.271.585
Disinvestimenti		
<b>Immobilizzazioni finanziarie</b>		
(Investimenti)	--8.850	4.700
Disinvestimenti		
<b>Attività finanziarie non immobilizzate</b>		
(Investimenti)		
Disinvestimenti		
(Acquisizione di società controllate al netto delle disponibilità liquide)		
Cessione di società controllate al netto delle disponibilità liquide		
Flusso finanziario dell'attività di investimento (B)	--677.207	--1.291.218
<b>C) Flussi finanziari derivanti dall'attività di finanziamento</b>		
<b>Mezzi di terzi</b>		
Incremento/(Decremento) debiti a breve verso banche	--322.698	658.551
Accensione finanziamenti		
(Rimborso finanziamenti)		
<b>Mezzi propri</b>		
Aumento di capitale a pagamento	10.981	1.902.823
(Rimborso di capitale)		
Cessione/(Acquisto) di azioni proprie	196.001	132.314
(Dividendi e acconti su dividendi pagati)		

Flusso finanziario dell'attività di finanziamento (C)	--115.716	2.693.688
Incremento (decremento) delle disponibilità liquide (A ± B ± C)	--289.555	786.543
Effetto cambi sulle disponibilità liquide		
<b>Disponibilità liquide a inizio esercizio</b>		
Depositi bancari e postali	1.909.724	881.155
Assegni		
Danaro e valori in cassa	2.666	4.903
Totale disponibilità liquide a inizio esercizio	1.912.390	886.058
Di cui non liberamente utilizzabili		
<b>Disponibilità liquide a fine esercizio</b>		
Depositi bancari e postali	1.416.036	1.909.724
Assegni	204.000	
Danaro e valori in cassa	2.999	2.666
Totale disponibilità liquide a fine esercizio	1.623.035	1.912.390
Di cui non liberamente utilizzabili		
<b>Acquisizione o cessione di società controllate</b>		
Corrispettivi totali pagati o ricevuti		
Parte dei corrispettivi consistente in disponibilità liquide		
Disponibilità liquide acquisite o cedute con le operazioni di acquisizione/cessione delle società controllate		
Valore contabile delle attività/passività acquisite o cedute		