



CONNECT 4 AGILE GROWTH

October, 17th 2023

INVESTOR PRESENTATION

Agenda

- **Corporate overview, 2022, H1 2023 Financials**
- **Megatrends & objectives achieved**
- **«Connect 4 Agile Growth» Strategic Roadmap**

CIRCLE Group overview

Highlights

CIRCLE Group is an international player specialised 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** headed by CIRCLE S.p.A.

Since

October 2018

listed on Euronext Growth Milan

More than 30%

of revenues (CIRCLE) realised outside Italy; focus on Southern Europe, Mediterranean area, Black Sea and Middle East

110*

direct employees and a network of professionals

Main products

Milos®: innovative software focused on intermodal logistic operations dedicated to inland & port terminals, MTOs & maritime agencies

Sinfomar: extended Port Community System connecting all players & processes involved in port

MasterSped®: evolutive platform for customs operators

Federative Services, TAP & GSCV solutions

StarTracking®: airport-to-airport tracking solution with real-time status updates

EU Affairs Consultancy

EU Funding Accelerator: developing successful applications for funding

Strategic Communication and Advocacy: Visual and Brand Identity, Web Design, Social Media Management, Events, PR/Press, Roadshows

International Consultancy: policy making and strategic technical orientations in the port, maritime and transport field

5 successful M&As since end of 2017

51% of Info.Era, specialised in software development with experience in the port sector through Sinfomar®

100% of Progetto Adele, specialised in the development of vertical software systems for the Supply Chain

51% of Log@Sea, company network specialised in logistic nodes automation using OCR and IOT technologies

51% of MagellanCircle, advocacy services towards European institutions

51% of Cargo Start, Innovative Start-up providing innovative technological products and services for operators of the air cargo field.

Revenues € 10.9 mln
(+17% vs 2021)

Ebitda: € 2 m

Ebitda Margin: 18%

Circle Net Profit: € 0.83 m

NFP ADJ: € 2.9 mln (cash € 1.8 m)

Financial Year 2022

**June 2023*

Corporate overview

Group Structure



Optimisation



Rail undertaking solutions



Digital Transport Document (e-CMR)



CPM & Digital Twin



Operative Human Resources



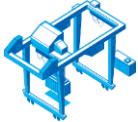





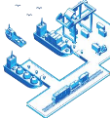





IT networking, security and Infrastructure as a Service (IaaS)



Hydrogen Decarbonisation

Complementary technologies / business

Business units & Lines of business

		BUSINESS UNITS				
		Innovative and Smart Supply Chain	Global Supply Chain Visibility	European Affairs Consultancy		
LINES OF BUSINESS		Inland & Port Terminal Operators, Nodes Automation		Manufacturing and Distribution		EU Funding Accelerator
		Multimodal Transport Operators & Rail		Freight Forwarders & Customs Operators		Strategic Communication and Advocacy
		Ports Authorities and Communities				International Consultancy
		Shipping Agencies				
		Air Cargo Operators				
		Optimisation & AI				
		Federative & Innovative Customs Solutions				

Connect 4 Agile Growth to a Federated Supply Chain



 **International Transport Regulations, Standards & Innovative projects**

 eFTI Compliance

 TAF TSI Standards








 eCRM

 International Fast & Secure Trade Lane



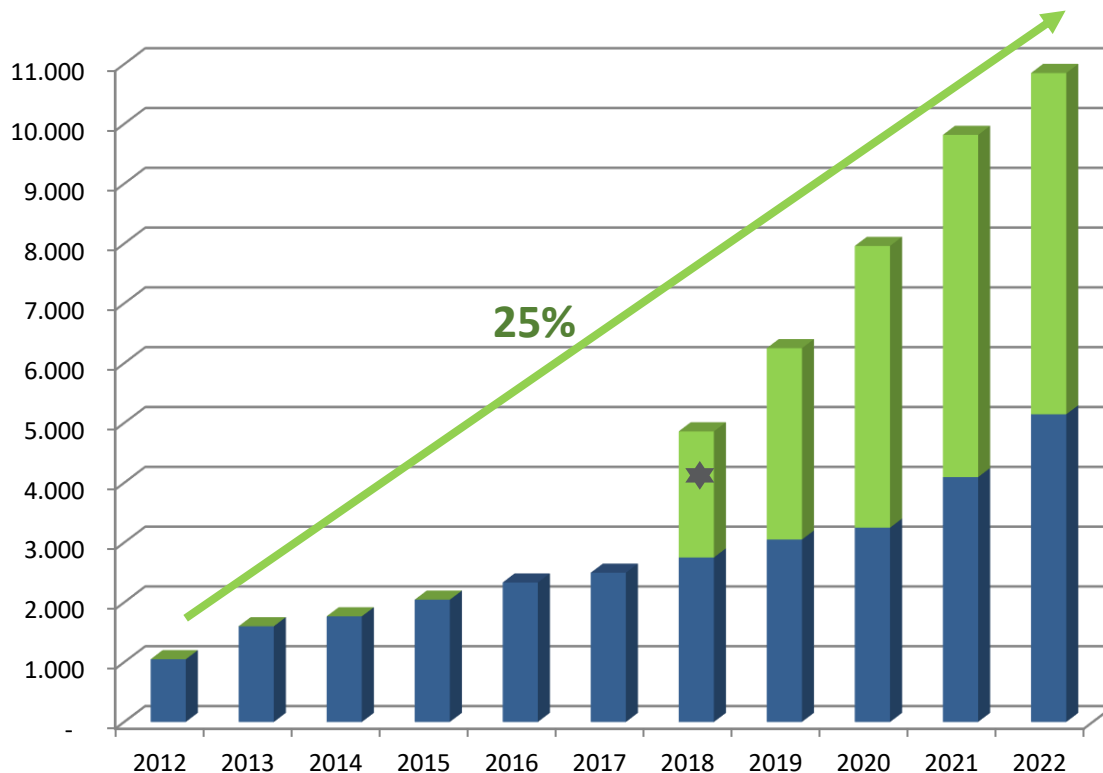
European Affairs Consultancy
 Supporting Public and Private entities in business development through international visibility and EU funds.

Targets, Products and Services

	Innovative and Smart Supply Chain	Global Supply Chain Visibility	European Affairs Consultancy
TARGETS	<ul style="list-style-type: none"> Inland & Port Terminal Operators Multimodal Transport Operators & Rail Companies Port Authorities & Port Communities Shipping Agencies 	<ul style="list-style-type: none"> Freight Forwarders Customs Operators Shippers (Manufacturing & Distribution) Air Operators 	<p>Public authorities and private companies in the areas of:</p> <ul style="list-style-type: none"> port transport mobility logistics environment circular economy energy transition
PRODUCTS/SERVICES	<ul style="list-style-type: none"> Federative & Customs Services Technologies (IaaS & PPU) Optimisation (Last mile) Gate Automation KPI, Dashboard & Invoice  	<ul style="list-style-type: none"> Federative & Customs Services Technologies (IaaS & PPU) International Fast and Secure Trade Lanes Innovative Customs Procedures       	<ul style="list-style-type: none"> Eu Funding Accelerator Strategic Communication and Advocacy International Consultancy 

Financials: 2012-2022 Group revenues

Group Revenues	
2022	€ 10.9 mln

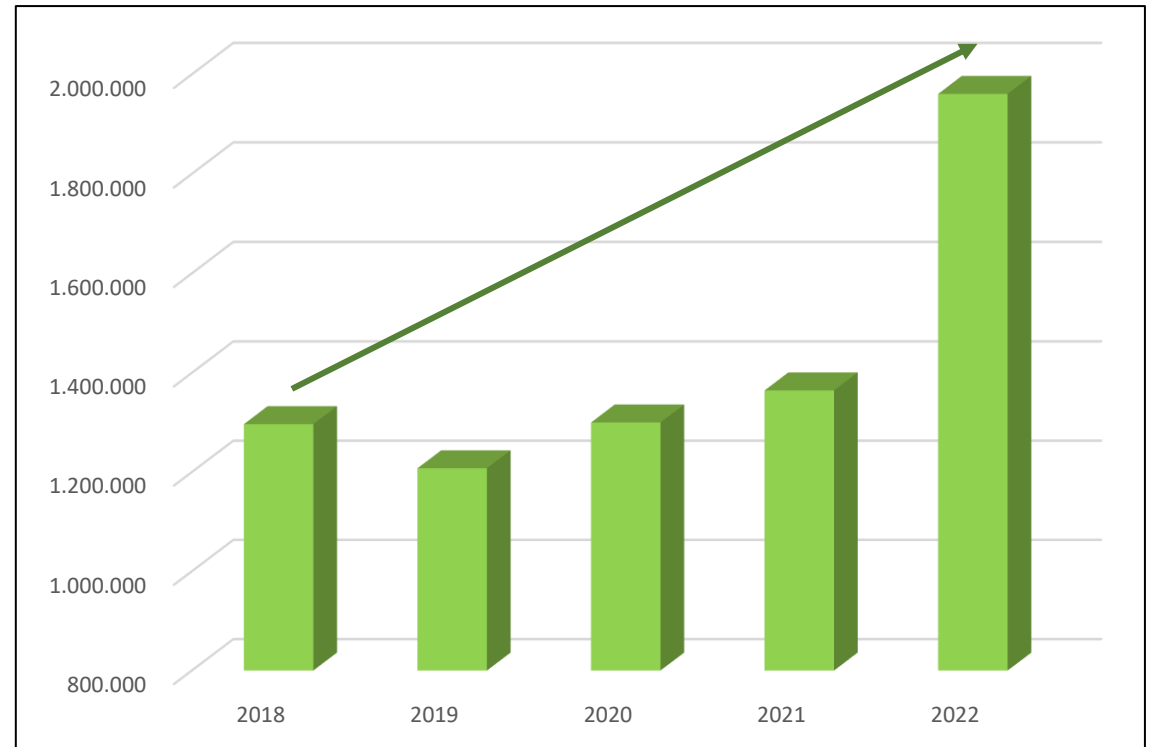


★ Green numbers are related to Systematic M&A; Info.era (acquisition 01.01.2018), Progetto Adele (acquisition 01.08.2019), Log@Sea (51% defined July 2020), MagellanCircle (51% at 31.05.22), CargoStart (51% at end 2022 – revenues not consolidated yet)

Financials: 2018-2022 Group EBITDA

Group EBITDA	
2022	€ 2 mln

EBITDA margin 2022: 18%



*2019-2020-2021 Adjusted EBITDA

CIRCLE Group H1 2023

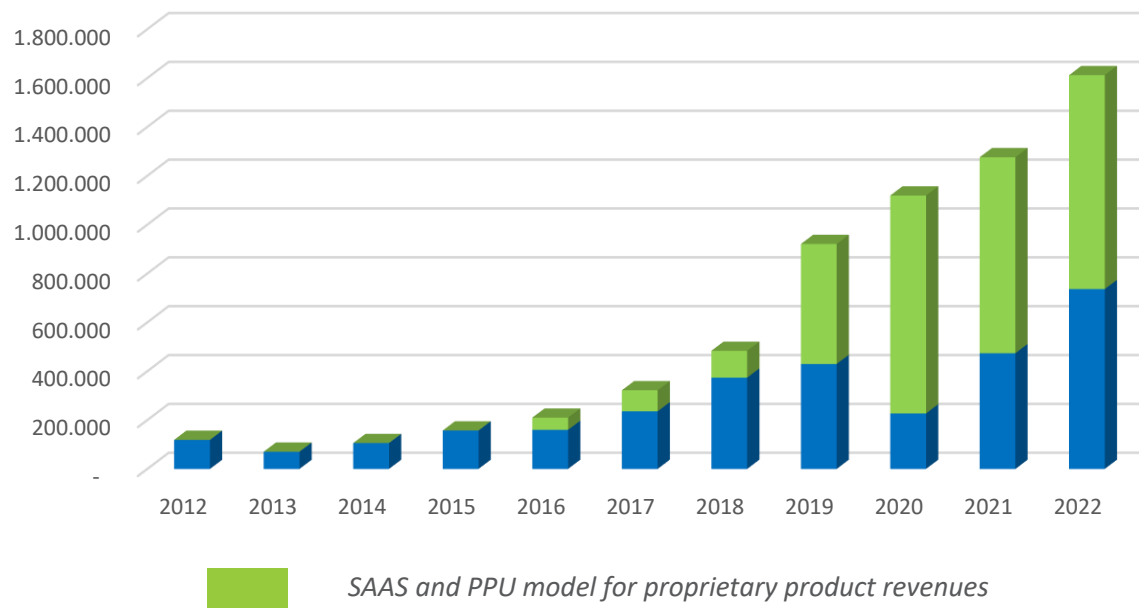
	30/06/2023	Var %
CIRCLE Group revenues	€ 7.2 mln	+37%
Proprietary software products	€ 2 mln	+145%
Milos Federative Services	€ 0.5 mln	+387%
CIRCLE S.p.A. revenues	€ 3.9 mln	+64%
EBITDA	€ 2 mln	+128%
EBIT	€ 1.51 mln	+244%
Net profit	€ 1.13 mln	+226%

Cash + NFP (cash positive) = € 2 mln + EU credit € 1.8 mln = NFP adjusted € 3.8 mln



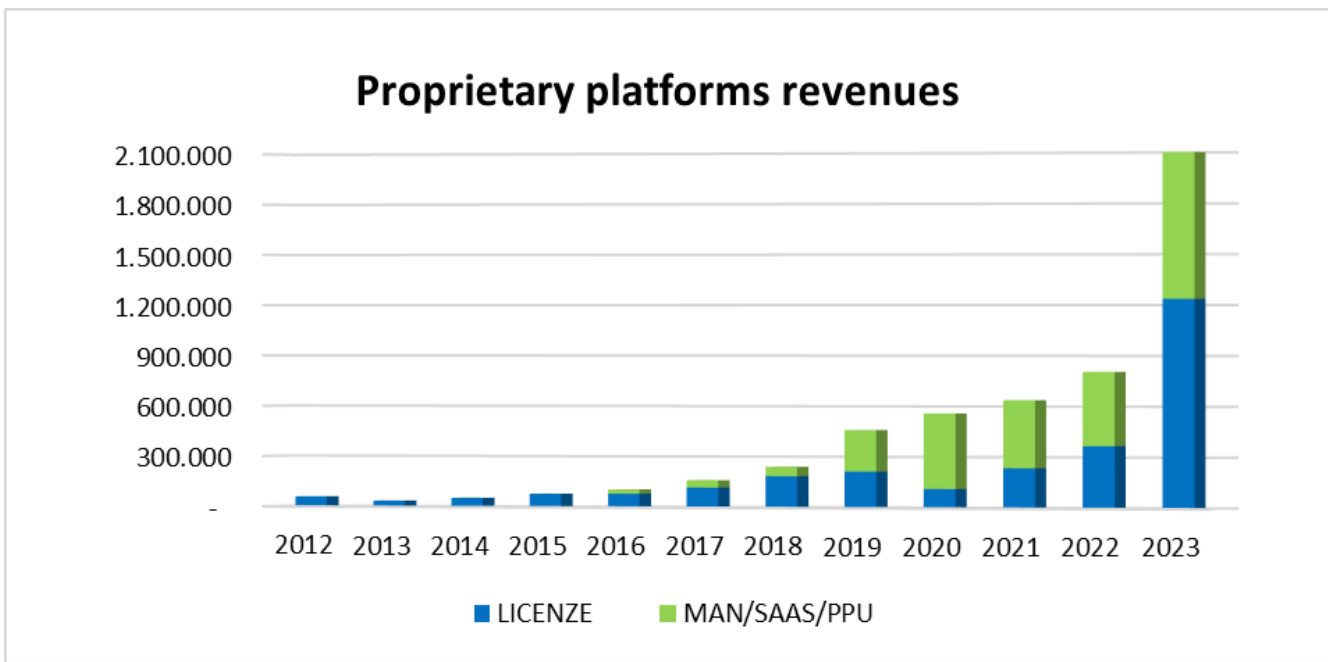
Products: revenues evolution 2022

Proprietary platforms revenues



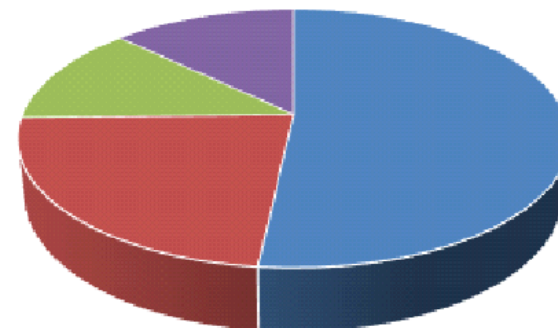
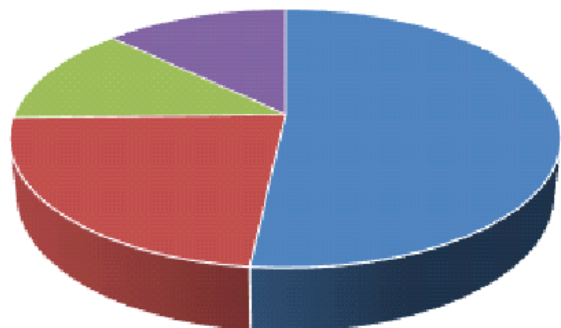
2022 vs 2021	
Proprietary Platform Revenues (first of all MILOS®)	MILOS® +25%

Products: revenues evolution H1 23



H1 2023 vs H1 2022	
Proprietary Platform Revenues (first of all MILOS®)	MILOS® +145%

Business Units: revenues split 30/6/23



	31/12/2022
ISSC	€ 5.7 mln
GSCV	€ 2.3 mln
EAC	€ 1.1 mln
EU PJt (COF)	€ 1.8 mln

	30/06/2023
ISSC	€ 3.7 mln
GSCV	€ 1.6 mln
EAC	€ 0.9 mln
EU PJt (COF)	€ 0.9 mln

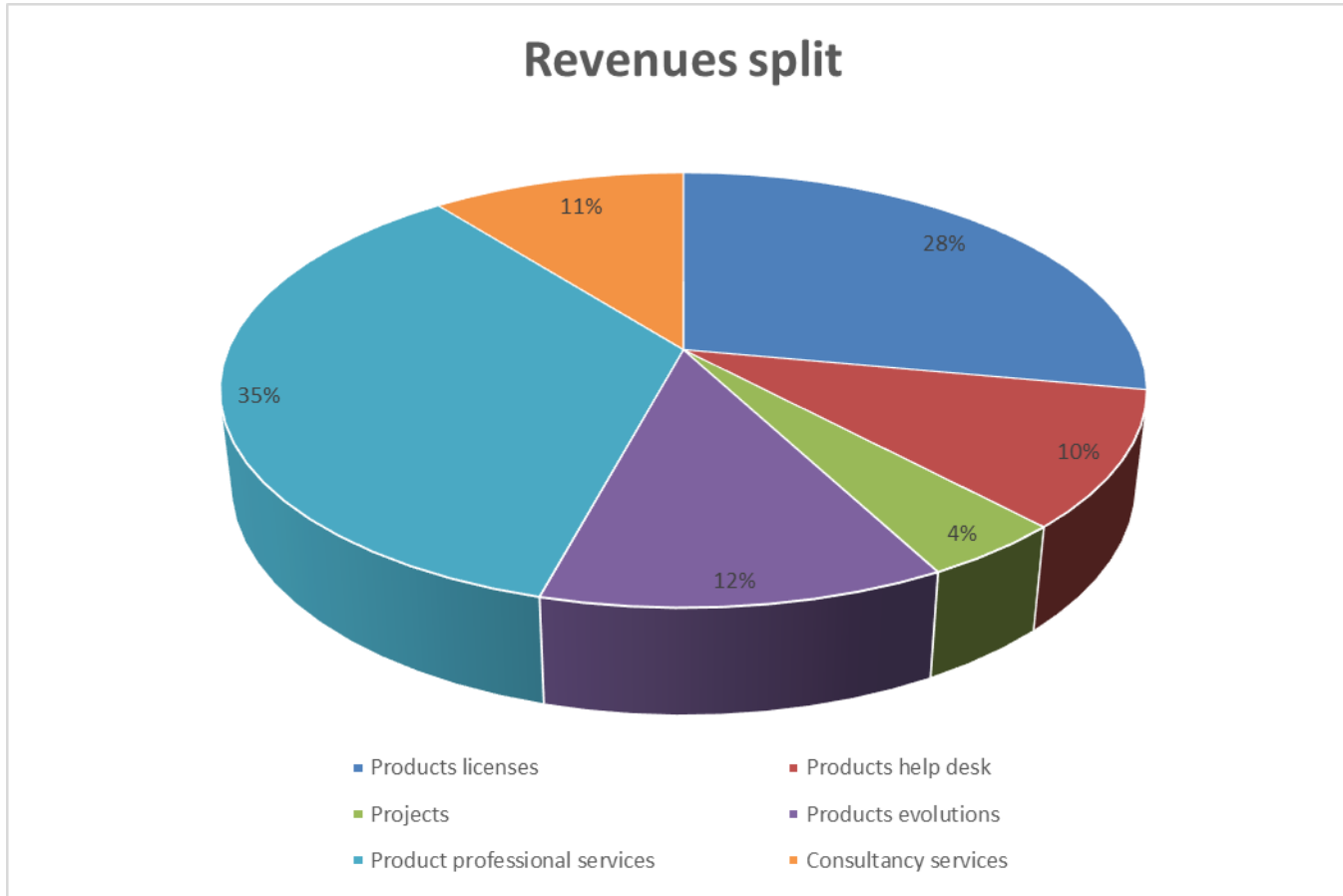
ISSC – Innovative and Smart Supply Chain BU

GSCV – Global Supply Chain Visibility BU

EAC – European Affairs Consultancy BU

EU PJt (COF) – European Projects

Detailed revenues split: H1 2023



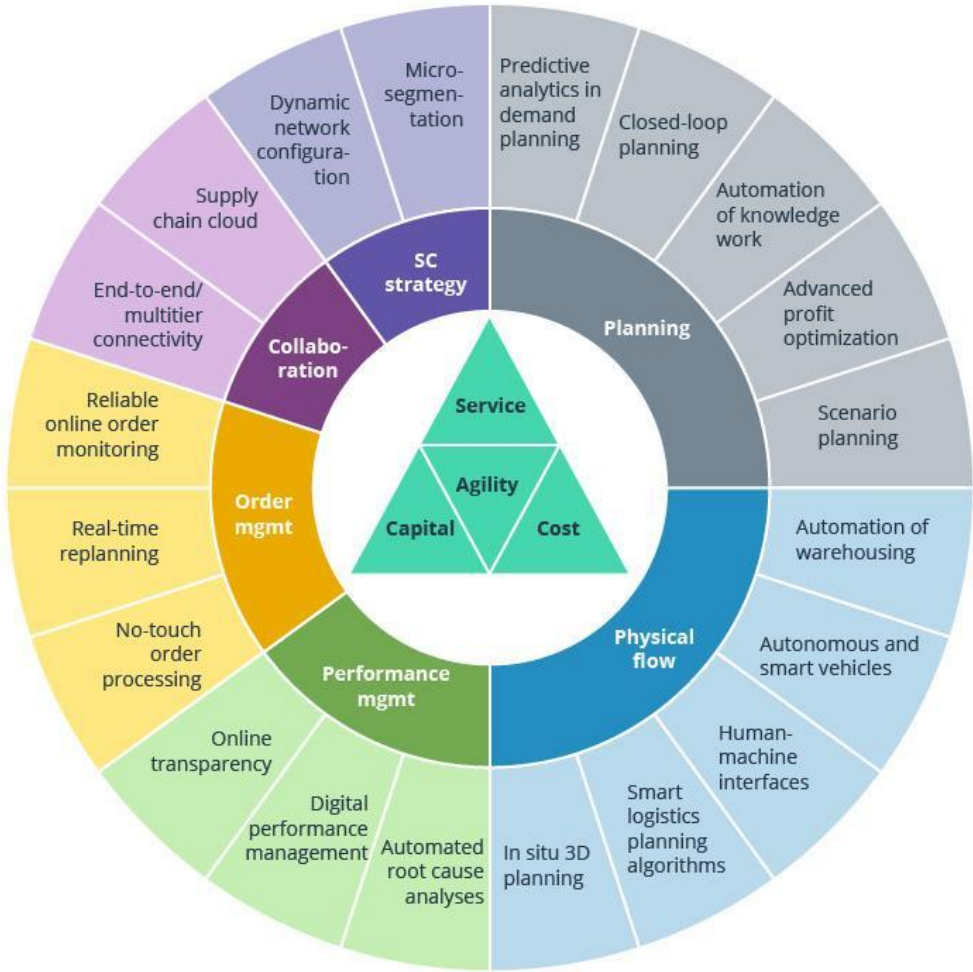


Megatrends & objectives achieved

Market megatrends

Digital transformation of the Supply Chain

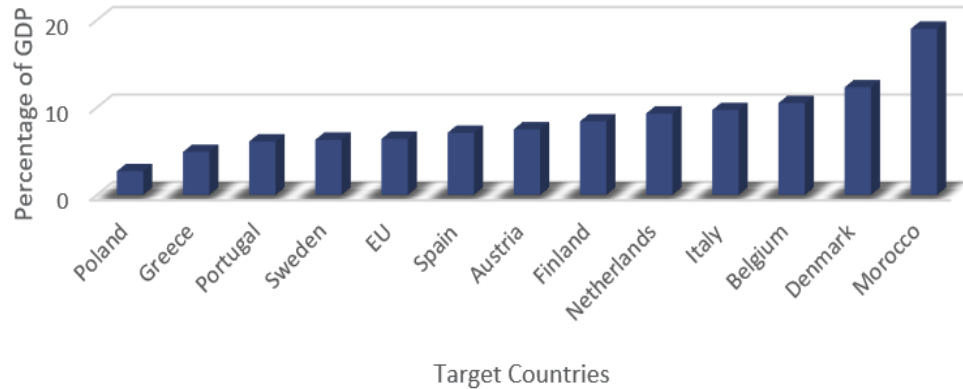
KEYS	CHARACTERISTICS
<i>Capability related to IT – Digitalisation</i>	<ul style="list-style-type: none"> • Simplification • Planning • Forecast
<i>Innovative environment - organisation</i>	<ul style="list-style-type: none"> • Fast • Flexible • Efficient



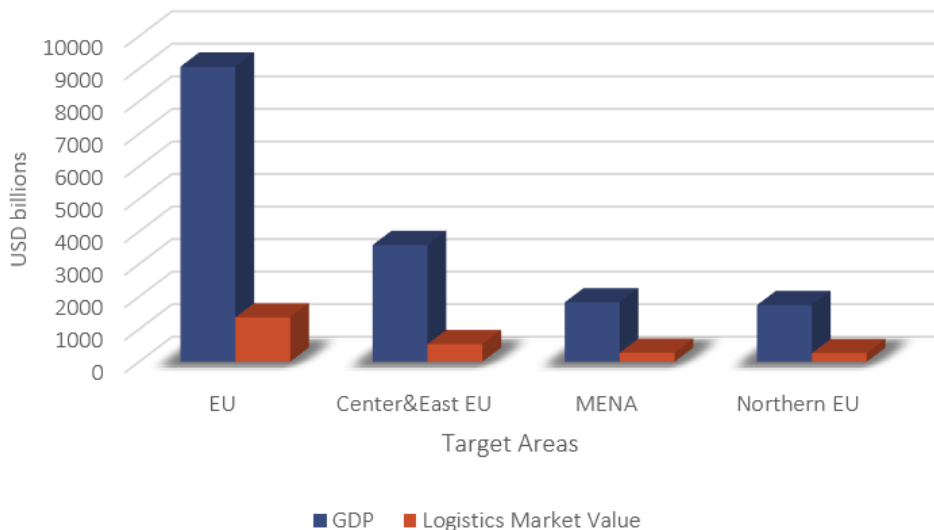
Source McKinsey

Market size: segments & geography

Logistics as percentage of GDP



GDP and Logistic Market Values



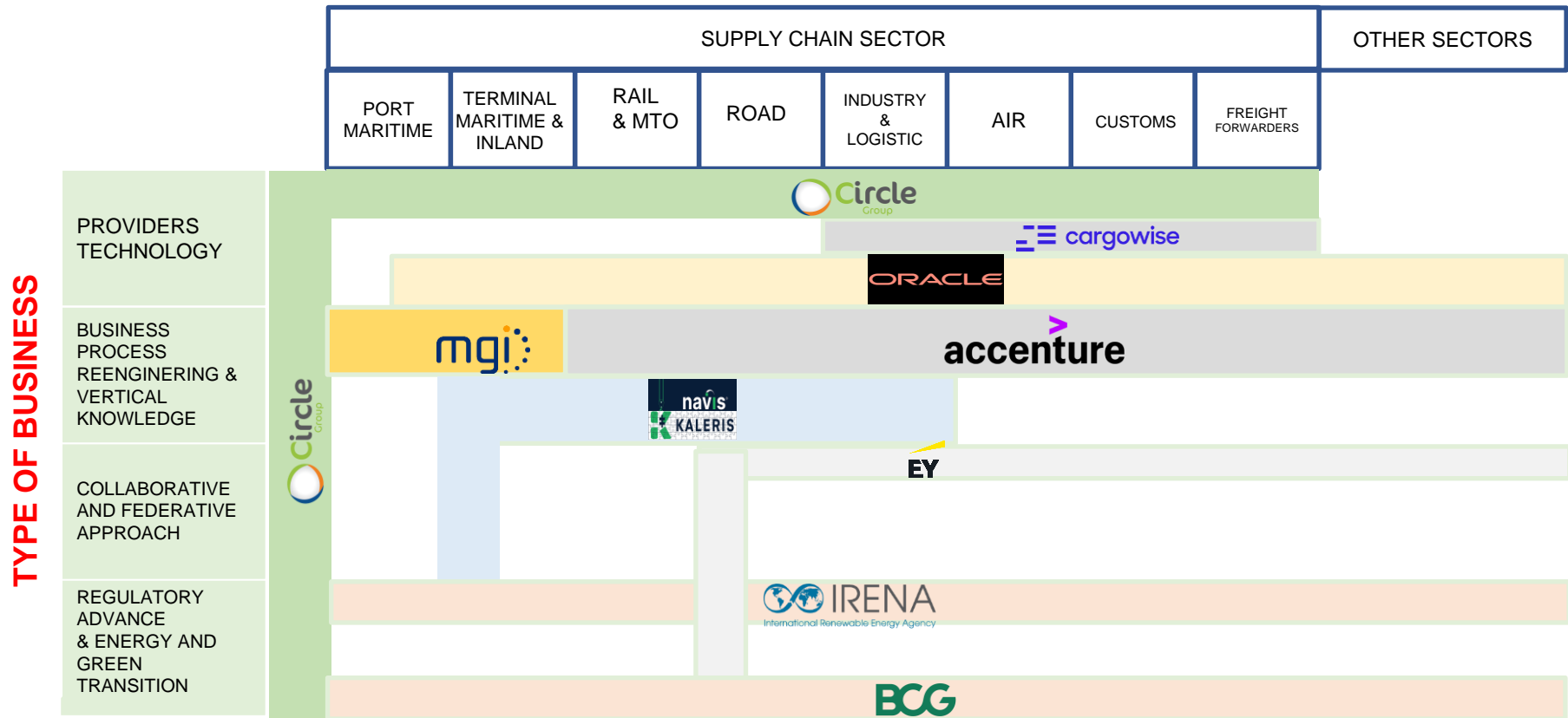
CIRCLE Group's
potential market size
(worldwide)
≈ €3,6 bln

CIRCLE Group's
potential market
size (to 2026)
≈ €1.5 bln

Positioning

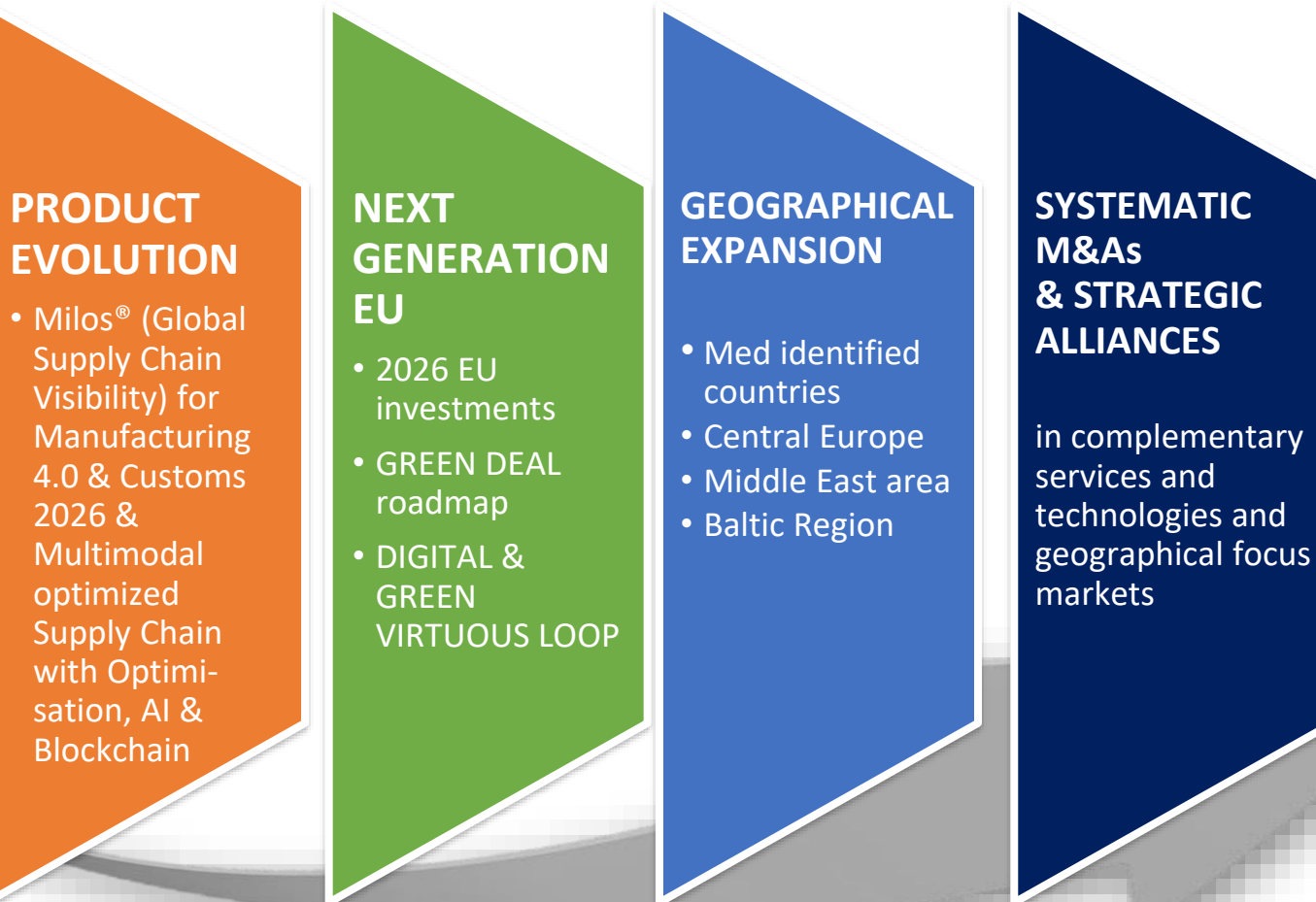
Distinctive positioning and competition

SECTORS



Strategic guidelines

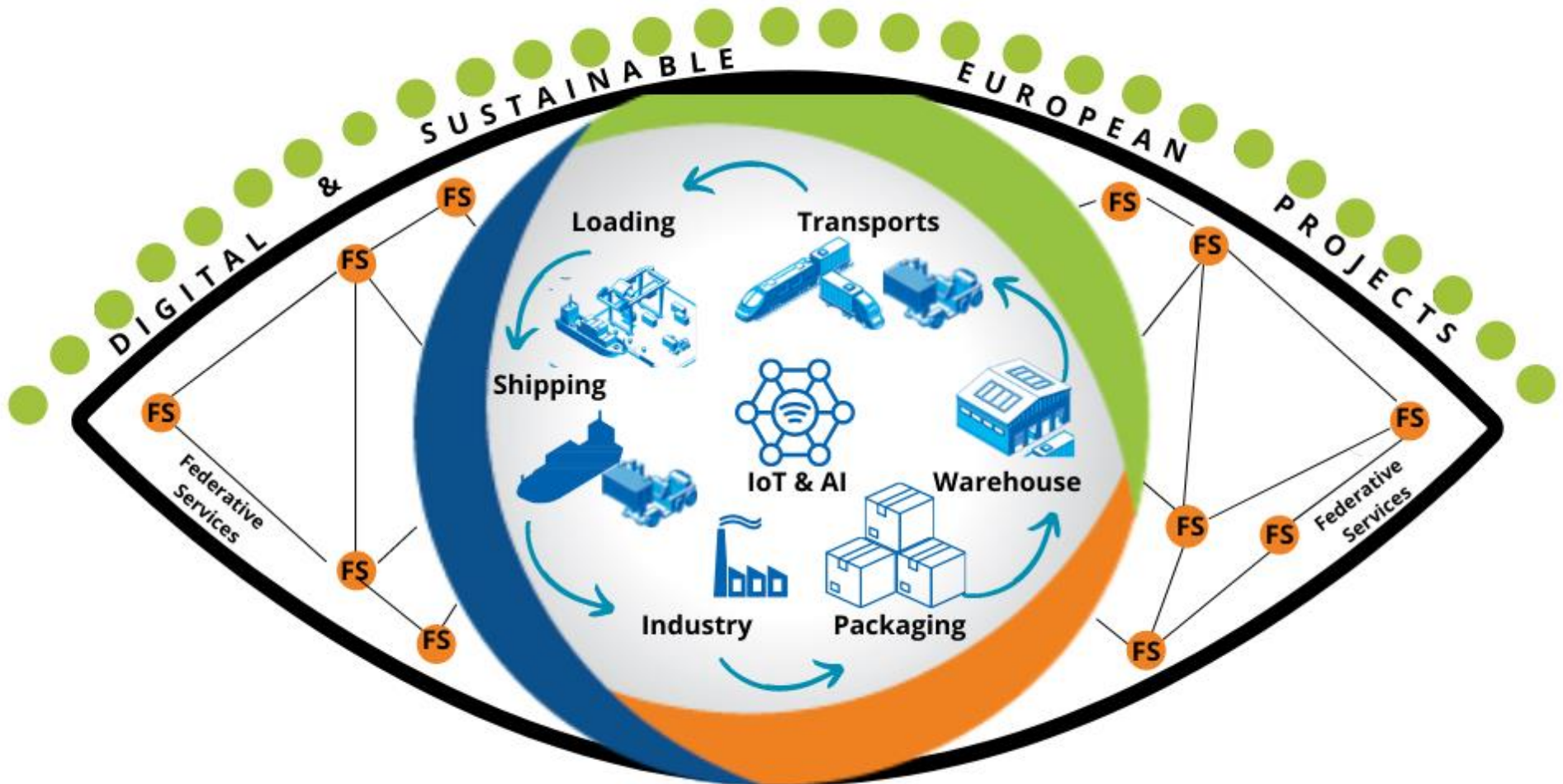
Development Plan



Connect 4 Agile Growth

Global Supply Chain Visibility

Concept and megatrends



Milos® GSCV

Milos® Fed. Serv & MasterSPED® - GSCV



Port Community Systems



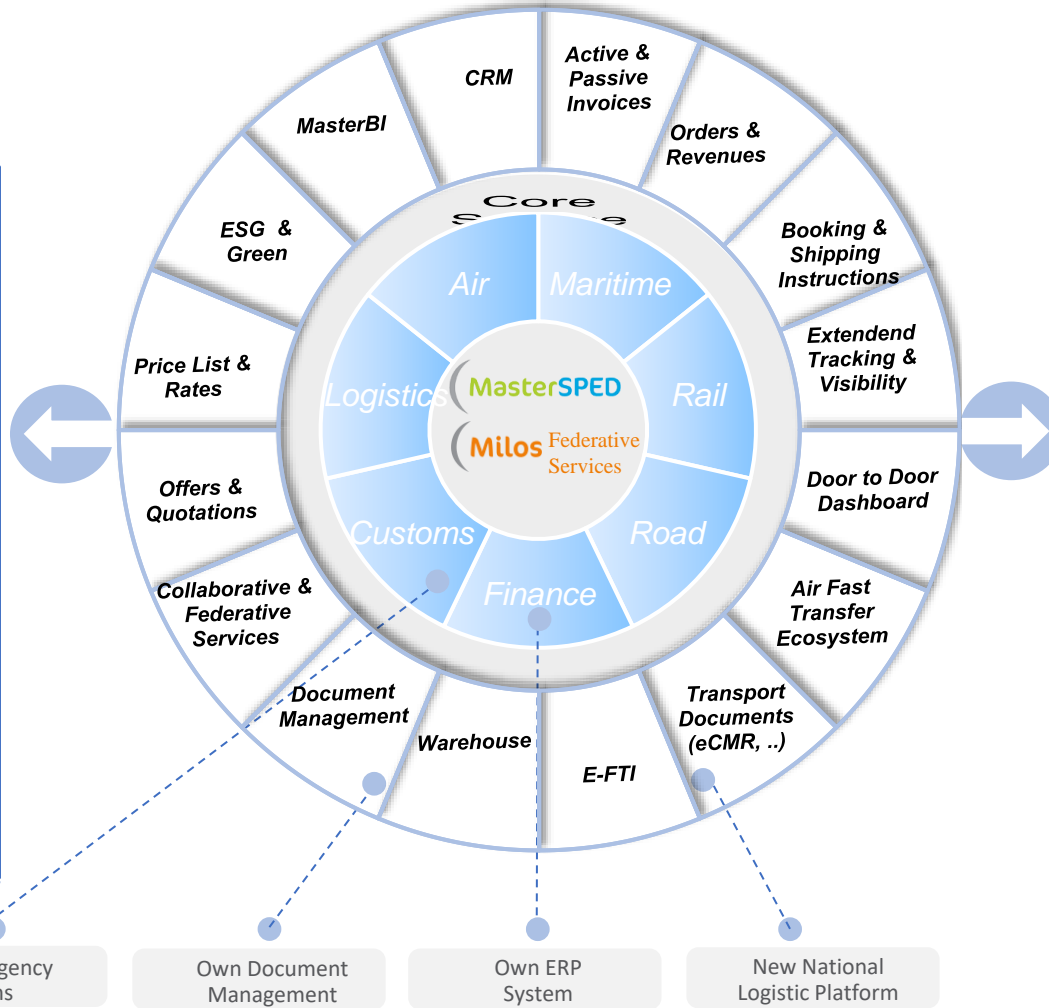
Third Party Logistics



Air Cargo Community Systems



Inland & Port Nodes



MARITIME

• DCSA compliant



• Marine Traffic



• INTRA



AIR

• Airports to airports visibility



Milos® Green Dashboard

ESG Solutions for Energy Transition

We support companies and organizations on their path to integrate sustainability principles into their business strategy and operations. Our **Green Dashboard** is the flexible solution for automatic calculation of customer-specific transport chains.

- **Multimodal Supply Chain:** calculation of entire transport chains (air, ocean, rail, road, waterways), transshipments and warehouses
- **European standard & ISO compliant:** Global Logistics Emissions Council (GLEC) Framework, EN 16258, GHG Protocol (Corporate Standard); ISO compliant
- **Software-as-a-Service (SaaS):** native integration both with products of CIRCLE Group and with third parties ERP
- **Future Proof:** agile, constantly updated and adaptable to new regulations and standards
- **Analytics & Dashboard:** we support the creation of custom dashboards and "green reports" to achieve your strategic ESG plan



Milos® Green Dashboard

✓ Alpe Adria - Multimodal Transport Operator Success case

Challenge

The client is an Italian logistics company, owned in equal parts by the Port Authority and operators. It provides **intermodal services** by combining road, rail and sea modes.

It operates through an **integrated network of connections** to and from North-Eastern Italy and Central-Eastern Europe.

As part of its eco-sustainability strategy, the customer has decided to adopt a carbon footprint tracking system for multimodal shipments.



Solutions

- Identification of CO₂ tracking solution service provider (GLEC standard)
- Automatic “green” reporting generation and ESG dashboard
- Digital integration of informative system (MILOS MTO Suite) with 3rd party service API

Benefits

- ❑ Real time visibility of the carbon footprint
- ❑ What gets measured, gets managed
- ❑ Consistent calculation for global, intermodal transport chains
- ❑ Future proof: CO₂ emissions calculation is subject to regular methodical updates and adjustments to current standards

)))))) International Fast & Secure Trade Lanes

✓ Pilot projects with 4 different shipowners, 3 different Countries, 10 ports



1921



Ignazio Messina & C.



Ongoing extension of the projects to supply chain operators and other corridors

Industries, Freight, Rail & Ports

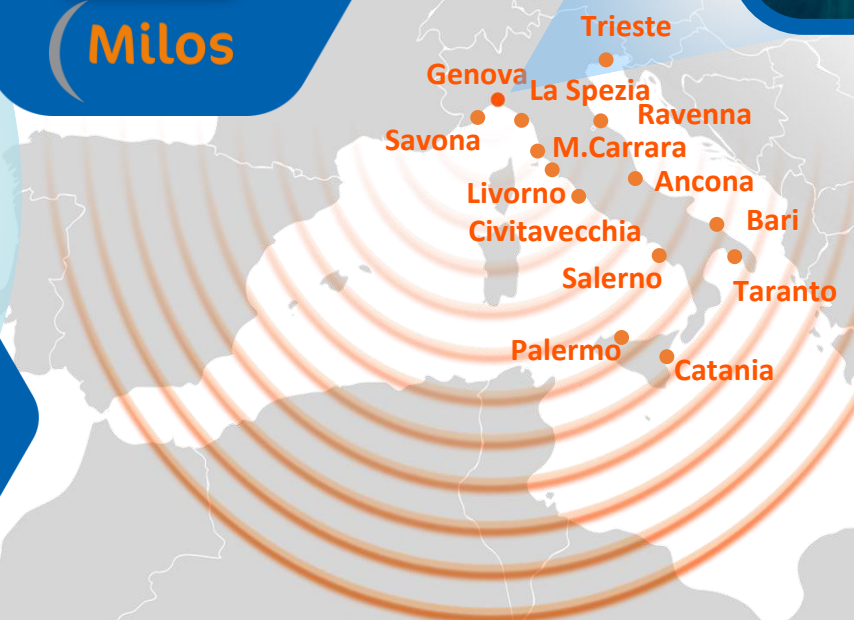


Federative digital interoperability

Master SPED® and Milos® ensure that all Mediterranean ports have the opportunity to benefit from real-time digital interoperability between industries, rail ecosystem, freight forwarders, custom operators and port communities.



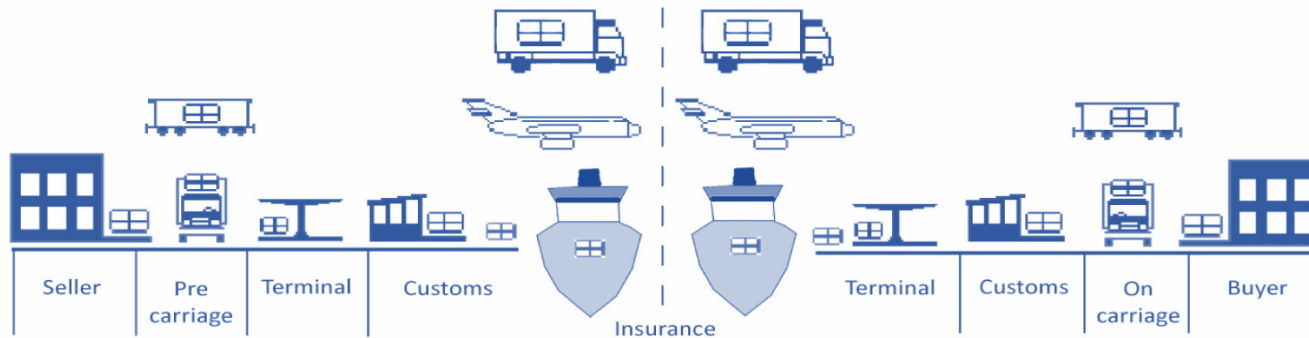
INTEROPERABILITY



Dematerialization of transport documents

CIRCLE's prominent role in major technological innovations

- **eFTI2** project, which sees CIRCLE's direct support to the **European Commission**, is coming to its decisive phase: by June 2023 it will be set the standard specifications for the EU Regulation 2020/1056 on electronic freight transport information. eFTI **regulation** will facilitate the digitalisation of freight transport and logistics information exchange, with a view to reducing administrative costs, improving the enforcement capabilities of the Authorities involved, and enhancing the efficiency and sustainability of transport (proressive steps 2023-2025)
- New opportunities are arising from the **digitalized e-CMR system** for international road transport operators
- Ongoing port & intermodal pilot projects with our partner **ACCUDIRE** in cooperation with **Customs Agency**





Innovative air solutions

Full integration of the Supply Chain

StarTracking® is the first airport-to-airport tracking solution with real-time status updates, to offer complete multimodal visibility and even more effective control of the air shipments.

CargoGate®, the Cargo Community System (CCS) platform developed to facilitate the electronic exchanges of flows between logistics operators and air carriers.

HandlerGate®, the Cargo Management System (CMS) developed to facilitate the exchange of electronic messaging between PMI ground handling companies and air carriers.

StartCity® is the module developed to facilitate interaction between logistics operators and cargo airport digital ecosystems. (messages conversion FWB to FHL, customs declarations, deliveries etc.)



StarTracking



StartCity



HandlerGate



CargoGate

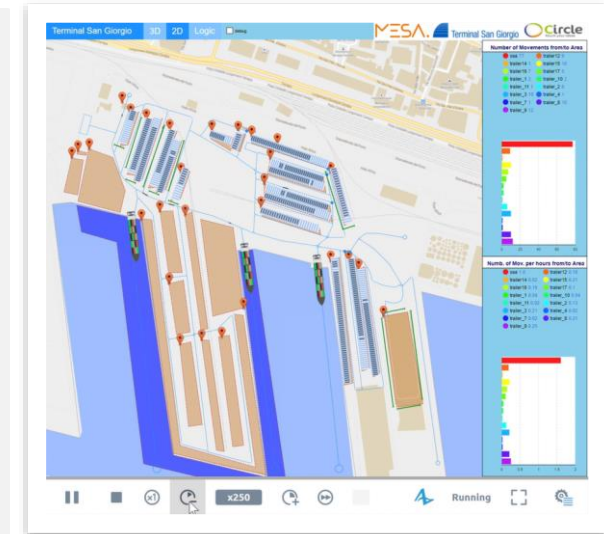
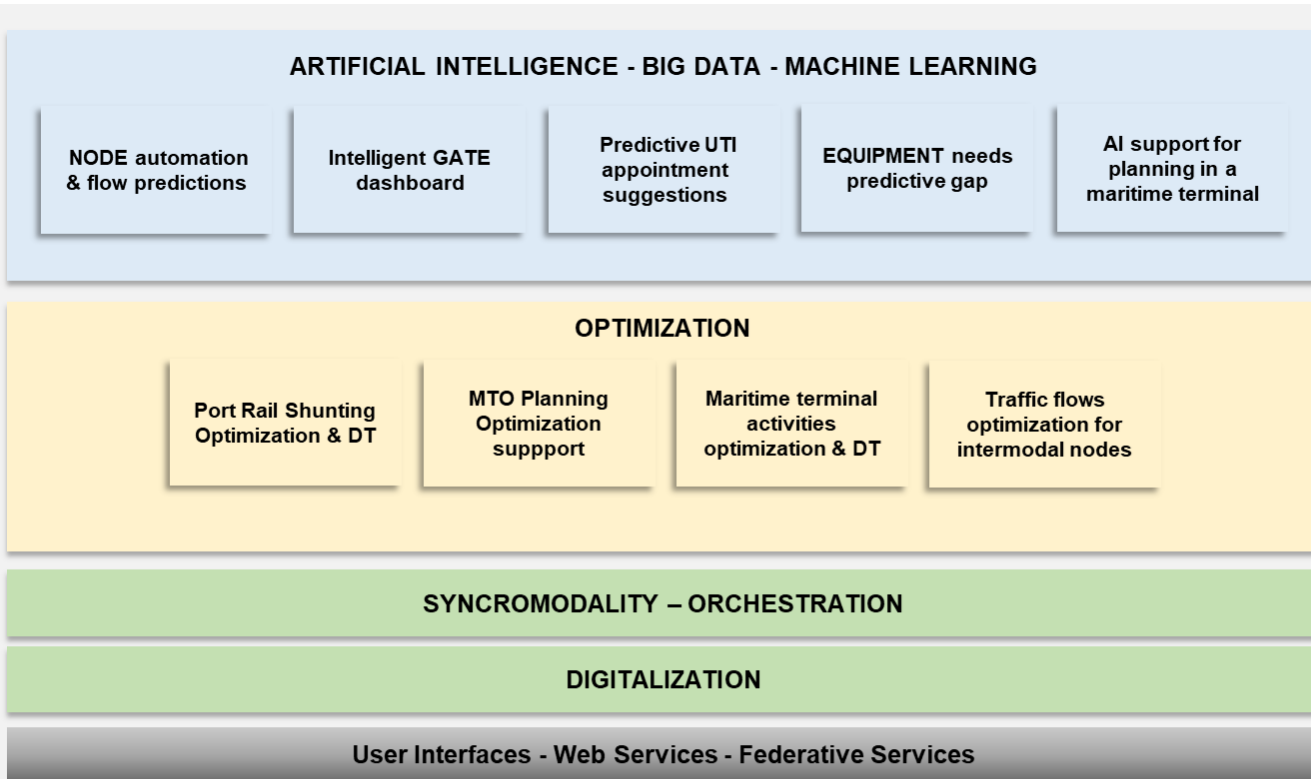
BENEFITS

- *Improve visibility & transparency of shipments/processes*
- *Save time: no need to consult the sites of multiple carriers*
- *Simplify irregularities management and response*
- *Improve customer satisfaction through data availability*
- *Mitigate disruption risks thanks to predictive analysis dashboard*
- *Zero paper consumption for your operational processes*
- *Reduction of compilation errors & waiting time for doc. acceptance*
- *Optimization by integration & organizational scale economies*

Rail & Multimodal Last Mile



AI - Optimization - Syncromodal Platforms & Services



USERS



Rail & Multimodal Last Mile

MTO triangulation



MULTIMODAL TRANSPORT OPERATIONS

TRUCK TRIANGULATION

The screenshot displays the 'MTO SUITE' interface for 'Required Voyages Management'. It includes a search filter section with fields for 'Operazione', 'Data carico da', 'Data carico a', 'Data treno dal', and 'Data treno al'. Below this is a table titled 'LISTA OPERAZIONI' with columns for 'OPERAZIONE', 'IMP. ESTERNO', 'IMP. INTERNO', 'IMP. CLIENTE', 'DATA DATA', 'LUOGO', 'TRASPORTATORE', 'DATA Y.', 'TIPO', and 'NOTE'. A callout box on the right, labeled 'Customer warehouses specifics', shows a detailed view of 'Orario Apertura' (08:00) and 'Orario Chiusura' (17:00), along with 'Tempo Carico (h:mm:ss)' and 'Tempo Scarico (h:mm:ss)'.

Customer warehouses specifics

Booking
Truckers list
Pricelist
Historical data

DSS
TRUCKER
EVALUATION

MTO
SW

Truckers
ranking



Selection of the most convenient

Services evolution

«Connect 4 Agile Growth» roadmap



● Midsize enterprise

● Mission oceans

● International Tender

● Innovation fund

● Hydrogen partnerships & alliances

● Energy communities

● ESG investments

● Military mobility CEF 3

● Environment & Circular Economy

● New formats & Segments

● Extension of geographical coverage

● 2023

● 2026

● EU Funding Accelerator

● International Consultancy

● EU Projects

● Strategic Communication & Advocacy

Next Generation EU & PNRR



Contracts signed in the last 18 months: € 1.75 mln

European Maritime Safety Agency (“EMSA”)

Project issued by EMSA to evaluate the feasibility of developing a Maritime National Single Window (“MNSW”) for a group of beneficiaries within the context of European neighboring countries (Algeria, Egypt, Israel, Jordan, Lebanon, Libya, Morocco, Palestine, and Tunisia, Georgia, Moldova, Turkey, and Ukraine). - contribution of about **€ 144,000**

eFTI2 electronic Freight Transport Information

Project to support the **European Commission** on the implementation specifications for the EU Regulation 2020/1056 on electronic freight transport information - contribution of **€ 410,000 over 1 year and a half**

RAISE - Robotics and AI for Socioeconomic Empowerment - innovation ecosystem

Project to feed new industrial processes through Robotics and AI with specific application in ports and logistics - contribution of about **€ 780,000 over a three-year period**

eFTI4EU electronic Freight Transport Information for Europe

Financed under the Connecting Europe Facility (CEF2) program, the project brings together 22 partners from 9 several Member States (Austria, Belgium, Estonia, Finland, France, Germany, Italy, Lithuania, Portugal) and sees in Italy the participation and coordination by MIT and RAM - contribution of **€ 560,000 over 3 years**

Capability to be effective on Next Generation EU & Green Deal issues

ESG & Green Solutions

Solution & EU Roadmap

Circle Group develops Green dashboard to integrate it into proprietary systems, in order to offer federative services, monitor polluting emissions connected to multimodal transports.



The “**Non-Financial Reporting Directive**” will come into force from 2024 and within a few years will be mandatory for all companies operating in the European Union. Deadlines are as follows:



INTERNATIONAL CONSULTANCY

Main Success Cases



- Port Community Systems and Maritime Single Windows
- Transport IT Consultancy
(Maritime Single Windows, TAF TSI, eFTI)
- Strategic Communication & Policy Support
(Motorways of the Sea)
- Business Development
- Strategic Communication
- EU Funding Accelerator
- Trade & Customs Facilitations
- Circle Group Headquarters

Atlantic Ocean

Cape Verde

Senegal

Guinea

Sierra Leone

Ivory Coast

Ghana

South Africa

Kenya

Tanzania

Mozambique

Seychelles

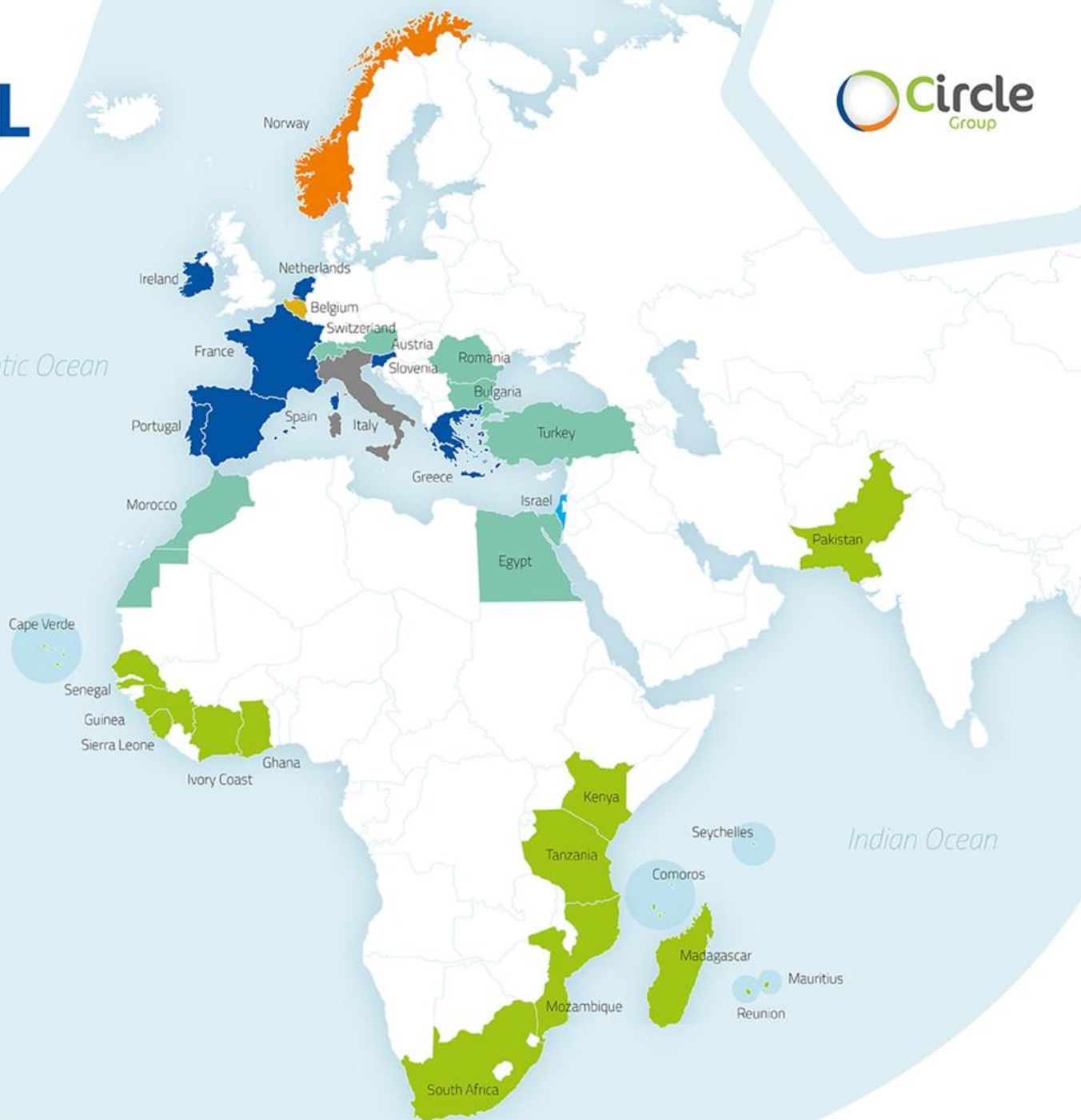
Comoros

Madagascar

Reunion

Mauritius

Indian Ocean



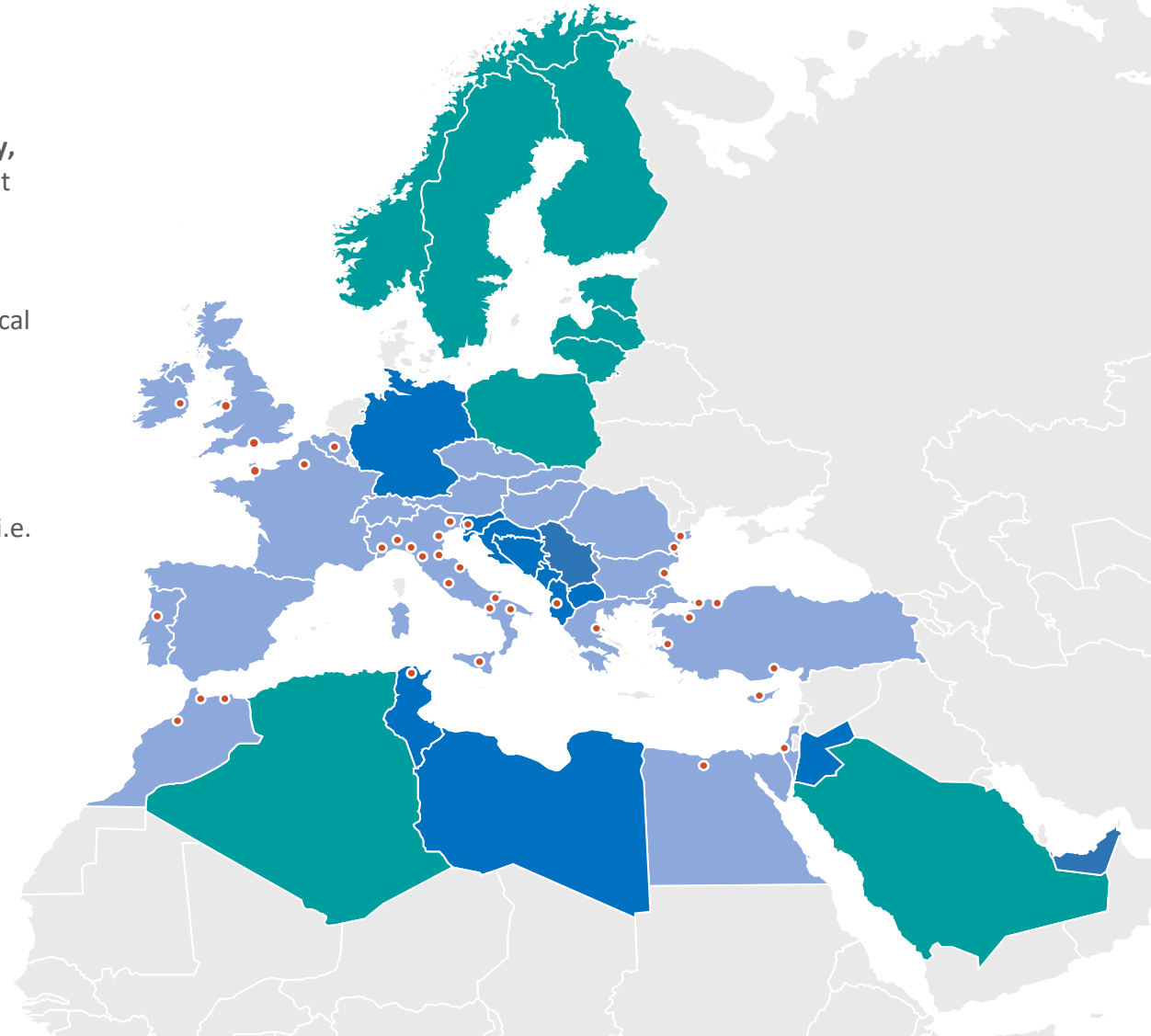
Geographical Expansion

International activities and projects

«CONNECT 4 AGILE GROWTH» ROADMAP

- Development of a presence in some chosen **foreign markets (first of all Portugal/Spain, Morocco, Turkey, Egypt, Austria)** comparable to the distinctive one that we have in the Italian market
- **Strengthen the alliance** in the target countries of insider and consultant / companies supporting the local penetration process
- Focus on **specific foreign targets for products** (ex. Central Europe for inland TOS and MTO suite)
- Accurate **knowledge of local market environment** – i.e. through participation at local events, local marketing and advertising actions, activation of local networks (enablers, etc ..)

- *Ongoing projects*
- *Preliminary project proposals and lead generation activities (2023-2024)*
- *Target Countries for future developments (2025-2026)*
- *Clients/Projects*



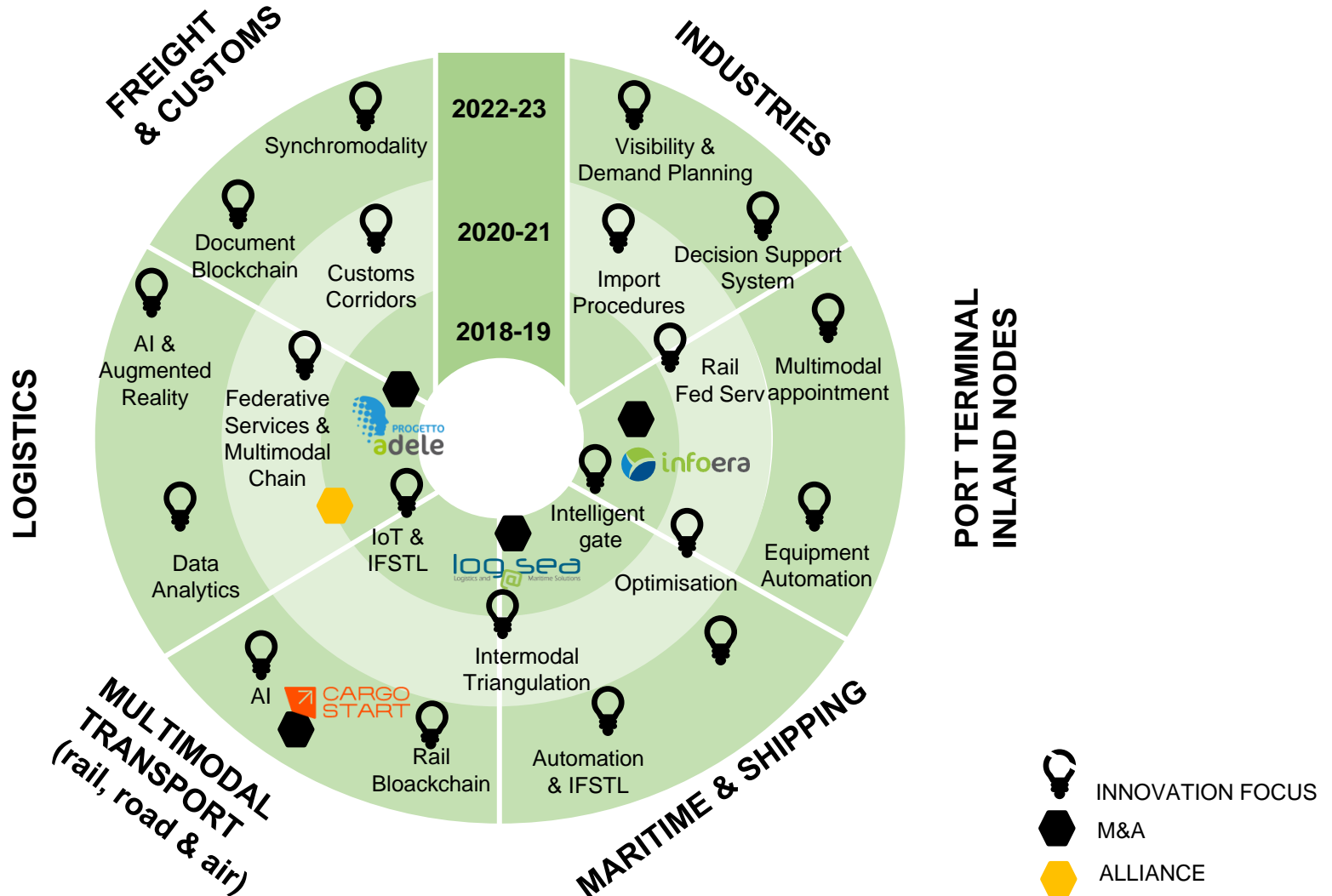


Strategic Roadmap

«Connect 4 Agile Growth»

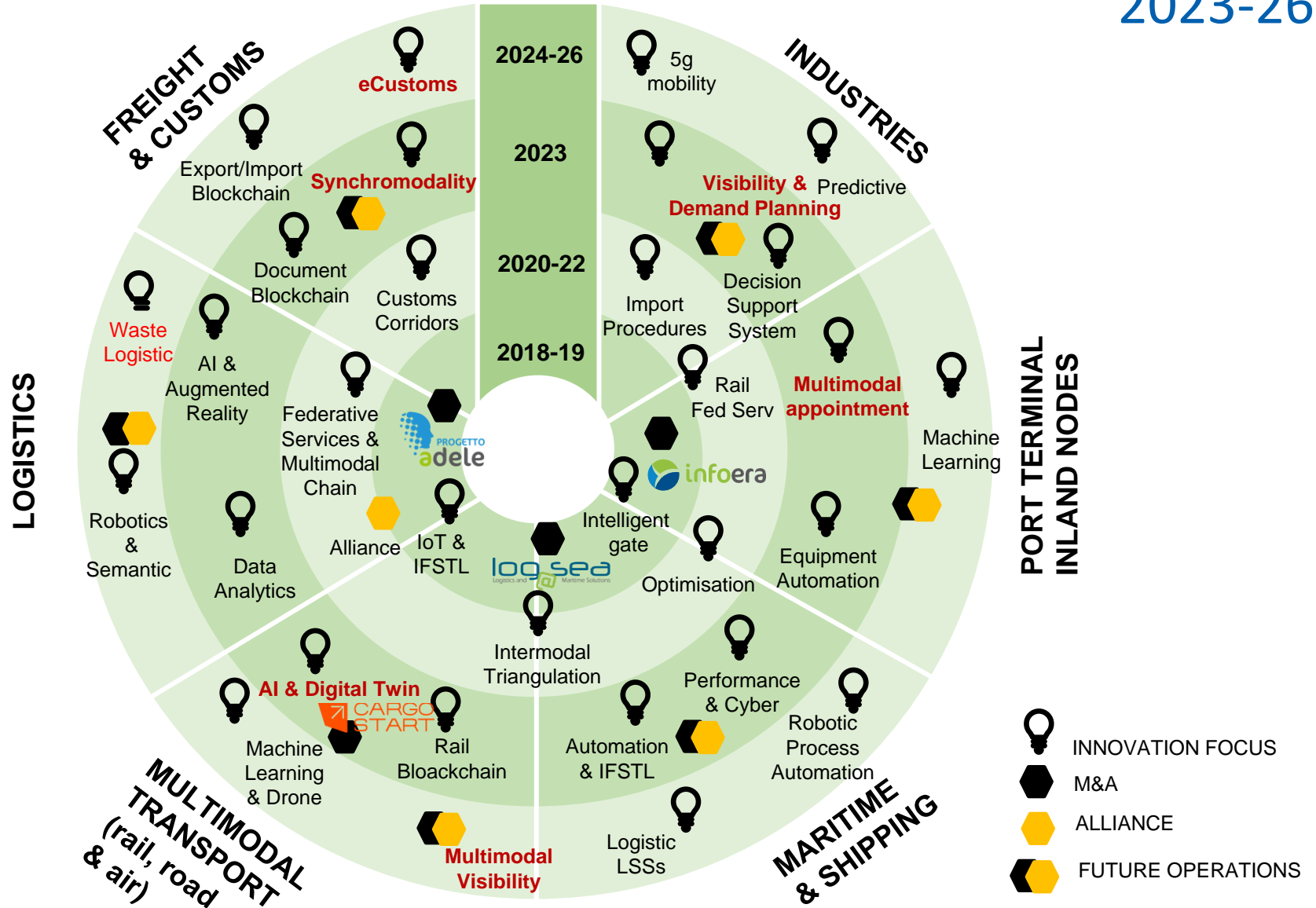
M&As, Alliances, Innovation focuses

2018-23



M&As, Alliances, Innovation focuses

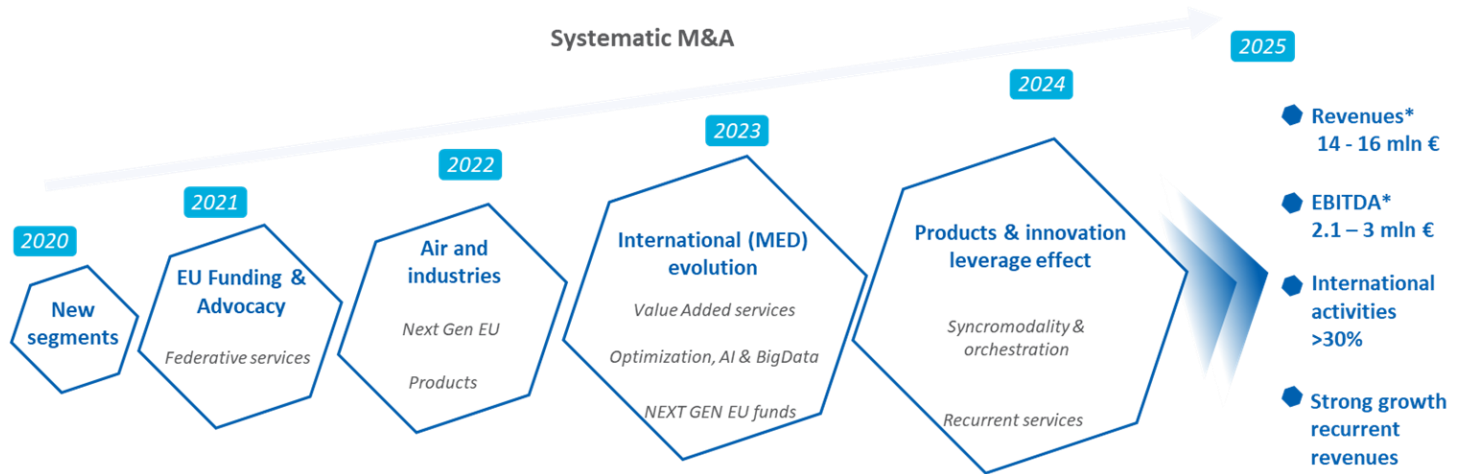
2023-26



2023 vs Financial Goals 24 in 2020

In 2020 for 2024

In 2023



2025

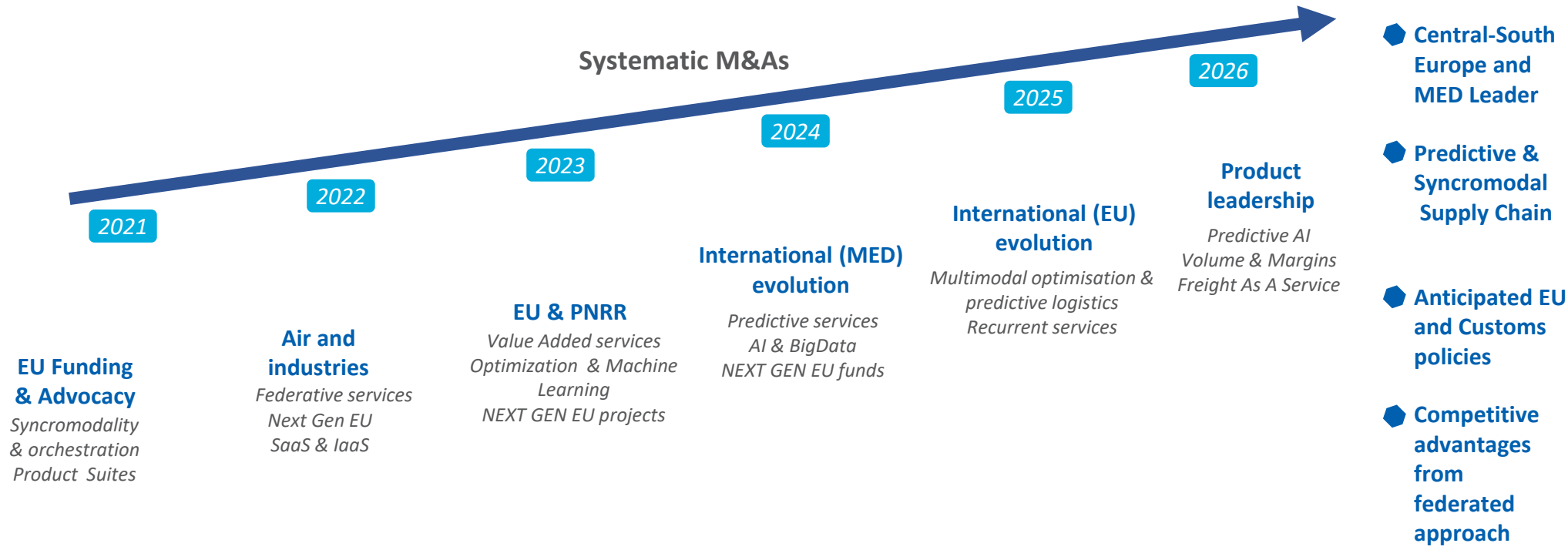
- Revenues*
14 - 16 mln €
- EBITDA*
2.1 - 3 mln €
- International activities
>30%
- Strong growth recurrent revenues

- Revenues*
7,2 mln € H1
- EBITDA*
2 mln € H1
- International activities
x2
- Recurrent revenues
x3

**considering internal growth and M&A*

Connect 4 Agile Growth

Business Goals 2026



Connect 4 Agile Growth

Financial focus & stock growth

Circle

Euronext Growth Milan | Engineering | Italy

Production 06/10/2023, h. 06:30 pm
Published 09/10/2023, h. 07:00 am

Rating
BUY
unchanged

Risk
Medium

Target Price
€ 7,70
prev. € 6,70

Stocks performance relative to FTSE Italia Growth

Upside potential
19,4%

Key Financials (€/mln)	FY22A	FY23E	FY24E	FY25E
Value of Production	10,9	14,6	17,1	19,9
EBITDA	2,0	3,1	3,8	4,6
EBIT	1,0	2,1	2,7	3,5
Net Income	0,8	1,6	2,1	2,6

Stock Data	
Price	€ 6,45
Target price	€ 7,70
Upside/(Downside) potential	19,4%
Ticker	CIRC IM
Market Cap (€/mln)	€ 25,97
EV (€/mln)	€ 23,09
Free Float	37,38%

ValueTrack | Thematic Report | 11 October 2023

Euronext Growth Milan

1H23 Earnings Season

Research Team
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info@value-track.com

FTSE Italia Growth 8,080
Mkt Cap (tbn) 8,0

About ValueTrack
ValueTrack is a capital markets and corporate finance firm focused on mid-small cap offering a wide range of services: Advisory, Equity, Debt Research, Investor Access. Our research is available on ValueTrack and Borsa Italiana websites, Bloomberg, FactSet, Thomson Reuters, S&P Capital IQ.

Top line up, profits down y/y, net debt worsening
EGM companies' 1H23 results describe a rather subdued scenario marked by a substantial deceleration in growth, stemming from a deteriorating macroeconomic environment.
Delving into numbers, in 1H23 our EGM non-financial firms sample recorded aggregate Top line up +8.1% y/y, but Net Profit down ca. -33% y/y, and Net Debt worsening by more than €100mn compared to December 2022.

Homogeneity among sectors, top-down trends faded
From a sector standpoint, the aforementioned trend appears to be relatively homogeneous across the various sectors. However, noteworthy exceptions emerge in the Energy and Media sectors, which exhibited growth rates below average. Conversely, the Industrial Goods sector has outperformed in terms of profit margins, but sustainability ahead is a question mark.
We also note that, with respect to 2022, the fastest growing companies no longer share a common top-down driver (e.g. fiscal bonuses and / or NRRFP).

Still, polarization happens at company level (and peaks!)
Polarization between best and worst companies is growing. Indeed, in 1H23 ca. 34% of the companies in the sample reported Net losses and some 70% posted negative free cash flow. In the current "higher for longer" interest rate scenario this might be a problem for companies with weak balance sheets.
Last but not least, we note that analyzing current market consensus on P/E ratios figures, a significant fraction of EGM companies (probably over 60%) might face a risk of downwards estimates (see).

Top performers
These names that recorded the strongest 1H23 figures in our view are: Alpi, Almacant, Altea Green Power, Circle, Cmsal, Ciberno, D&L, Easystem, Fao Technology, HNTT, NVP, Officina Stellare, Olycom, PowerSoft. Many of these companies should keep granting a healthy "margin of safety" given their exposure to noteworthy sectors.

KEY AGGREGATE FINANCIALS 1H23 VS 1H22 (€mn)

TOP 10 COMPANIES BY NET PROFIT GROWTH Y/Y (%) 1H23/22

BOTTOM 10 COMPANIES BY EBIT FY22-1H23 (€mn)



- «Free allocation of shares» - 1 free stock each 10 - May 20th, 2019
- Buy back - now 24.090 own shares (0.60%)
- **CIRCLE is an Innovative SME**
- Average monthly volume (from IPO) around € 700.000 (last months more than € 1 mln)

Upside from IPO	Target Price	Upside Opportunity
+194%*	7,7	+22%

*Stock price at October 3rd, 2023

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