



PRESS RELEASE

CIRCLE: THE BOARD OF DIRECTORS APPROVES THE CONSOLIDATED HALF-YEAR FINANCIAL CONSOLIDATED REPORT AT 30 JUNE 2023

VALUE OF PRODUCTION +37%, MILOS® PROPRIETARY PRODUCTS +145%, EBITDA +128%, EBIT +244%, NET PROFIT +226%

MAIN CONSOLIDATED RESULTS 1H2023

- Value of Production: € 7.16 million, +37% (€ 5.22 million 1H2022)
- EBITDA: € 2 million (€ 0.86 million 1H2022), +128%.
- EBIT: € 1.51 million (€ 0.44 million 1H2022), +244%.
- Net profit: € 1.13 million (€ 0.35 million 1H2022), +226%.
- Net financial debt (cash positive) of approx. € 2 million (cash of € 1.82 million at 31 December 2022); Adjusted net financial debt (*cash positive*) of approx. € 3.8 million (€ 2.9 million - *cash positive* - at 31 December 2022), due to receivables on EU projects
- Milos® proprietary products +145%; new federated services, launched to meet the full digitization needs of the supply chain market, +387%
- Highlights of the semester included the consolidation of Cargo Start, the launch of Milos Intelligence and the expansion of port services to many Mediterranean ports

Milan, 28th September 2023

The Board of Directors of [CIRCLE S.p.A.](#) ("CIRCLE" or "the Company"), innovative SME 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 organised and managed by Borsa Italiana, today approved the consolidated half-yearly financial report at 30 June 2023, voluntarily subject to limited audit.

Luca Abatello, President & CEO of CIRCLE Group, stated: "*The six-month period was extremely positive and full of satisfaction. With the launch of the 4.0 release of Milos® Global Supply Chain Visibility for Manufacturing & Distribution and Milos® Intelligence, two milestones of the Group's strategy have been completed and the great growth of our competencies has been sanctioned, with a particular focus on Artificial Intelligence and Machine Learning applied to the multimodal component.*

With regard to the Next Generation EU, Energy Transition and digitization at port and intermodal level, we would like to emphasize CIRCLE's ability to realize significant new results by signing strategic projects and being involved in decisive strands.

Moreover, the release of the economic resources made available by the PNRR is expected by



the end of 2023, which will thus see a further strategic step for Italy, Europe, and the Mediterranean”.

Main consolidated results at 30 June 2023

Value of Production of € 7.16 million increased by 37% compared to the same period of the previous year (€ 5.22 million).

Proprietary software products, also offered in SaaS (Software as a Service) mode on a cloud platform, increased by 145% and Milos® Federated Services increased by 387%.

EBITDA amounted to approximately € 2 million (€ 0.86 in 1H2022), with EBITDA Margin of 27.4% (16.5% in 1H2022) calculated on the Value of Production for each period.

After depreciation and amortization of some € 0.45 million, **EBIT** amounted to € 1.51 million (€ 0.44 million 1H2022), an increase of 244%.

Net Profit amounted to € 1.13 million (€ 0.35 million 1H2022), +226%.

Net Financial Debt (cash) amounted to € 2 million (cash of € 1.82 million as of 31 December 2022) after having incurred investments on product development of € 0.2 million, completed commitments for Magellan Circle of € 0.1 million, and invested € 0.5 million for the majority of Cargo Start as of 31 December 2022.

Adjusted Net Financial Debt (cash) amounted to about € 3.8 million (cash of € 2.9 million as of 31 December 2022), plus receivables due from the European Union, which are structurally deferred due to EU rules.

The **investments** made in the first half of 2023, amounting to about € 0.2 million (€ 0.3 million in the first half of 2022) for the intangible part, mainly concerned the evolution of the services offered by the Milos® MTO, TOS, Intelligence, Global Supply Chain Visibility, MasterSped® suites and the development of further innovative federated services, the Green Dashboard, the CargoStart airline and airport suites.

Equity amounted to € 9.45 million (€ 8.31 million at 31 December 2022).

It should be noted the +64% increase in the Value of Production of the parent company Circle S.p.A. to € 2.9 million and a +129% increase in the related EBITDA of € 1.3 million.



Own Shares

Own shares of the Company are equal to 16,500 shares (representing 0.41% of share capital) at 30 June 2023.

Significant events during the reporting period

- 04/01/2023 - contract to supply Milos® MTO and Federated Services to a major logistics operator in northern Italy (*contract value: approximately € 400,000*)
- 11/01/2023 - new contract for the implementation of a complete Federal Services project (*contract value: approx. € 270,000*)
- 02/02/2023 - signing of framework contract of *approximately € 450,000* with leading European multimodal customs operator for Master SPED® and Federated Services
- 08/02/2023 - Leading Mediterranean port relies on CIRCLE Group's "Port Community System" services (*contract value: approx. € 500,000 over 4 years*)
- 21/02/2023 - major Mediterranean port chooses CIRCLE Group's "Port Community System" services (*contract value: approx. € 290,000 over 4 years*)
- 16/03/2023 - new contract for "Port Community System" services (*contract value: approx. € 500,000 over 9 months*)
- 03/04/2023 - participation in the Investor Day organized by Banca Profilo in Milan
- 04-05/04/2023 - participation in Investor Access Event in Paris
- 03/05/2023 - *about € 300,000* project signed with leading international multimodal logistics operator for innovative digitization activities related to the international cargo sector
- 22/05/2023 - new project worth *approximately € 250,000* (in the period 2023-2025) signed with a leading Mediterranean port
- 08/06/2023 - participation in the Iberian Digital Investor Day event
- 22/06/2023 - minimum trading lot at 330 shares from Monday 26 June 2023
- 22/06/2023 - awarded the eFTI4EU project (*contract value: approx. € 560,000 over 36 months*) financed under the Connecting Europe Facility (CEF2) program



- 26-30/06/2023 - participation in the Mid & Small | Virtual 2023 event organized by Virgilio IR.

Significant events after the reporting period

- 24/07/2023 - market launch of MTO Planning Optimization and Best Trucker Selection, two new integrated digital solutions for planning, optimization, and control of the Supply Chain; € 1 million expected Value of Production related to Milos® Intelligence in 2023-24
- 01/08/2023 - new contract to provide 'Port Community System' solutions to Mediterranean Port (*contract value: approx. € 130,000 over 9 months*)
- 03/08/2023 - CINEA - European Climate, Infrastructure and Environment Executive Agency extends E-BRIDGE project by 18 months; Amendment to Grant Agreement involves over € 800,000 as additional co-financing reserved for Circle
- 16/08/2023 - contract worth over € 510,000 with multimodal operator for innovative digital and customs services
- 28/08/2023 - contract worth approximately € 135,000 with New East Mediterranean Port
- 31/08/2023 - contract worth over € 200,000 with European intermodal and terminal operator
- 21/09/2023 - new contracts signed through Magellan Circle for a total amount of approximately € 100,000
- 26/09/2023 - mission to Morocco coordinated by the Italian Embassy in Morocco and ITA with the Port System Authority of the Eastern Adriatic Sea, the Venezia Giulia Chamber of Commerce and Confindustria Friuli-Venezia Giulia.

Business outlook

During the first two months of the third quarter of 2023, the focused demand for the **innovative federated services** implemented by the Group continued to be intense, with reference to those with tracking, security, customs, and rail/intermodal value, also in the light of the complex international situation that makes precise control of the multimodal logistics chain always necessary and unavoidable.

CIRCLE Group has shown that it has been able to begin to seize the great opportunities arising from the PNRR and the Next Generation EU (even if the funds are mostly postponed to 2024-2025) and the sector **megatrends** related to new technologies supporting digitization, thus



intercepting the needs and potential of this decisive phase for the ports, intermodal logistics and multimodal transport sector.

The Italian government's 2022 reinforcement of the '**Transition 4.0**' incentives (and similar instruments at European level) meant that projects for terminal and port crane and gate automation and digitization of supply chain processes accelerated in the first half of 2023, with high expectations for the promised new 5.0 instrument in 2024.

At the same time, the consolidation of the Next Generation EU Plan has generated a strong demand for support services related to European project issues and '**EU branding**', which 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 the existing opportunities, which are nowhere near as extensive as they are today.

The Milos® Global Supply Chain Visibility for Manufacturing & Distributions suite is intended to provide a further concrete answer to industrial companies that are forced to monitor logistics and transport costs internationally, delivery times, and risks, and that see in the suite a need turned into an opportunity for proactive and predictive management. A further very important 5.0 tool for *green, circular economy* combined with Federated Services will be announced shortly.

The much more than proportional growth of recurring **cloud-based** federated services (SaaS), which represent one of the Group's strategic assets, continued, with a particular focus on the **air component**, which was made much more competitive in 2021-22 by the still very high maritime freight rates and retained significant market shares even in 2023, much higher than pre-pandemic levels.

Finally, the **monitoring of** the Group's **external growth opportunities** continues, with the evaluation of potential targets aimed at strengthening both the most innovative segments and international presence.

Meetings with the financial community

Circle will meet the financial community to present H1 2023 results:

- **6th October 2023 in Lugano** as part of the **Mid & Small Cap Investor Day 2023** organized by IR Top Consulting
- **9th October 2023 in Milan** as part of the Investor Day organized by **Integrae SIM**
- **17th October 2023 in Milan** as part of the **Next Gems 2023 Conference** organized by Virgilio IR.

Documentation

The Consolidated Financial Report at 30 June 2023 will be made available to the public



within the terms of the law and on the Company's website, www.circlegroup.eu, in the "Investor Relations/Financial Reports" section, as well as on the website www.borsaitaliana.it, in the "Shares/Documents" section.

Attachments:

- Consolidated Income Statement at 30/06/2023
- Consolidated Balance Sheet at 30/06/2023
- Consolidated Net Financial debt at 30/06/2023
- Consolidated Financial Statement at 30/06/2023.

This press release is available at www.circlegroup.eu in the Investor Relations section and www.1info.it.

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 26th, 2018 (alphanumeric code: CIRC; ISIN code for ordinary shares: IT. 0005344996).

Besides Circle, the Group comprises software houses **Info.era**, **Progetto Adele** and **Cargo Start**, purchased respectively at the end of 2017, in July 2019 and December 2022, 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, and **Star Tracking®**, solution for airport-to-airport tracking.

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**).



*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**.*

*Moreover, the recent purchase (December 2022) of 51% of **Cargo Start**, innovative start-up specialized in the development and sale of innovative technological products and services for air cargo, CIRCLE Group can strengthen its offer in a rapidly expanding and strategic segment for **2024 Connect 4 Agile Growth** roadmap.*

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

Circle S.p.A.

Registered office Via Giovanni Battista Pergolesi 26, 20124 Milan
Operational headquarters Piazza Borgo Pila 40 (Torre A interno 46), 16129 Genoa
Nicoletta Garzoni, *Investor Relations & PR*
Mail: ir@circletouch.eu | Mobile: +39 339 2367218

Euronext Growth Advisor: **Integrae SIM S.p.A.**

Piazza Castello 24, 20121 Milan
Mail: info@integraesim.it | Phone: +39 02 96 84 68 64



Consolidated Income Statement at 30/06/2023

Conto Economico Consolidato €/000	30.06.2023	30.06.2022	Variazione
Ricavi delle vendite e delle prestazioni	5.864	4.415	1.449
Incrementi per lavori interni	217	305	-88
Altri ricavi e proventi	1.076	503	573
Valore della produzione	7.157	5.222	1.935
Costi della produzione	32	148	-116
Costi per servizi e godimento beni di terzi	2.618	1.938	680
Costo del personale	2.434	2.141	293
variazione delle rimanenze	4	10	-6
Accantonamenti su rischi	-	-	0
Oneri diversi di gestione	110	124	-14
EBITDA	1.959	860	1.099
Ammortamenti e svalutazioni	451	423	28
EBIT	1.508	438	1.070
Proventi e oneri finanziari netti	- 8	- 13	5
Risultato prima delle imposte	1.500	425	1.075
Imposte esercizio	375	80	295
Risultato netto	1.125	345	780



Consolidated Balance Sheet at 30/06/2023

Stato patrimoniale Consolidato €/'000	30.06.2023	31.12.2022	Variazione
Immobilizzazioni immateriali	3.570	3.620	- 50
Immobilizzazioni materiali	173	176	- 3
Immobilizzazioni finanziarie	8	9 ¹	- 1
Totale Immobilizzazioni	3.751	3.805	- 54
Crediti verso clienti	6.267	5.631	636
Rimanenze	38	43	- 5
Anticipi da clienti	- 397	- 213	- 184
Debiti verso fornitori	- 1.391	- 2.350	959
Capitale Circolante Operativo (CCO)	4.517	3.111	1.406
Altre attività correnti	3.635	2.751	884
Altre passività correnti	- 3.238	- 2.129	- 1.109
Ratei e risconti netti	- 96	19	- 115
Capitale Circolante Netto	4.818	3.752	1.066
Fondi	- 5	- 5	-
TFR	- 1.108	- 1.059	- 49
Capitale Investito Netto	7.457	6.493	964
Indebitamento Finanziario Netto	- 1.997	- 1.820	- 177
Patrimonio Netto	9.454	8.313	1.141
Totale fonti	7.457	6.493	964

¹ La voce crediti verso altri oltre l'esercizio successivo di €11.132 è stata riclassificata nelle altre attività correnti, mentre al 31.12.22 è stata inclusa nelle immobilizzazioni finanziarie. Per comparare i dati sono stati riclassificati entrambi in Altre Attività correnti.



Consolidated Net Financial debt at 30/06/2023

Indebitamento finanziario netto consolidato €/000	30.06.2023	31.12.2022	Variazione
Disponibilità liquide	- 2.639	- 2.337	- 302
Titoli detenuti per la negoziazione	-	-	-
Liquidità	- 2.639	- 2.337	- 302
Debiti bancari Correnti	642	517	125
Altri debiti finanziari correnti	-	-	-
Indebitamento finanziario corrente	642	517	125
Indebitamento finanziario corrente netto	- 1.997	- 1.820	- 177
Indebitamento finanziario non corrente	-	-	-
Indebitamento finanziario netto	- 1.997	- 1.820	- 177
Crediti liquidi verso EU per contributi	-1.754	-1.078	-676
Indebitamento finanziario netto adjusted	-3.752	-2.898	-853

Consolidated Financial Statement at 30/06/2023

Descrizione conto	30/06/2023	30/06/2022
A) Flussi finanziari derivanti dall'attività operativa (metodo indiretto)		
Utile (perdita) dell'esercizio	1.125.417	345.055
Totale delle imposte sul reddito dell'esercizio, correnti, differite e anticipate	374.937	79.760
Interessi passivi/(attivi)	7.354	12.776
(Dividendi)		
(Plusvalenze)/Minusvalenze derivanti dalla cessione di attività	- 11.048	
1) Utile (perdita) dell'esercizio prima d'imposte sul reddito, interessi, dividendi e plus/minusvalenze da cessione	1.496.660	437.591
Rettifiche per elementi non monetari che non hanno avuto contropartita nel capitale circolante netto		
Accantonamenti ai fondi	119.086	143.932
Ammortamenti delle immobilizzazioni	399.173	411.461
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	- 202.099	
Totale rettifiche per elementi non monetari che non hanno avuto contropartita nel capitale circolante netto	316.160	555.393
2) Flusso finanziario prima delle variazioni del capitale circolante netto	1.812.820	992.984
Variazioni del capitale circolante netto		
Decremento/(Incremento) delle rimanenze	4.140	10.037
Decremento/(Incremento) dei crediti verso clienti	- 636.040	- 857.858
Incremento/(Decremento) dei debiti verso fornitori	- 958.525	- 503.812
Decremento/(Incremento) dei ratei e risconti attivi	34.742	18.186
Incremento/(Decremento) dei ratei e risconti passivi	80.372	281.482
Altri decrementi/(Altri Incrementi) del capitale circolante netto	36.138	853.341
Totale variazioni del capitale circolante netto	- 1.439.173	- 198.624
3) Flusso finanziario dopo le variazioni del capitale circolante netto	373.647	794.360
Altre rettifiche		
Interessi incassati/(pagati)	- 7.354	67.525

(Imposte sul reddito pagate)		- 285.143
Dividendi incassati		
(Utilizzo dei fondi)	- 69.944	--73.374
Altri incassi/(pagamenti)		
Totale altre rettifiche		- 290.992
Flusso finanziario dell'attività operativa (A)	296.349	503.368
B) Flussi finanziari derivanti dall'attività d'investimento		
Immobilizzazioni materiali		
(Investimenti)	- 28.382	- 32.332
Disinvestimenti	11.048	
Immobilizzazioni immateriali		
(Investimenti)	- 102.557	- 636.025
Disinvestimenti		
Immobilizzazioni finanziarie		
(Investimenti)		--8.850
Disinvestimenti	8.864	
Attività finanziarie non immobilizzate		
(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)	- 111.027	- 677.207
C) Flussi finanziari derivanti dall'attività di finanziamento		
Mezzi di terzi		
Incremento/(Decremento) debiti a breve verso banche	188.383	- 322.698
Accensione finanziamenti		
(Rimborso finanziamenti)	- 66.094	
Mezzi propri		
Aumento di capitale a pagamento		10.981
(Rimborso di capitale)		
Cessione/(Acquisto) di azioni proprie	- 5.148	196.001
(Dividendi e acconti su dividendi pagati)		
Flusso finanziario dell'attività di finanziamento (C)	117.141	- 115.716
Incremento (decremento) delle disponibilità liquide (A ± B ± C)	302.463	- 289.555
Effetto cambi sulle disponibilità liquide		



Disponibilità liquide a inizio esercizio		
Depositi bancari e postali	2.327.930	1.909.724
Assegni		
Danaro e valori in cassa	8.668	2.666
Totale disponibilità liquide a inizio esercizio	2.336.598	1.912.390
Di cui non liberamente utilizzabili		
Disponibilità liquide a fine esercizio		
Depositi bancari e postali	2.631.079	1.416.036
Assegni		204.000
Danaro e valori in cassa	7.982	2.999
Totale disponibilità liquide a fine esercizio	2.639.061	1.623.035
Di cui non liberamente utilizzabili		
Acquisizione o cessione di società controllate		
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		