# CONNECT 4 AGILE GROWTH

*November, 17th 2023*

*INVESTOR PRESENTATION*

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# Agenda

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

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# 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

### 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

### More than 30%

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

### 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

### 110*

direct employees and a network of professionals

### 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*

**October 2023*

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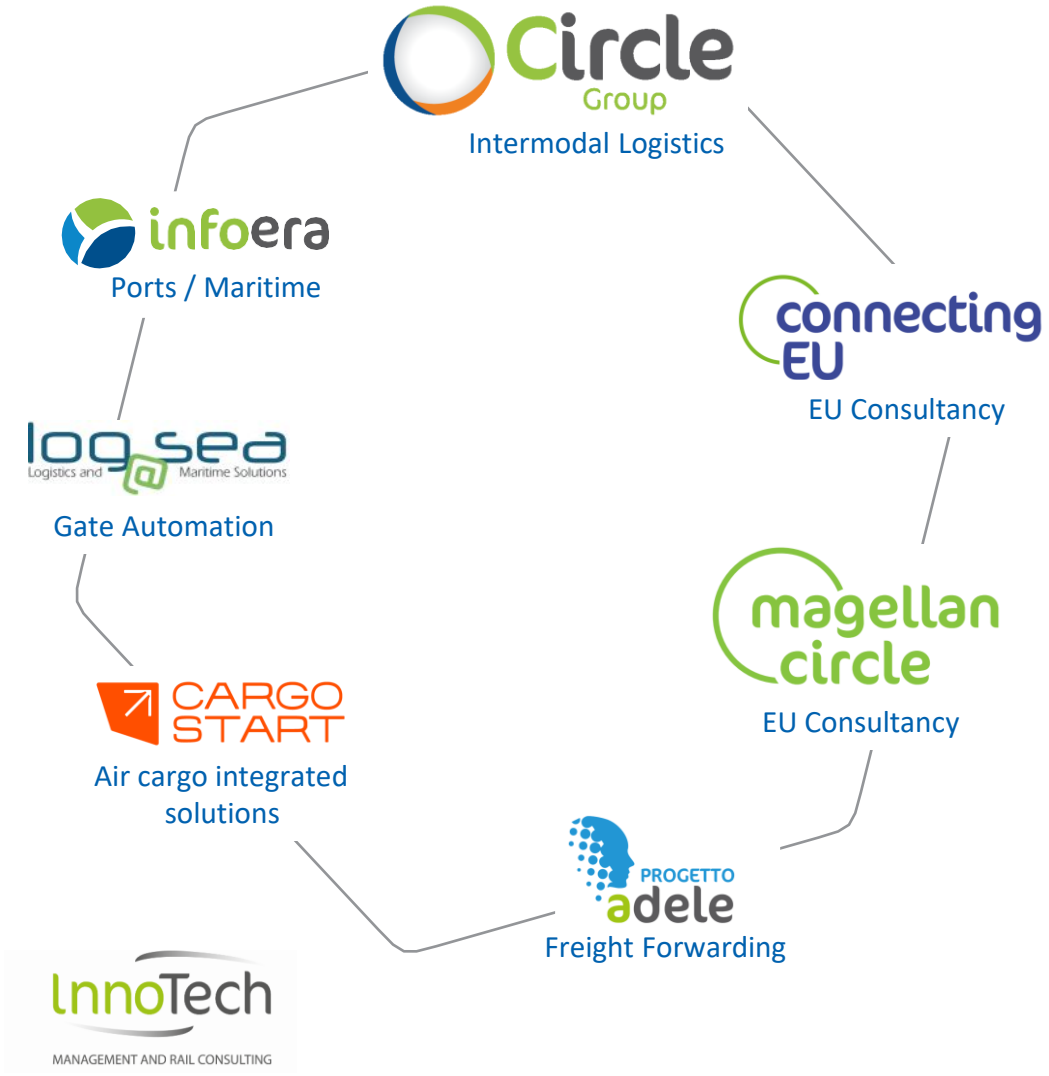
# Corporate overview

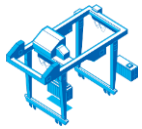
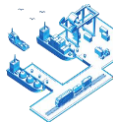
## Group Structure




| | |
|---|---|
| OPTIMeasy | Optimisation |
| BinarySystem | Rail undertaking solutions |
| ACCUDIRE Your export. Made simple. | Digital Transport Document (e-CMR) |
| MESA. | CPM & Digital Twin |
| FirLab | Operative Human Resources |
| DASTech | IT networking, security and Infrastructure as a Service (IaaS) |
| H2 READY | Hydrogen Decarbonisation |

*Complementary technologies / business*

# Business units & Lines of business

| LINES OF BUSINESS | BUSINESS UNITS | | |
|---|---|---|---|
| | **Innovative and Smart Supply Chain** | **Global Supply Chain Visibility** | **European Affairs Consultancy** |
| |  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 | | |

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# Connect 4 Agile Growth to a Federated Supply Chain

Extended PCS

Mobile APP for Crane

Gate & Equipment Automation

sesamo

Milos Circle

Smart TOS

Machine Learning & AI

Optimisation & Digital Twin

Milos Circle

Transport Federative Platform

Milos Circle

Transport Appointment Platform

Milos Circle

Rail Management

Milos Circle

Global Supply Chain Visibility

ESG & Carbon Footprint

MasterSPED

IADM

Digital Customs & Freight Forwarders

AIR Solutions

STARTRACKING
CARGOGATE
START CITY
HANDLERGATE

International Transport Regulations, Standards & Innovative projects

eFTI Compliancy

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.

www.circlegroup.eu

# Targets, Products and Services

| | Innovative and Smart Supply Chain | Global Supply Chain Visibility | European Affairs Consultancy |
|---|---|---|---|
| **TARGETS** | • Inland & Port Terminal Operators<br>• Multimodal Transport Operators & Rail Companies<br>• Port Authorities & Port Communities<br>• Shipping Agencies | • Freight Forwarders<br>• Customs Operators<br>• Shippers (Manufacturing & Distribution)<br>• Air Operators | Public authorities and private companies in the areas of:<br>• port<br>• transport<br>• mobility<br>• logistics<br>• environment<br>• circular economy<br>• energy transition |
| **PRODUCTS/SERVICES** | • Federative & Customs Services<br>• Technologies (IaaS & PPU)<br>• Optimisation (Last mile)<br>• Gate Automation<br>• KPI, Dashboard & Invoice<br><br>Milos<br><br>Sinfomar | • Federative & Customs Services<br>• Technologies (IaaS & PPU)<br>• International Fast and Secure Trade Lanes<br>• Innovative Customs Procedures<br><br>Milos MasterSPED<br><br>StarTracking CarbonCare StartCity<br><br>HandlerGate CargoGate | • Eu Funding Accelerator<br>• Strategic Communication and Advocacy<br>• International Consultancy<br><br>connecting EU |

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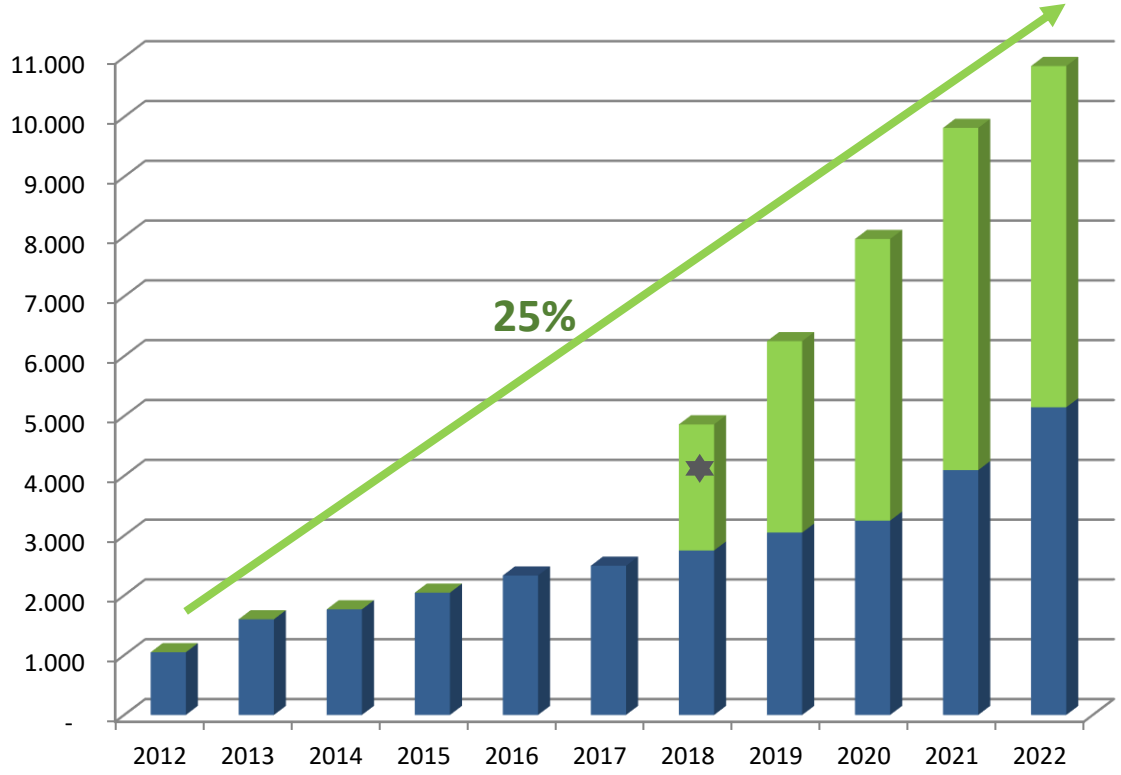
# Financials: 2012-2022 Group revenues

| 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)*

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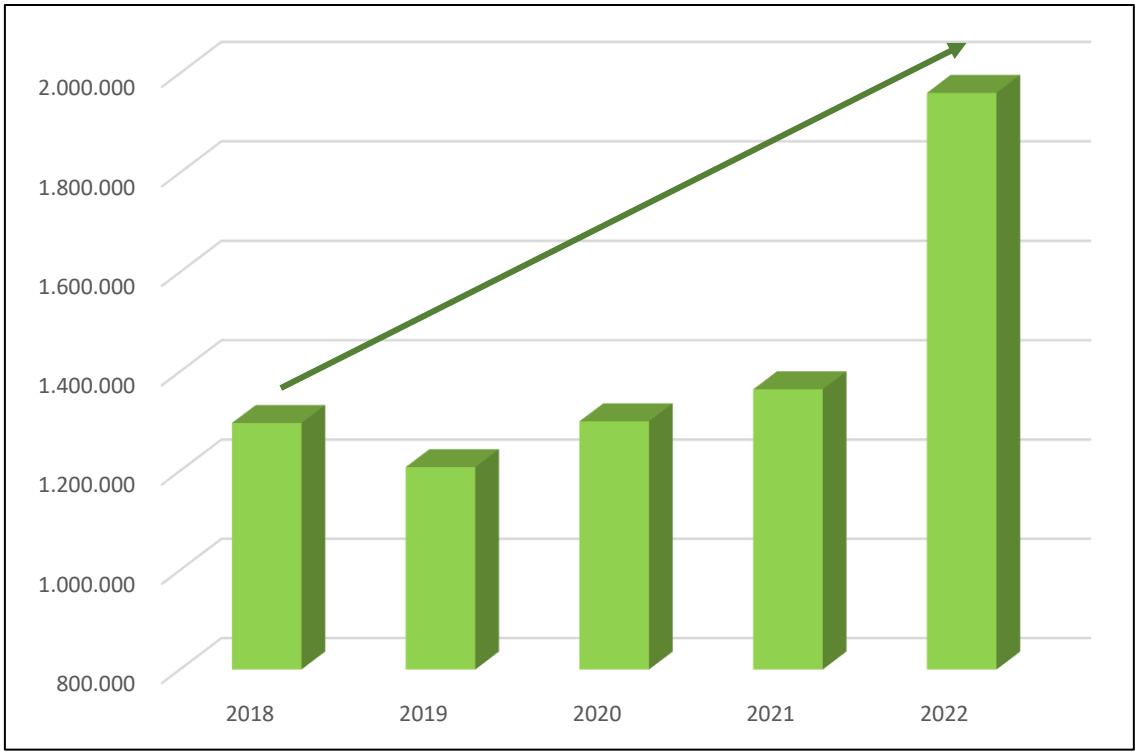
# Financials: 2018-2022 Group EBITDA

**EBITDA margin 2022: 18%**

| Group EBITDA | |
|---|---|
| 2022 | € 2 mln |




**2019-2020-2021 Adjusted EBITDA*

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# 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***

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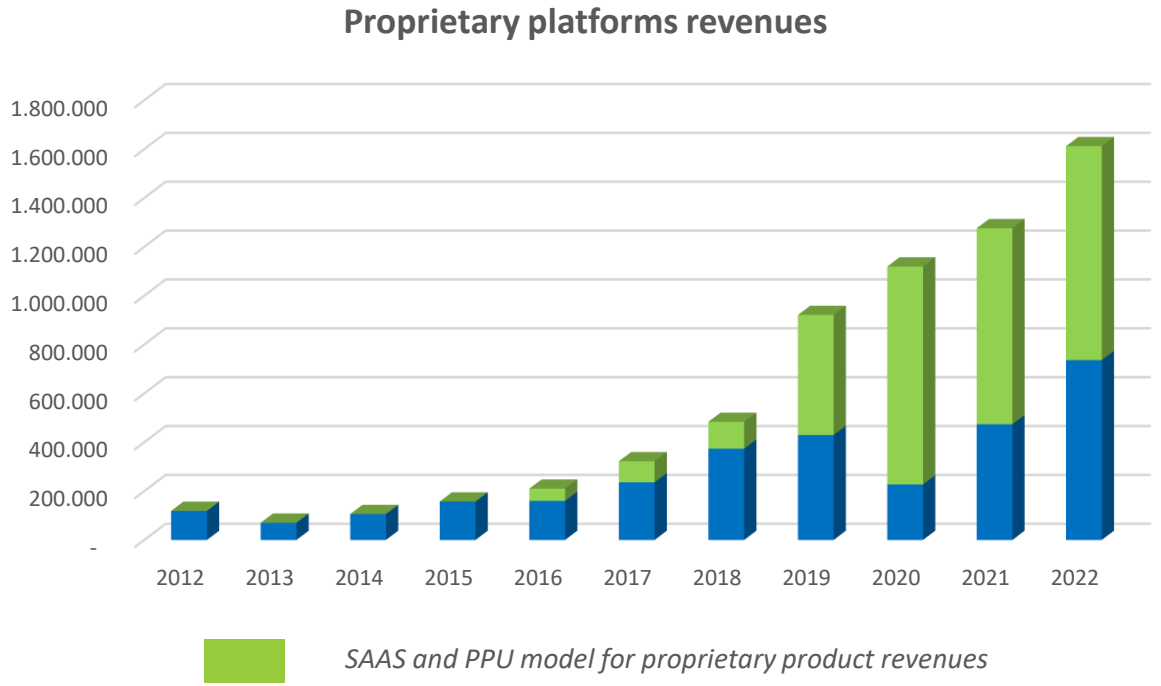
# Products: revenues evolution 2022




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

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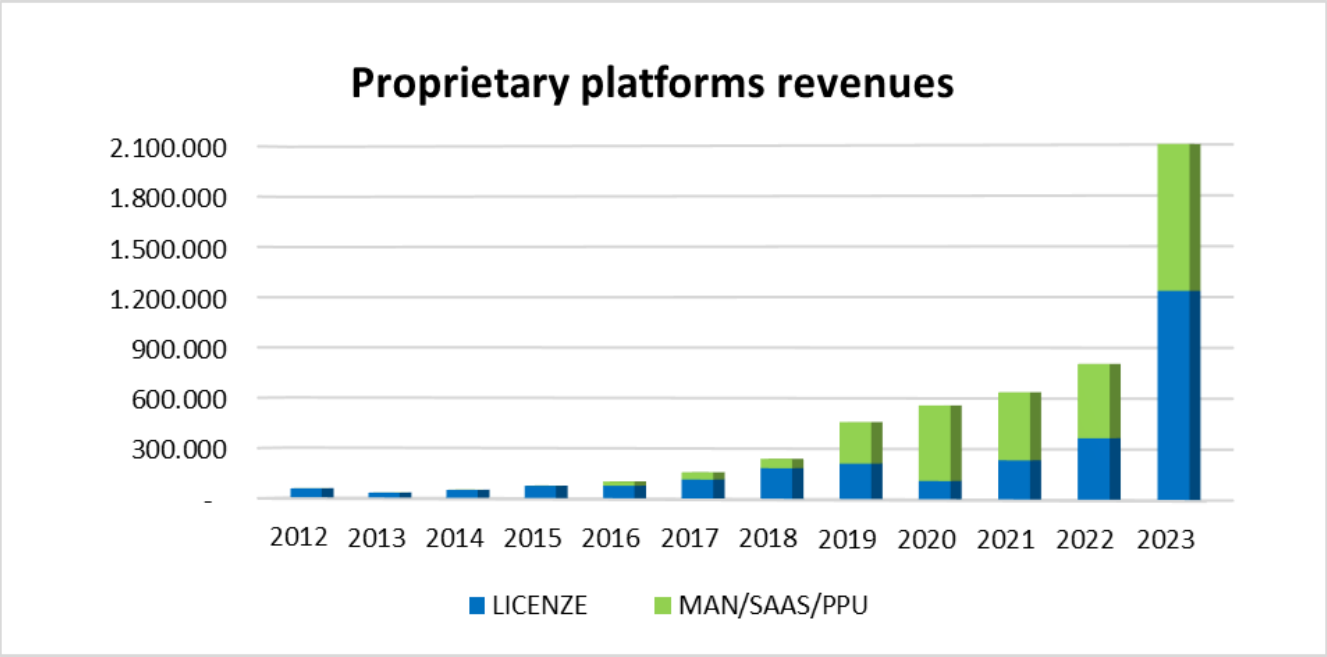
# Products: revenues evolution H1 23




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

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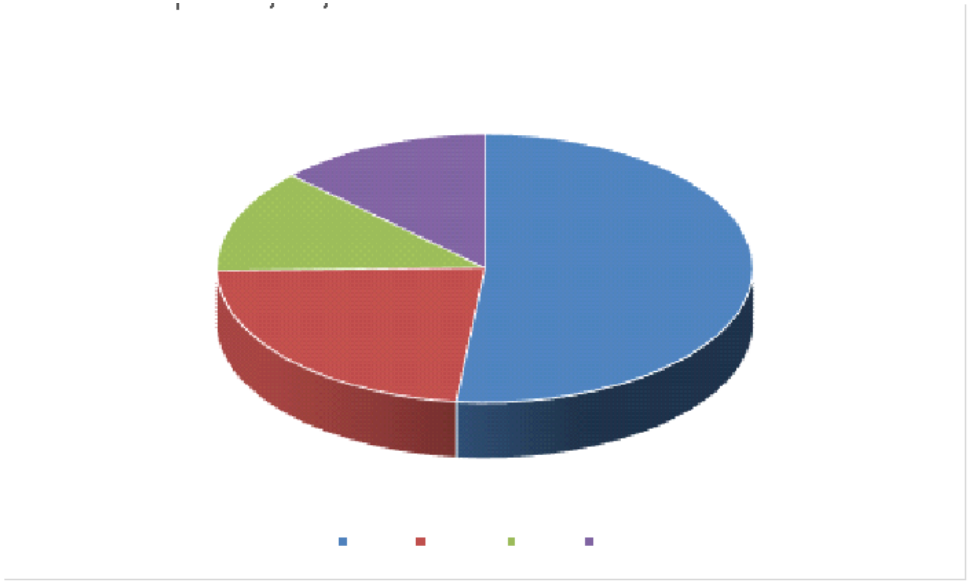
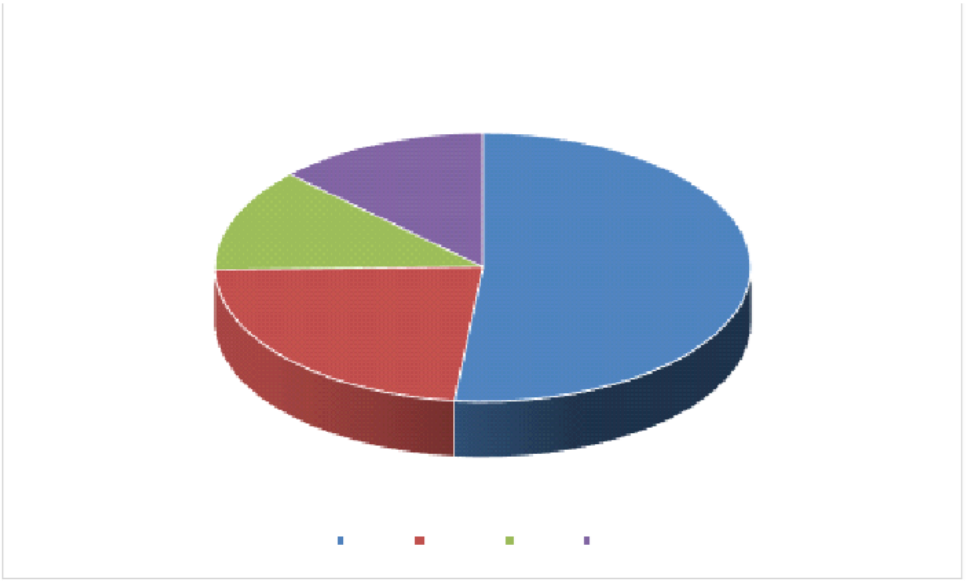
# Business Units: revenues split 30/6/23



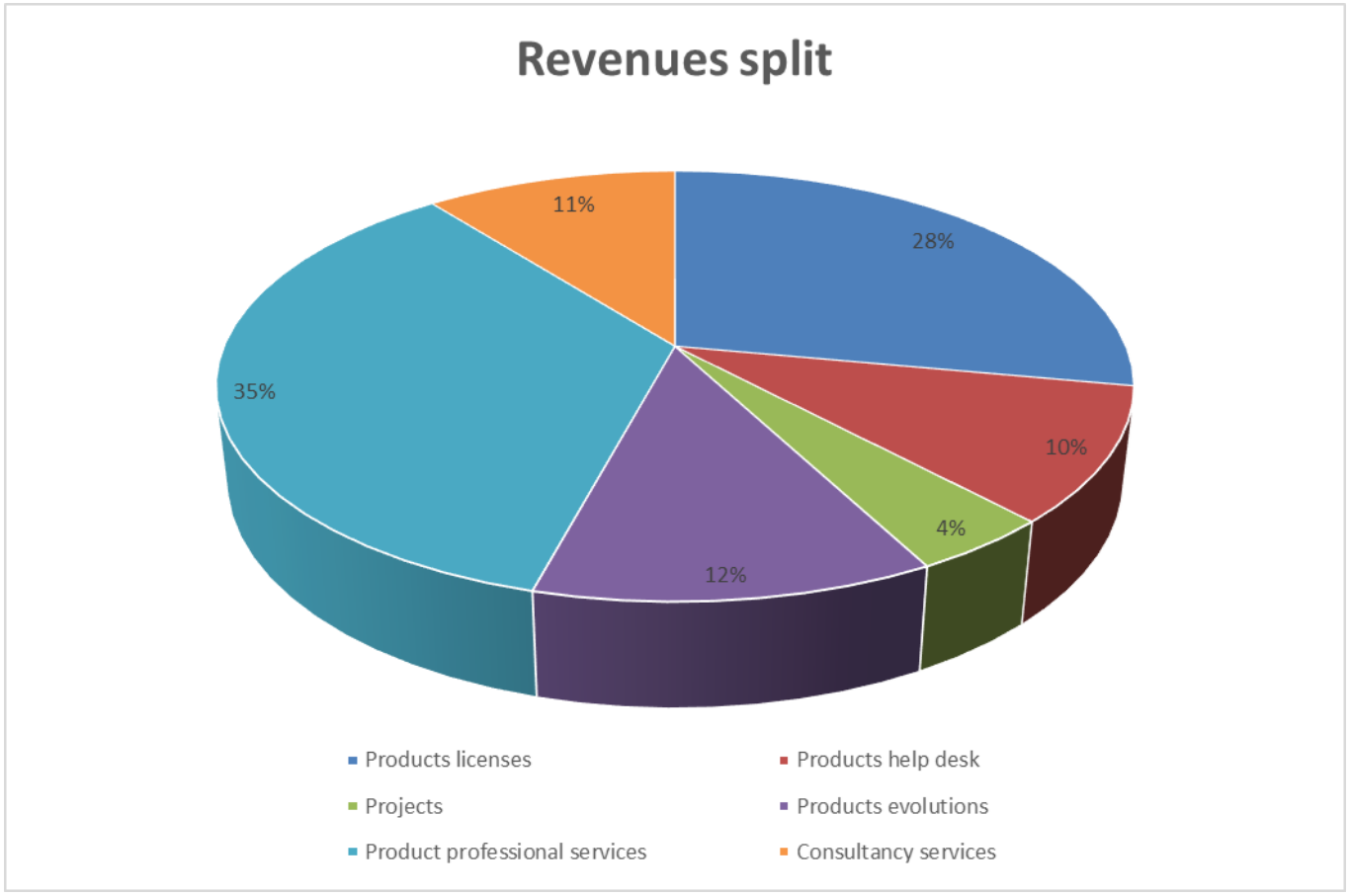


| | 31/12/2022 |
|---|---|
| ISSC | € 5.7 mln |
| GSCV | € 2.3 mln |
| EAC | € 1.1 mln |
| EU PJt (COF) | € 1.8 mln |

| | 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

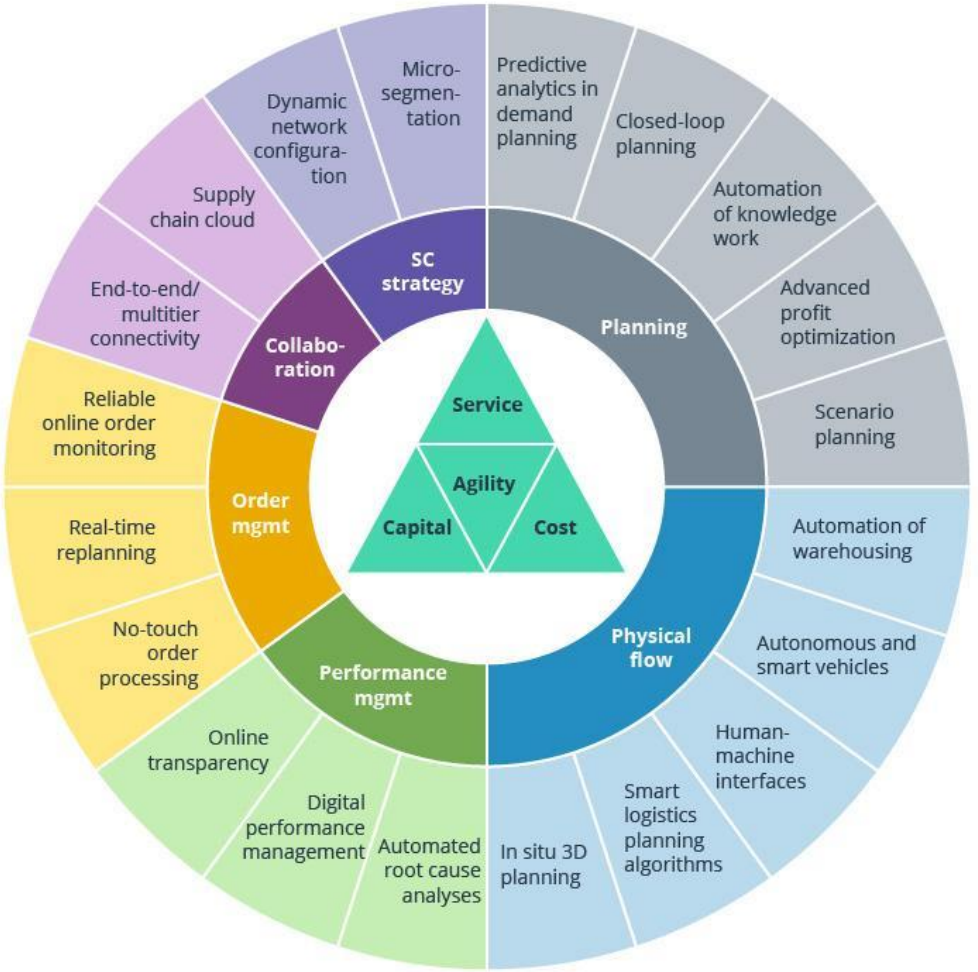


# *Megatrends & objectives achieved*

# Market megatrends

## Digital transformation of the Supply Chain

| KEYS | CARACTERISTICS |
|---|---|
| ***Capability related to IT – Digitalisation*** | • Simplification<br>• Planning<br>• Forecast |
| ***Innovative environment - organisation*** | • Fast<br>• Flexible<br>• Efficient |




Source McKinsey

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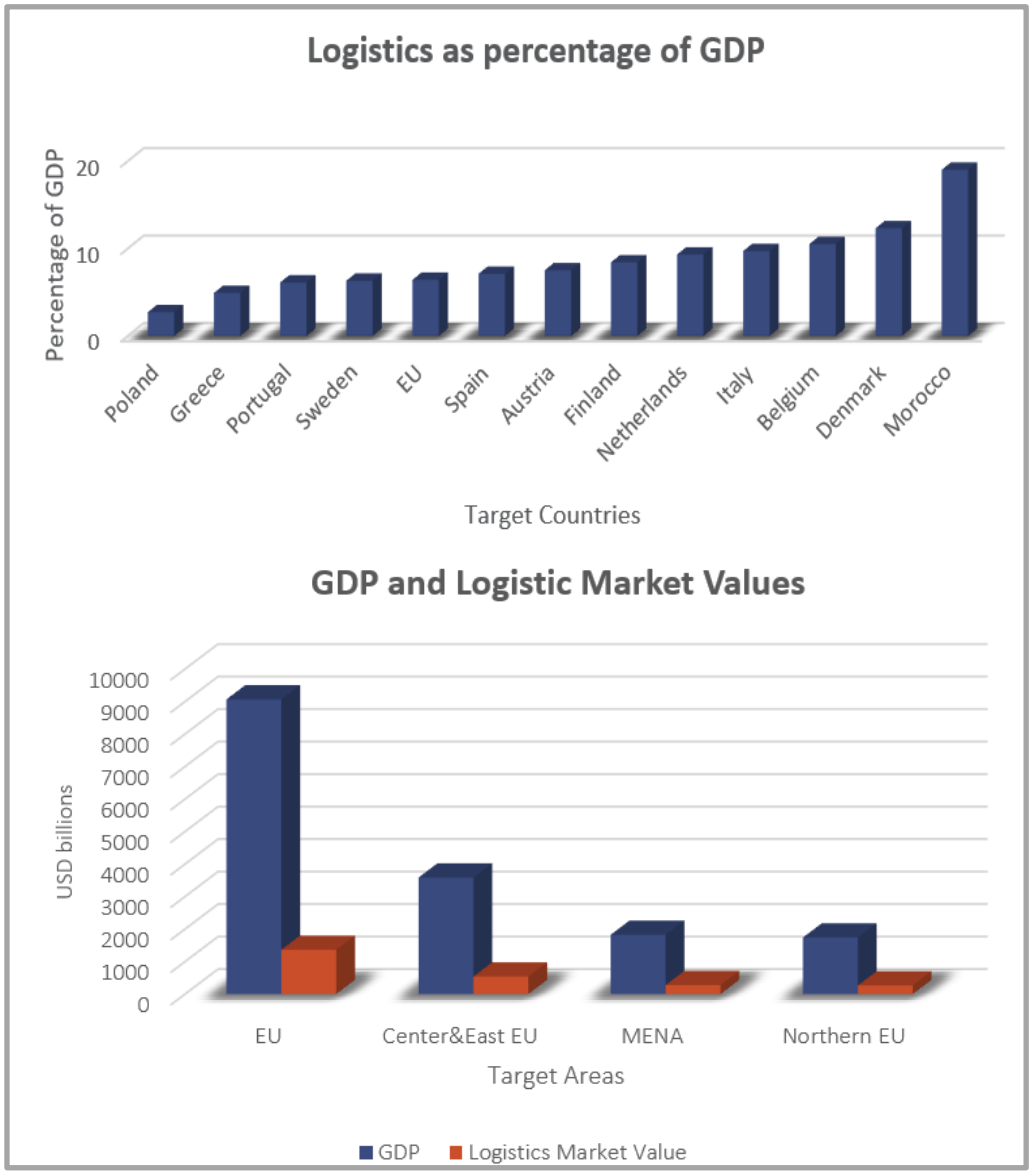
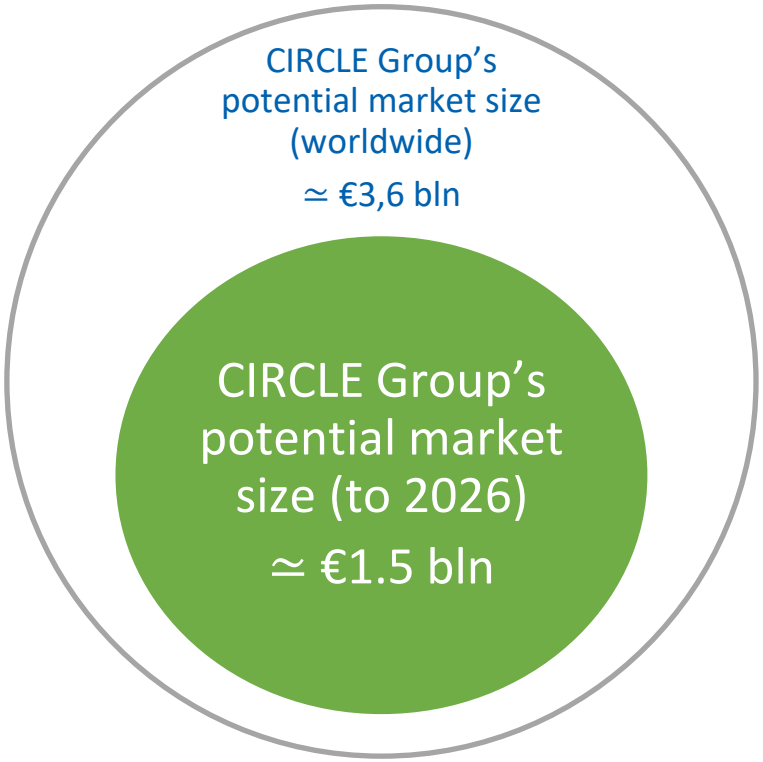
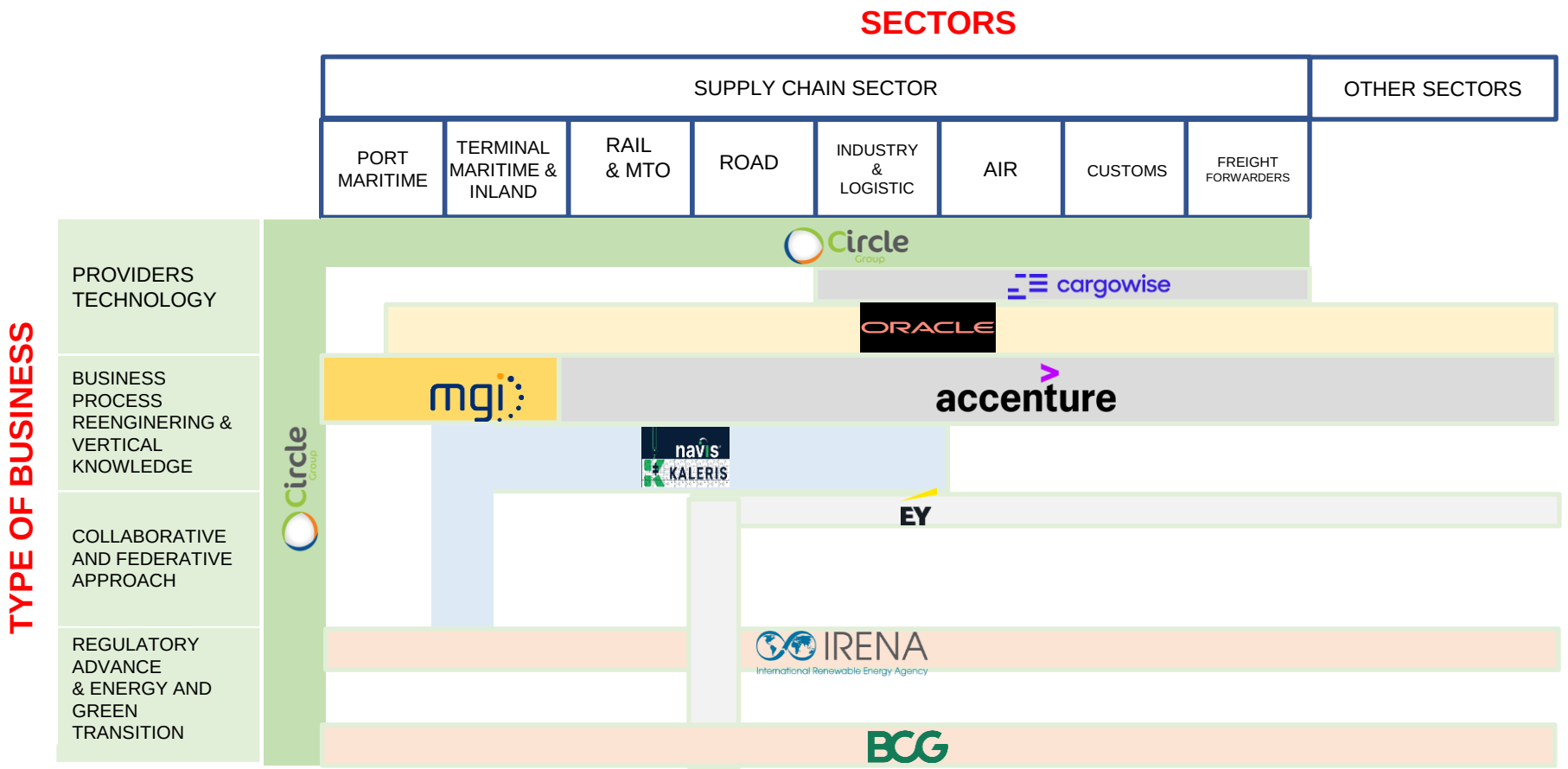
# Market size: segments & geography



# Positioning

## Distinctive positioning and competition

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# Strategic guidelines
## Development Plan

**Connect 4 Agile Growth**

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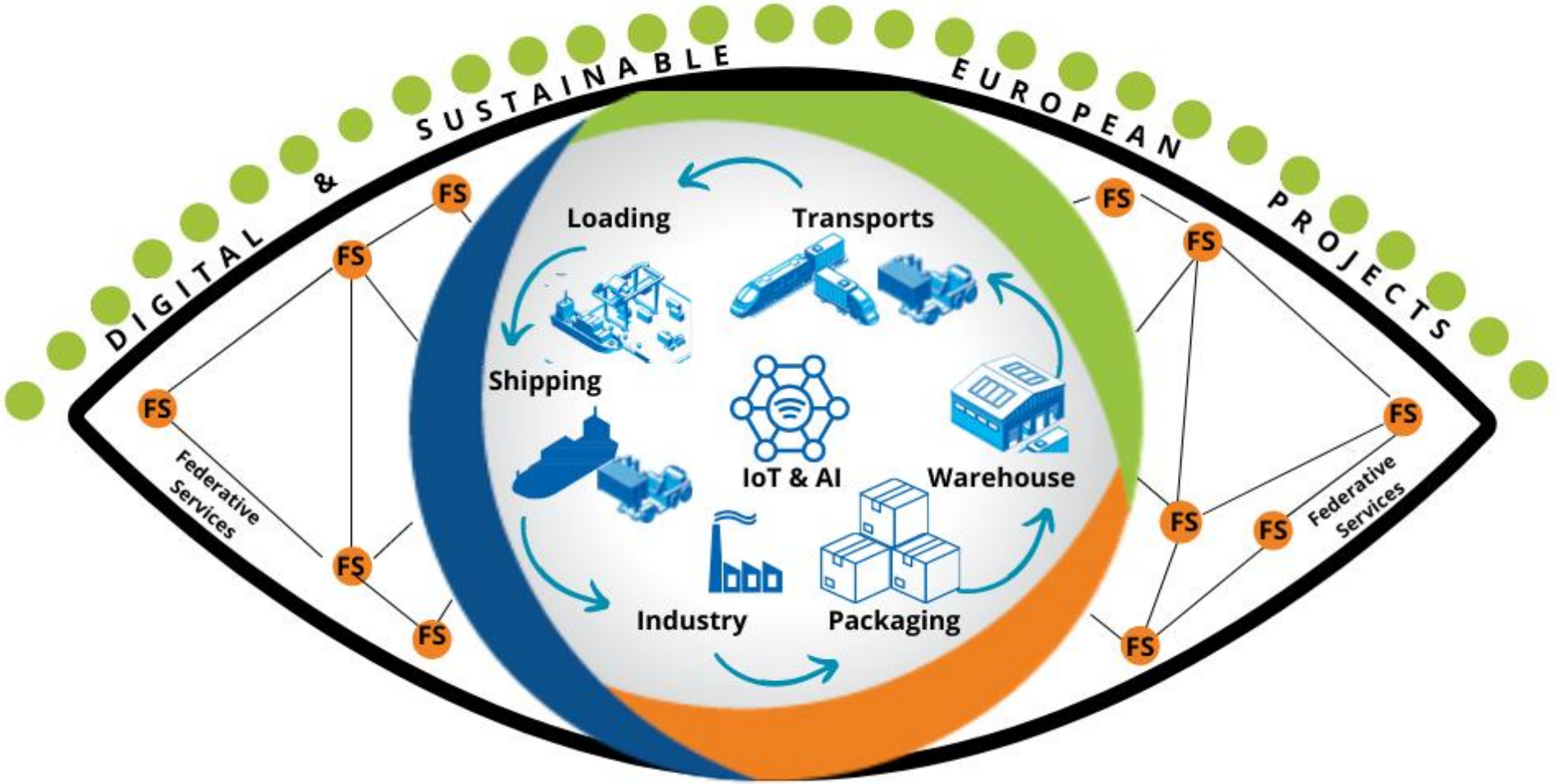
# Global Supply Chain Visibility

## Concept and megatrends




# Milos® GSCV

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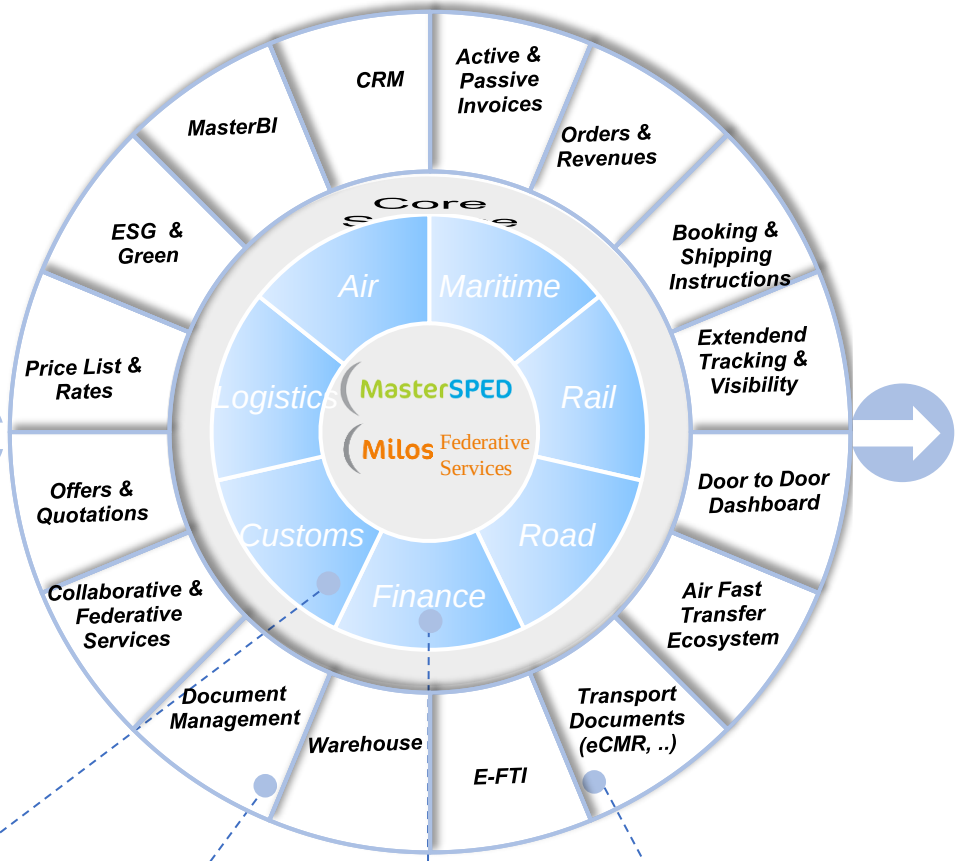
# Milos® Fed. Serv & MasterSPED® - GSCV

Port Community Systems

Third Party Logistics

Air Cargo Community Systems

Inland & Port Nodes




Customs Agency Systems

Own Document Management

Own ERP System

New National Logistic Platform

**MARITIME**

- *DCSA compliant*

MAERSK

CMA CGM

YANG MING

Hapag-Lloyd

msc

- *Marine Traffic*

MarineTraffic

- *INTTRA*

INTTRA by e2open

**AIR**

- *Airports to airports visibility*

StarTracking

TAXUD

Italy AIDA

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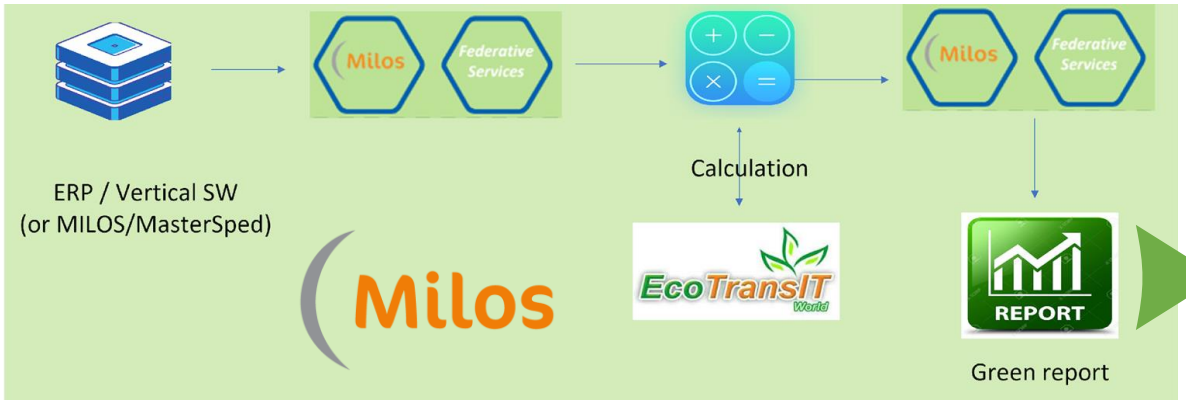
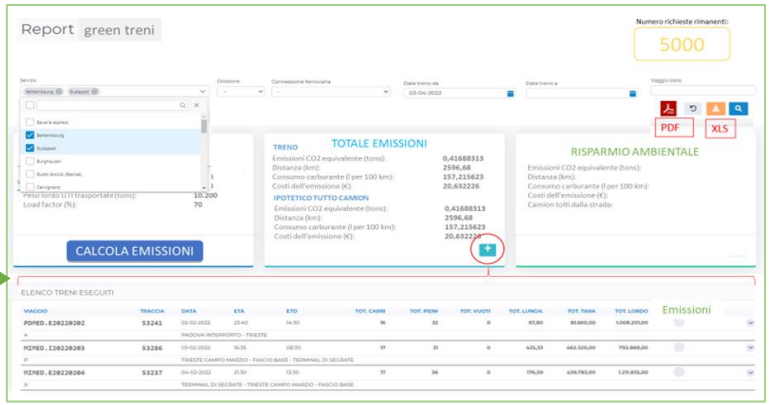
# Milos® Green Dashboard

## 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

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# 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 $CO_2$ 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: $CO_2$ 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

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

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# 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.

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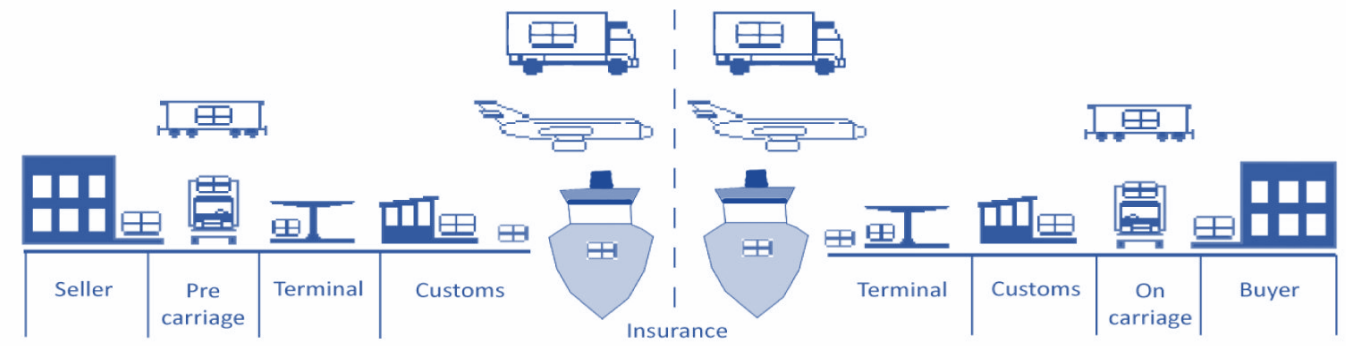
# Dematerialization of transport documents

## 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**

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# 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 convertion FWB to FHL, customs declarations, deliveries etc.)

### 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

**ARTIFICIAL INTELLIGENCE - BIG DATA - MACHINE LEARNING**

- NODE automation & flow predictions
- Intelligent GATE dashboard
- Predictive UTI appointment suggestions
- EQUIPMENT needs predictive gap
- AI support for planning in a maritime terminal

**OPTIMIZATION**

- Port Rail Shunting Optimization & DT
- MTO Planning Optimization suppport
- Maritime terminal activities optimization & DT
- Traffic flows optimization for intermodal nodes

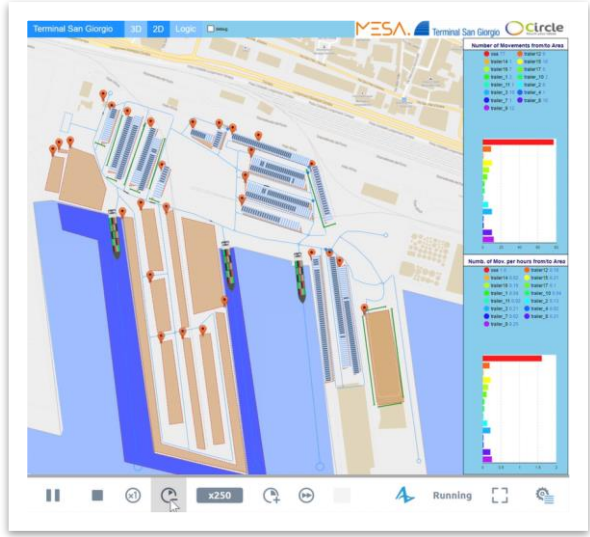
**SYNCROMODALITY – ORCHESTRATION**

**DIGITALIZATION**

**User Interfaces - Web Services - Federative Services**

USERS

- **NODES**
  - Ports
  - Inland
  - Industrial
- **Logistics & intermodal OPERATORS**
- **Industries & industrial HUBs**



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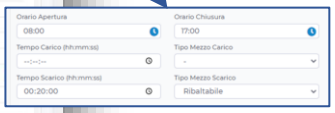
# Rail & Multimodal Last Mile

## MTO triangulation

**MULTIMODAL TRANSPORT OPERATIONS**

TRUCK TRIANGULATION

**Customer warehouses specifics**



Booking

Truckers list

Pricelist

Historical data

DSS TRUCKER EVALUATION

MTO SW

Truckers ranking

Selection of the most convenient

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# 5.0 Eco System

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# Services evolution

## «Connect 4 Agile Growth» roadmap

- Midsize enterprise
- ESG investments
- Mission oceans
- International Tender
- Military mobility CEF 3
- Innovation fund
- Environment & Circular Economy
- New formats & Segments
- Hydrogen partnerships & alliances
- Extension of geographical coverage
- Energy communities

2023 — 2026

- EU Funding Accelerator
- International Consultancy
- EU Projects
- Strategic Communication & Advocacy

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# 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.

***DATA SOURCES***

- ***NATIVE***
  ***Native Connectors with Circle Group Suites & Products***
- ***CONNECTORS***
  ***Connectors with Third Parties Systems***

- ***REAL TIME VISIBILITY***
  ***Standalone Solution that can integrate the entire Supply Chain for all Transport modes***
- ***MEASUREMENT***
  ***Greenhouse gas emission reduction strategy***
- ***PRECISIONS***
  ***Audit Proof Carbon Emissions***

***GOALS***

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:

**2024**

Companies already subject (listed) to the "Non-Financial Reporting Directive", publishing in 2025

**2025**

Big companies not yet subject to the Non-Financial Reporting Directive publishing in 2026.

**2026**

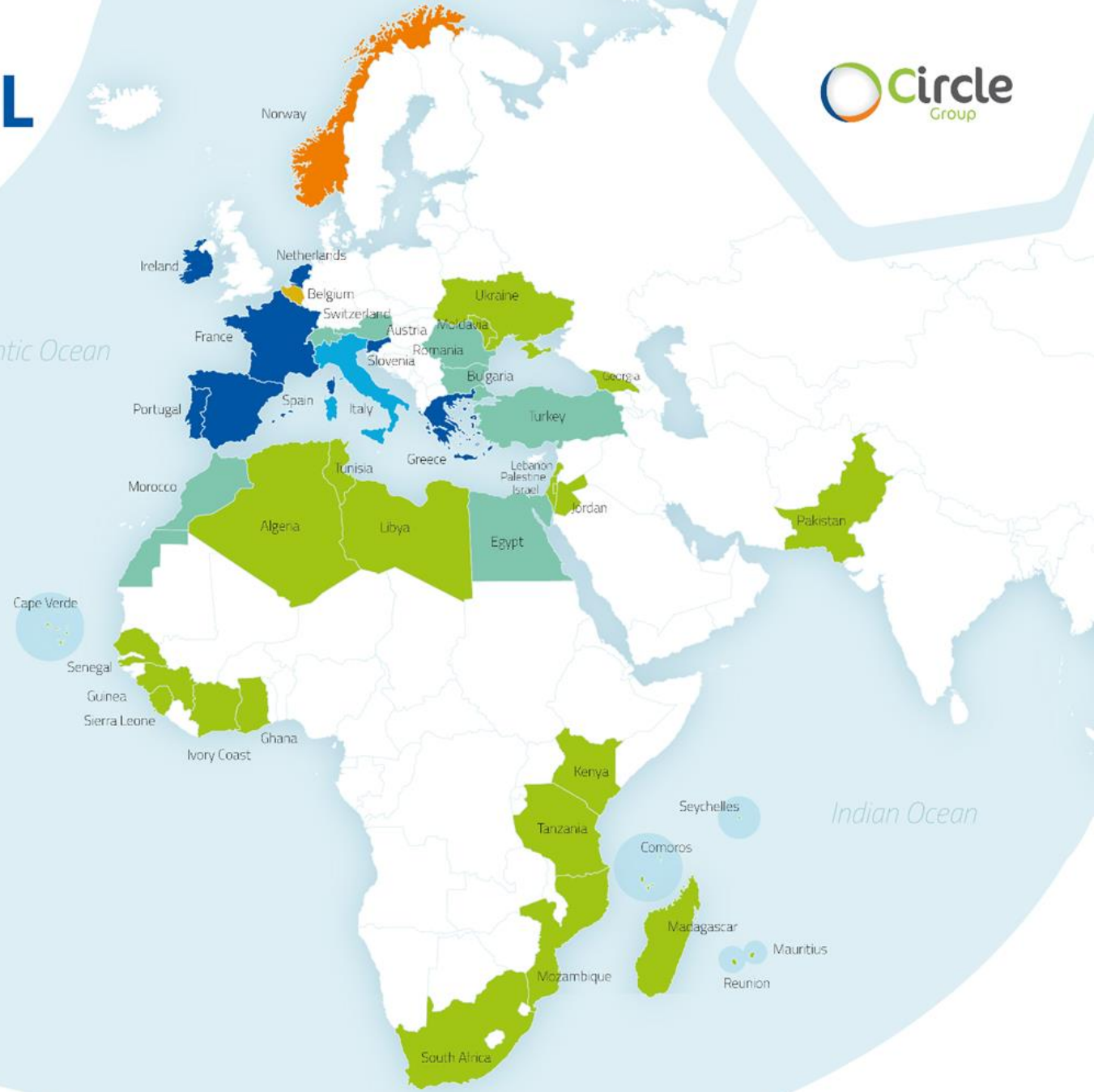
SMEs and other listed companies, publishing in 2027.

*SMEs may choose to postpone to 2028*

# 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)*
- **Strategic Communication**
- **EU Funding Accelerator**
- **Trade & Customs Facilitations**
- **Circle Group Headquarters**

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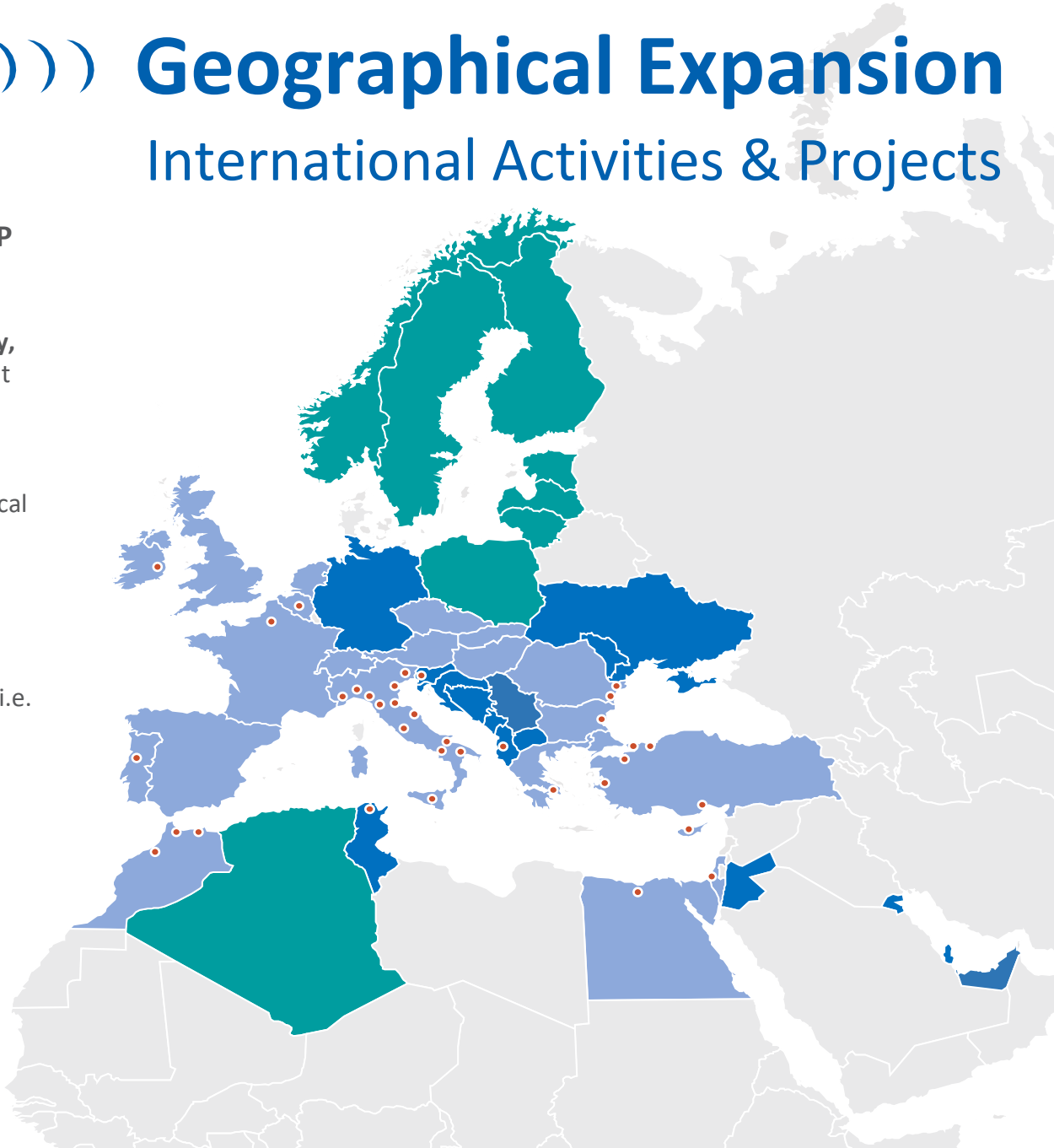
# Geographical Expansion

## International Activities & Projects

### 2024 «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
- **Strenghthen the alliance** in the target countries of insider and consultant / companies supporting the local penetration process
- Focus on **specific foreign clients for products** (ex. Central Europe for inland Milos® 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 ..)

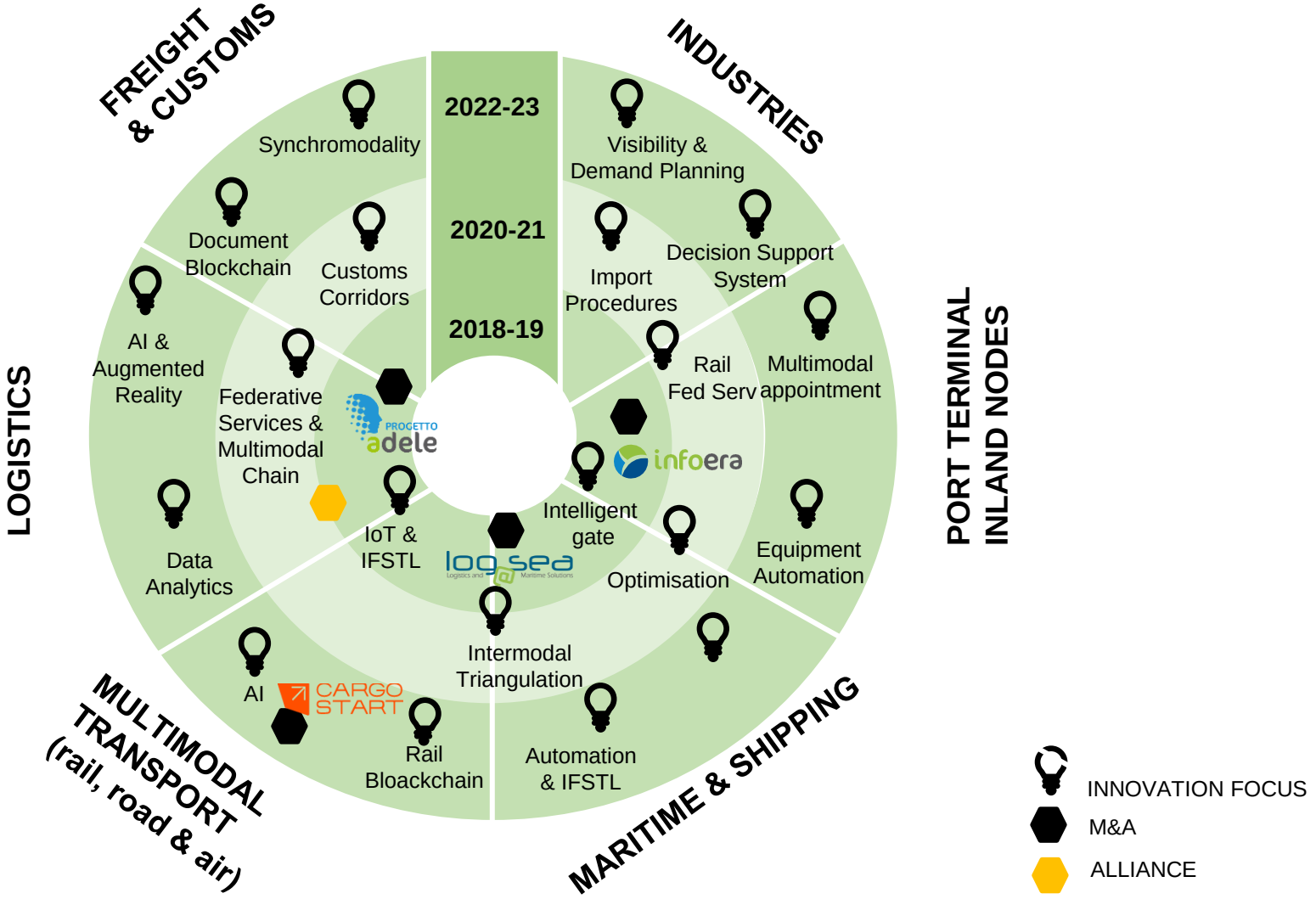


# *Strategic Roadmap*

***«Connect 4 Agile Growth»***

# M&As, Alliances, Innovation focuses

2018-23

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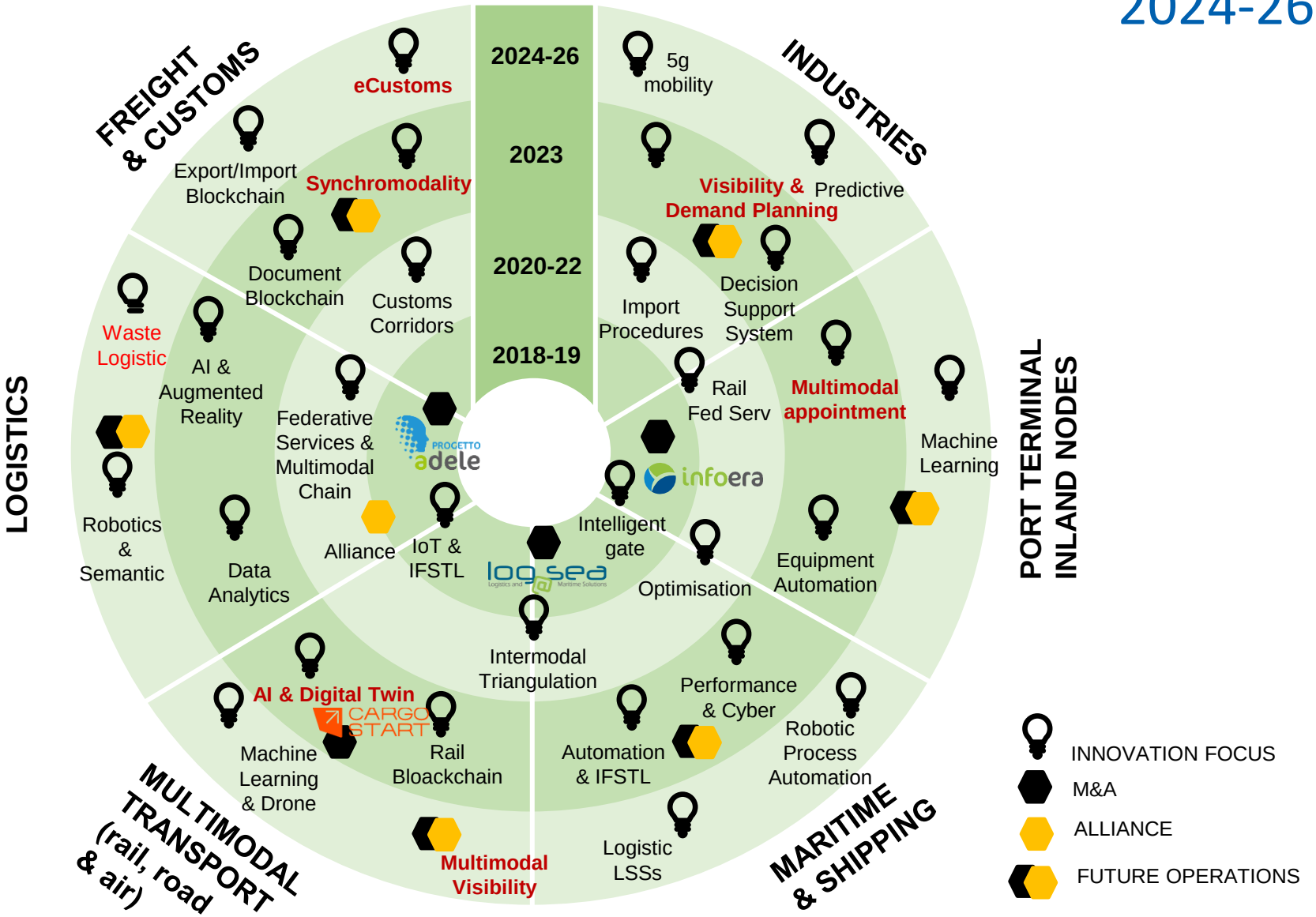
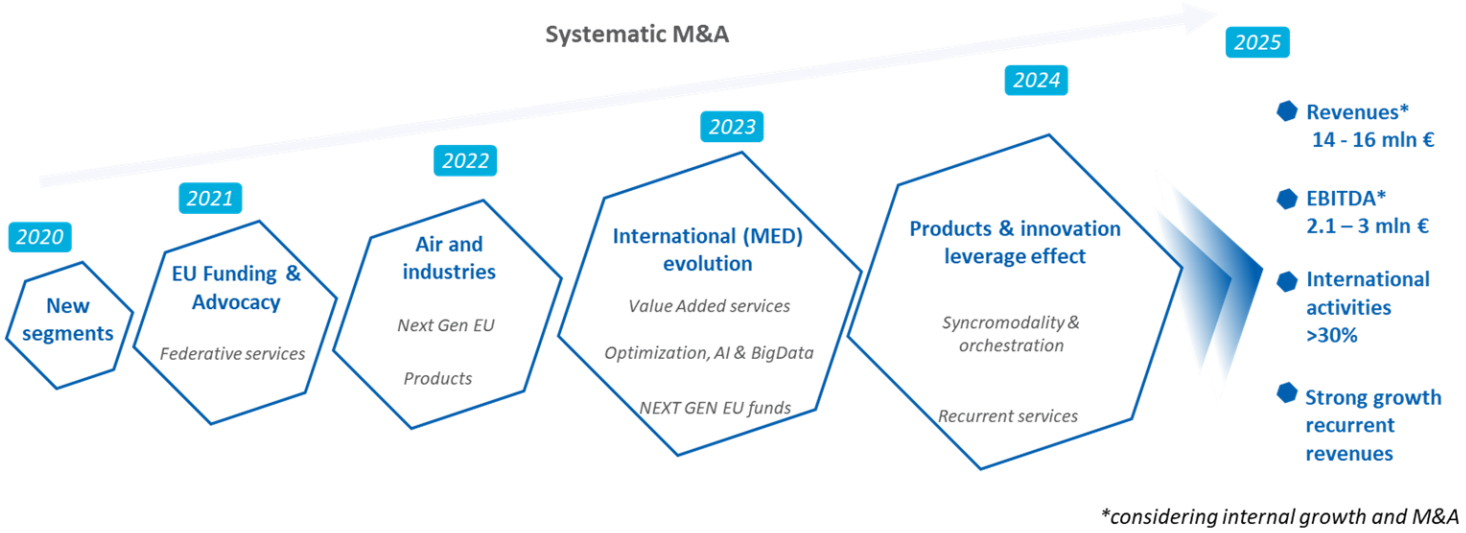
# M&As, Alliances, Innovation focuses

2024-26



# 2023 vs Financial Goals 24 in 2020

## In 2020 for 2024




*considering internal growth and M&A

## *In 2023*

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

## *Connect 4 Agile Growth*

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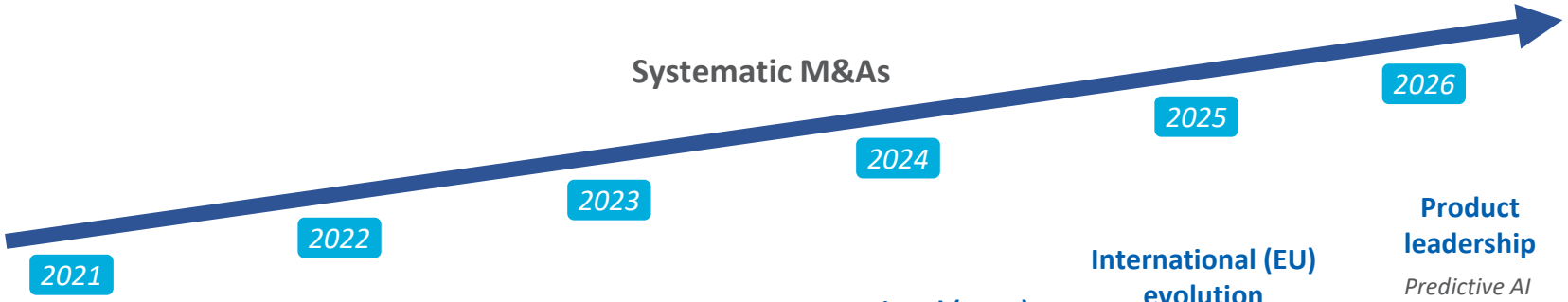
# Business Goals 2026




**EU Funding & Advocacy**
*Syncromodality & orchestration*
*Product Suites*

**Air and industries**
*Federative services*
*Next Gen EU*
*SaaS & IaaS*

**EU & PNRR**
*Value Added services*
*Optimization & Machine Learning*
*NEXT GEN EU projects*

**International (MED) evolution**
*Predictive services*
*AI & BigData*
*NEXT GEN EU funds*

**International (EU) evolution**
*Multimodal optimisation & predictive logistics*
*Recurrent services*

**Product leadership**
*Predictive AI*
*Volume & Margins*
*Freight As A Service*

- **Central-South Europe and MED Leader**
- **Predictive & Syncromodal Supply Chain**
- **Anticipated EU and Customs policies**
- **Competitive advantages from federated approach**

# Connect 4 Agile Growth

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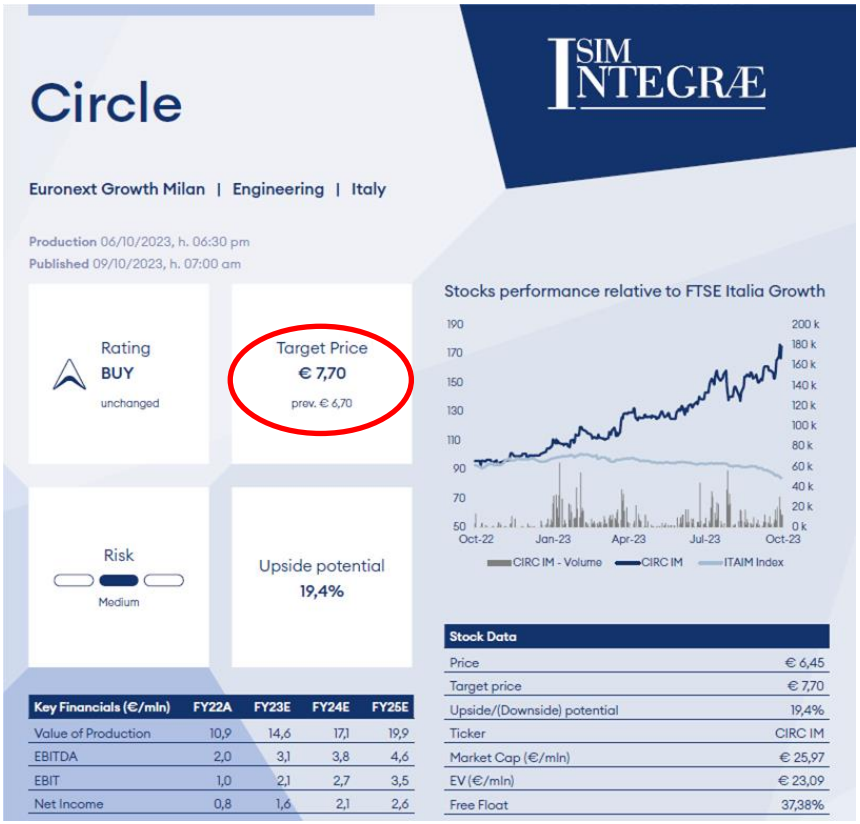
# Financial focus & stock growth



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

Target Price
€ 7,70
prev. € 6,70

Risk
Medium

Upside potential
19,4%

Stocks performance relative to FTSE Italia Growth

CIRC IM - Volume CIRC IM ITAIM Index

| 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

VALUETRACK

1H23 Earnings Season

About ValueTrack

FTSE Italia Growth 8,080
Mkt Cap (€bn) 8.0

Top line up, profits down y/y, net debt worsening

Homogeneity among sectors, top-down trends faded

Still, polarization happens at company level (and peaks!)

Top performers

- *«Free allocation of shares» - 1 free stock each 10 - May 20th, 2019*
- *Buy back - now 25.740 own shares (0.64%)*
- ***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 |
|---|---|---|
| **+176%*** | 7,7 | +31% |

**Stock price at November 16th, 2023*

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# Contacts


## Genoa
Piazza Borgo Pila 40
16129 Genoa - ITALY
info@circletouch.eu

## Trieste
Via San Nicolò 4
34121 Trieste
ITALY

## Milan
Via Giovanni B. Pergolesi 26
20124 Milan
ITALY

## Rome
Via Ofanto, 18
00198 Rome
ITALY

## Catania
SS Primosole Angolo V Strada
95100 Catania
ITALY

## Brussels
Rond Point Schuman 6/7
B-1040 Brussels – BELGIUM
circlebelgium@circletouch.eu

## Porto
Av. da Boavista, 1588 7
4100-115 Porto - PORTUGAL
circleportugal@circletouch.eu

## Istanbul, Mersin, Ankara
turkey@circletouch.eu

## Balkan Region
balkans@circletouch.eu

## Arabian Region
circlearabia@circletouch.eu

## Maghreb Region
maghreb@circletouch.eu

www.circlegroup.eu

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