



PRESS RELEASE

CIRCLE GROUP ACQUIRES TELEMATICS AND INFOMOBILITY BUSINESS UNIT OF TELEPASS INNOVA S.P.A. WITH FORECASTED VALUE OF PRODUCTION OF APPROXIMATELY €6.7 MILLION AND AN EBITDA MARGIN OF 19%

Milan, December 27, 2024

CIRCLE S.p.A. (“CIRCLE” or the “Company”) - an Innovative SME listed on the Euronext Growth Milan market, heading the Group specialized in the process analysis and the development of solutions for the digitalization of the port and intermodal logistics sectors, as well as in the international consultancy on Green Deal and energy transition topics – announces that it has acquired a **Business Unit (“the Business Unit”)** owned by **Telepass Innova S.p.A. (a subsidiary of Telepass S.p.A.)**. The Business Unit includes the **Infomobilità Business Unit** (resulting from the merger of InfoBlu S.p.A. into Telepass Innova), active in advanced traffic monitoring and management services for Italy’s road and highway networks; and the **Telematica Business Unit**, (resulting from the merger of KMaster S.r.l. into Telepass Innova), providing telematics services through proprietary technology platforms to companies in the logistics, transport, and insurance sectors.

The Business Unit was acquired for a total expected consideration of **Euro 6.2 million from eXyond, a subsidiary of Circle.**

As part of the purchase transaction, a 10-year commercial agreement was also signed between Telepass and Circle (**“Commercial Agreement”**), which will allow Telepass to offer all the services of the Business Unit, strengthened and integrated with those of Circle Group, as well as for Circle to take advantage of the strong expansion abroad (primarily in Europe in France, Germany, all of Southern, Central and Eastern Europe) of Telepass' tolling services.

Luca Abatello, **President and CEO of Circle Group**, declared: “The consolidation of the Telepass Innova S.p.A. Business Unit in eXyond will allow us to strengthen Circle Group’s offering in transportation, telematics, and infomobility. Telepass’s established market presence combined with Circle’s dynamism and in-depth knowledge of the logistics market, along with a concurrent signing of a 10-year commercial agreement with Telepass (aimed at both maintaining the services and quality provided by Telepass and upselling infomobility solutions in relation to the basic tolling service and OBU (On Board Unit)), will support the continued expansion of Circle’s services across Europe. This includes leveraging advancements in regulatory compliance (e-CMR and eFTI). The transaction aligns with our external growth strategy and the goals of our ‘Connect 4 Agile Growth’ industrial plan, contributing significantly to the redefinition of innovative digital solutions for port, airport, and intermodal logistics.”

1. Description of the Business Unit of Telepass Innova S.p.A. and Attributable Profits

The Business Unit includes two Business Units (“BU”) Infomobilità and Telematica. It boasts a long-standing vertical presence in the market, supported by the integration of Telepass’ tolling services and has benefited from significant expansion opportunities, particularly through strong synergies with consortia and complementary services. The growth strategy is focused on expansion within the European Union, with special attention to opportunities offered by the changing regulatory environment and payment solutions dedicated to access gates. The activities of this business segment include:

- the BU Infomobilità, focused on advanced traffic monitoring and management services for Italy's road and highway networks.
- the BU Telematica provides telematics services (in direct and indirect way through Telepass) via proprietary platforms.

In 2024, the **Business Unit**, as per completed Due Diligence and expert report, reported **Revenues** of approximately Euro 6.4 mln, a **Value of Production** corresponding to approximately Euro 6.7 mln, **EBITDA** of approximately Euro 1.24 mln, and an EBITDA Margin of approximately 19%.

2. Financial Details and Payment Structure

The acquisition will be on a cash-free and debt-free basis. On the asset side, it consists of tangible and intangible assets and the “inventory of products intended for sale” and, on the liability side, it consists of severance pay and other payables directly attributable to the employment relationship of the employees referred to the Business Unit being transferred.

The total purchase price expected is €6.2 mln and will be paid:

- (A) On the Closing Date, a fixed amount provides a fix component of € 3,039,290 will be paid to Telepass Innova as the “Initial Consideration” determined taking into account the market multiples method (on the EBITDA 2023 and the EBITDA of the first 9 months 2024 expected of the business unit) paid as of today's date, said payment will be made in cash.
- (B) Within 10 days of the communication of the approval of the 2024 financial statements of Telepass Innova, the “2024 EBITDA Consideration” will be paid, applying the method of multiples on the final 2024 EBITDA, for a total amount estimated to date at approximately € 2,167,942.
- (C) By 31.1.2026, an initial success fee (amounting to € 970,000) will be paid related to the implementation of the signed Commercial Plan.

There is also an EARN OUT mechanism; within 30 days after the approval of the financial



statements of eXyond as of 12/31/2027 an EARN OUT, related to goals shared on commercial plan, will be paid up to a maximum amount equal to the final 2024 EBITDA.

The acquisition was made through the former Log@Sea, renamed eXyond on December 4, and now 92% controlled by Circle, which has been provided with in-house available financial means to pay the consideration as detailed above.

3. Objectives of the acquisition, achievable synergies and effect of the transaction on the Issuer

The synergies arising from the acquisition of the Business Unit of **Telepass Innova S.p.A.** are multiple and are mainly related to the proven expertise in advanced traffic monitoring and management services on the Italian road and highway network and telematics services.

The integration of the Business Unit into Circle Group's perimeter, thanks to its subsidiary **eXyond** will foster a strong strengthening of the products offered in the TRUCK segment, creating synergies with existing **dematerialization solutions such as e-CMR and eFTI**, while enabling an expansion of the direct presence in these branches throughout Europe (considering that more than **60 % of OBUs are in use in additional European countries** than Italy), in line with the **2025-2027 internationalization strategy** outlined in the Connect 4 Agile Growth plan.

The operation also involves the definition, following the appropriate formal procedures, of an incentive plan aimed at the Group's managers responsible for Exyond, linked to the growth of Exyond's EBITDA from 2024 to 2027.

Given the importance of the acquisition and its strategic nature, having completed all formalities and having the availability of the 2024 closing forecast data of the Business Unit, an Investor Call will be convened in the first quarter of 2025 to provide all useful details to the financial community and Circle Group shareholders.

This transaction is classified as "significant" under Article 12 of the Euronext Growth Milan Issuer Regulations.

*Founded in Genoa in 2012, **Circle S.p.A.** is the Innovative SME at the head of the [CIRCLE Group](#), the Group specialising in the analysis and development of products for the **innovation and digitalisation of the port and intermodal logistics sectors and in the international consultancy on topics concerning the Green Deal and energy transition.***

*In addition to Circle, the Group includes the software houses **Info.era**, **NEXT Freight** (formerly 'Adele Project') and **Cargo Start**, acquired at the end of 2017, July 2019 and December 2022 respectively, the consulting companies **Magellan Circle** and **Magellan Circle Italy**, **NEXT Customs**, as well as the subsidiary **ACCUDIRE**.*



The synergies between the individual components of the CIRCLE Group have made it possible to expand the portfolio of solutions offered in the areas of IoT, Optimisation, Digital Twin, Big Data and Process Automation, and to strengthen the software products: **Milos®** - a suite aimed at all players in intermodal logistics such as inland terminals, port terminals, ports, MTOs and maritime agencies -, the Extended Port Community System, the **Master SPED®** and **Milos® Global Supply Chain Visibility** solutions, dedicated respectively to freight forwarding and logistics and to trade and industry, as well as **Star Tracking®**, an airport-to-airport tracking solution.

To complete the offer in the Supply Chain area, the so-called '**Federative Services**' able to make the migration of customers towards a digital business model more efficient and offered in cloud mode.

Through **Magellan Circle** (with offices in Porto and Brussels) and **Magellan Circle Italy**, Circle operates in the field of advocacy at European Institutions, supporting Public Bodies and Companies by identifying their positioning at a European level (**Strategic Communication and Advocacy**) and funding opportunities (**Eu Funding Accelerator**), with a vertical focus on Green Deal and energy transition issues.

The acquisition of the 51% of shares of **Cargo Start** in December 2022, a company specialising in the development and sale of innovative technological products and services for air cargo, allowed Circle to strengthen its offering in a rapidly expanding segment that is strategic to the **Connect 4 Agile Growth** industrial path.

Circle owns 92% of **eXyond**, formerly Log@Sea business network, active in offering advanced **Gate Automation** solutions aimed at port and intermodal nodes.

In December 2023, Circle subscribed to a capital increase equal to 21% of the share capital of ACCUDIRE, an Innovative Startup from Veneto that provides a **Collaborative Digital Platform** capable of helping players along global Supply Chains in the exchange of information and in the management of document flows accompanying goods shipments, starting first and foremost with the **e-CMR** (or electronic waybill, part of an international standard and transposition law just approved by the Italian Parliament).

Finally, in February 2024 Circle established **NEXT Customs**, dedicated to digital customs optimisation services and functional to the continuation of initiatives aimed at the harmonisation of customs processes, a highly strategic area for the evolution of the **Connect 4 Agile Growth path**.

Circle S.p.A. has been listed on the Euronext Growth Milan market of Borsa Italiana since October 26, 2018 (alphanumeric code: CIRC; ISIN code ordinary shares: IT. 0005344996).

For further information

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