

Consolidated  
First Quarter 2018 report

# Nice S.p.A.

TheNiceGroup

Automation of external roller blinds. Technogym Village Store & Showroom, Cesena, Italy. © Resstende Srl

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Twenty  
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Years  
Young | 1993  
2018

**Nice S.p.A.**

**Interim Financial Report  
as at 31 March 2018**

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## General Information

### Corporate bodies and information

#### Board of Directors

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Lauro Buoro (*)	Chairman of the Board of Directors
Roberto Griffa (*)	Chief Executive Officer
Denise Cimolai (*)	Director
Emanuela Paola Banfi	Independent Director
Giorgio Zanutto (*)	Director
Lorenzo Galberti (*)	Director
Antonio Bortuzzo	Independent Director
Chiara Mio (**)	Director

(\*) Powers and responsibilities, within the limits established by the law and the Articles of Association and without prejudice to those reserved for the Shareholders' Meeting and the Board of Directors, granted by Board resolution on 22 April 2016.

(\*\*) Functional powers, within the limits established by the law and the Articles of Association and without prejudice to those reserved for the Shareholders' Meeting and the Board of Directors, granted by Board resolution on 13 May 2016.

#### Board of Statutory Auditors

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Giuliano Saccardi	Chairman of the Board of Statutory Auditors
Monica Berna	Standing Statutory Auditor
Enzo Dalla Riva	Standing Statutory Auditor
David Moro	Alternate Statutory Auditor
Cristina Bonato	Alternate Statutory Auditor

#### Audit and Risk Committee (\*)

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Antonio Bortuzzo	Member
Emanuela Paola Banfi	Member

(\*) the Audit and Risk Committee also carries out the functions provided for by the Related Parties Regulation

#### Compensation Committee

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Antonio Bortuzzo	Member
Emanuela Paola Banfi	Member

#### Supervisory Body

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Antonio Bortuzzo	Chairman of the Supervisory Body
Alberta Figari	Member
Vittorio Gennaro	Member

#### Independent Auditors

BDO Italia S.p.A.

#### Registered office and corporate details

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 Via Callalta, 1 Z.I. Rustignè  
 I-31046 Oderzo TV Italia  
 Tel: +39 0422 853838  
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 Share Capital Euro 11,600,000.00 fully paid-in  
 Tax Code 02717060277  
 VAT no. 03099360269  
[www.niceforyou.com](http://www.niceforyou.com)

#### Investor Relations

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 Tel: +39 0422 505468

## Introduction

This consolidated quarterly financial report was prepared in accordance with Article 154-*ter* of Italian Legislative Decree of 24 February 1998, no. 58, as subsequently amended and supplemented, which requires to provide: a) a general description of the financial position and financial performance of the issuer and its subsidiaries in the reporting period; b) a description of significant events and transactions occurred during the reporting period and their impact on the financial position of the issuer and its subsidiaries.

On 18 March 2016, Italian Legislative Decree of 15 February 2016, no. 25 became effective, transposing the directive 2013/50/EU amending Directive 2004/109/EC on transparency requirements in relation to information about listed issuers (so-called Transparency Directive), which removed the requirement to publish interim management statements in order to reduce the administrative burden on listed issuers as well as discourage issuers and investors from focusing on short-term performance.

This change did not affect issuers listed on the STAR segment of the MTA market managed by Borsa Italiana; these will continue to be subject to the provisions of the Stock Market Regulation concerning publication of the interim financial report and, in particular, article 2.2.3, paragraph 3 of the Stock Market Regulation, which provides that *“in order to attract and retain the Star qualification, issuers must make publicly available the interim financial report within 45 days after the end of the first, third and fourth quarters of the year. Issuers are exempt from the publication of the fourth report if they make publicly available the annual financial report, together with the other documents referred to in article 154-ter, first paragraph, of the consolidated Finance Act within 90 days from the end of the year”*.

## Economic and financial highlights of the Nice Group

Income Statement (thousands of euro)	Q1 2018	%	Q1 2017	%	Δ %
Revenues	78,509	100.0%	75,368	100.0%	4.2%
Gross profit	42,783	54.5%	41,175	54.6%	3.9%
EBITDA	10,086	12.8%	12,094	16.0%	-16.6%
<b>Gross operating margin (EBITDA) adjusted (1)</b>	<b>12,308</b>	<b>15.7%</b>	<b>12,094</b>	<b>16.0%</b>	<b>1.8%</b>
Operating result	7,472	9.5%	9,719	12.9%	-23.1%
<b>Operating profit (EBIT) adjusted (2)</b>	<b>9,694</b>	<b>12.3%</b>	<b>9,719</b>	<b>12.9%</b>	<b>-0.3%</b>
Net result	3,796	4.8%	4,991	6.6%	-23.9%
<b>Net profit/loss adjusted (3)</b>	<b>5,396</b>	<b>6.9%</b>	<b>4,991</b>	<b>6.6%</b>	<b>8.1%</b>
Group net result	3,670	4.7%	4,917	6.5%	-25.4%
<b>Group net profit/loss adjusted (3)</b>	<b>5,270</b>	<b>6.7%</b>	<b>4,917</b>	<b>6.5%</b>	<b>7.2%</b>

<sup>(1)</sup> As at 31 March 2018, EBITDA is adjusted excluding the costs incurred for participation in the R+T three-year fair, which was held in February in Stuttgart, for Euro 1.2 million and the expenses incurred for acquisitions and corporate reorganizations for Euro 1.0 million.

<sup>(2)</sup> Adjusted for the elements indicated in note (1) and the related total tax effect applied of Euro 0.6 million.

Statement of Financial Position (thousands of euro)	31/03/2018	31/12/2017
Net working capital	76,487	54,904
Fixed assets and other non-current assets	186,400	180,549
Non-current liabilities	(17,043)	(17,701)
<b>Net invested capital</b>	<b>245,844</b>	<b>217,752</b>
Net financial position (cash)	25,491	(1,443)
- inc. liquid funds	(76,639)	(55,722)
- inc. financial assets	(2,478)	(2,778)
- inc. financial liabilities	104,608	57,057
Shareholders' equity	220,353	219,194
<b>Total sources of funds</b>	<b>245,844</b>	<b>217,752</b>

Statement of Cash Flows (thousands of euro)	Q1 2018	Q1 2017
Operating cash flow	(13,479)	(6,272)
Cash flows absorbed by investing activities	(4,527)	(5,107)
<i>Free operating cash flow</i>	<i>(18,006)</i>	<i>(11,379)</i>
Acquisitions	(8,860)	0
<i>Free Cash Flow</i>	<i>(26,866)</i>	<i>(11,379)</i>
Cash flows generated/(absorbed) by financing activities	47,670	3,277
Effect of currency fluctuations on liquid funds	114	(138)
<i>Cash flow during the period</i>	<i>20,918</i>	<i>(8,240)</i>
<b>Liquid funds, start of the period</b>	<b>55,722</b>	<b>70,552</b>
<b>Liquid funds, end of the period</b>	<b>76,639</b>	<b>62,312</b>

The alternative performance indicators are not calculated in compliance with the accounting standards used to prepare the audited financial statements and might not take account of the recognition, measurement and presentation requirements of those standards.

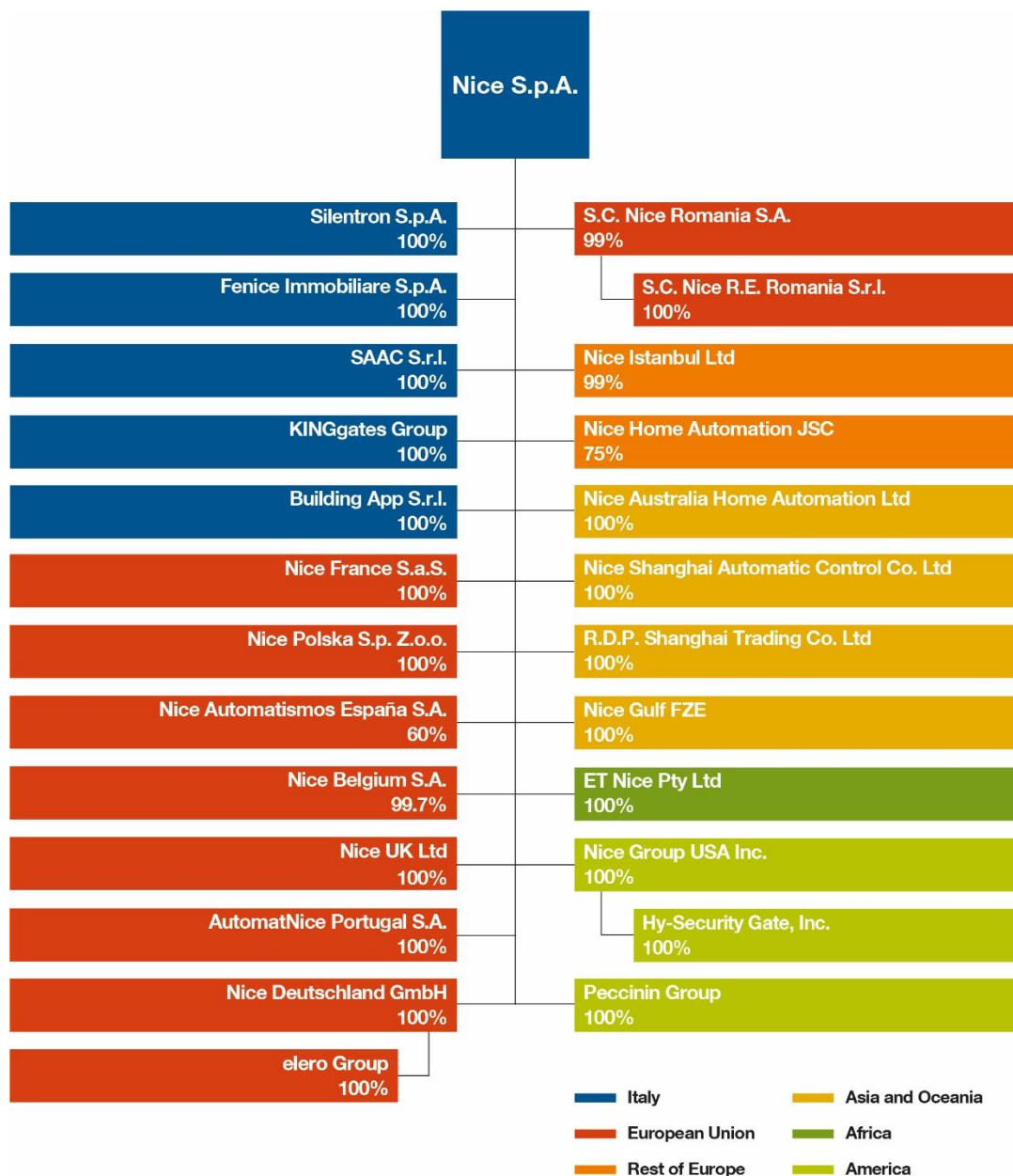
The alternative performance indicators are described below:

- Gross Profit is defined as the difference between revenue and the cost of goods sold (consisting of the sub-items purchase of basic components, outsourced processing, and change in inventories).
- EBITDA represents net profit before depreciation & amortisation, impairment, finance income & expenses, and taxes.
- Net working capital is defined as the sum of inventories, trade receivables, tax receivables, other current assets, trade payables, tax payables (due within 12 months) and other current liabilities when referring to core business.
- Net capital invested is defined as the algebraic sum of Net working capital (as defined above), fixed assets, other non-current assets and non-current liabilities (the latter net of medium/long-term loans).
- Net financial debt or Net financial position is a measure of the Company's financial structure and is defined as current and non-current financial debts less cash and cash equivalents.
- Free cash flow is defined as the sum of cash flows from/(used in) operating activities and cash flows from/(used in) investing activities.

**Group structure**

The following chart presents Nice Group’s structure as at 31 March 2018. The Group operates via 33 companies, detailed in the attachments, located as follows:

- *Italy:* Nice S.p.A., Silentron S.p.A., Saac S.r.l., King Gates S.r.l., Fenice Immobiliare S.p.A., Buinding App S.r.l.;
- *European Union:* Nice France Sas, Nice Automatismos Espana S.A., Nice UK Ltd, Nice Belgium S.A., Nice Polska S.p. Z.o.o., Nice Deutschland Gmbh, S.C. Nice Romania S.A., S.C. Nice R.E. Romania SRL, AutomatNice Portugal S.A., elero GmbH, elero AB, King Gates France SAS;
- *Rest of Europe:* Nice Istanbul Ltd, Nice Home Automation JSC;
- *Asia e Oceania:* Nice Shanghai Automatic Control Ltd, R.D.P. Shanghai Trading Ltd, Nice Australia Home Automation Ltd, elero Motors & Controls Pvt. Ltd., elero Singapore Pte. Ltd., Nice Gulf FZE;
- *Americas:* Nice Group USA Inc., Hy-Security Gate, Inc., Peccinin Portoes Automaticos Industrial Ltda, Genno Tecnologia LTDA, Omegaport Equipamentos de Seguranca LTDA, Linear Equipamentos e Serviçõs Ltda;
- *Africa:* ET Nice (PTY) LTD.





## Comments on economic and financial results

### Operating performance – Group economic results

The income statement, reclassified under the operational format used by the Nice Group in the first quarter of 2018, is presented below in comparison with the previous year:

(thousands of euro)	Q1 2018	%	Q1 2017 <sup>(3)</sup>	%	Δ %
<b>Revenues</b>	<b>78,509</b>	<b>100.0%</b>	<b>75,368</b>	<b>100.0%</b>	<b>4.2%</b>
Cost of sales	(35,726)	-45.5%	(34,192)	-45.4%	
<b>Gross profit</b>	<b>42,783</b>	<b>54.5%</b>	<b>41,175</b>	<b>54.6%</b>	<b>3.9%</b>
Industrial costs	(2,226)	-2.8%	(2,133)	-2.8%	
Marketing costs	(3,325)	-4.2%	(1,835)	-2.4%	
Trade costs	(3,766)	-4.8%	(3,565)	-4.7%	
General costs	(5,449)	-6.9%	(5,250)	-7.0%	
Payroll costs	(17,931)	-22.8%	(16,299)	-21.6%	
<b>Total operating costs</b>	<b>(32,697)</b>	<b>-41.6%</b>	<b>(29,082)</b>	<b>-38.6%</b>	
<b>EBITDA</b>	<b>10,086</b>	<b>12.8%</b>	<b>12,094</b>	<b>16.0%</b>	
<b>EBITDA adjusted <sup>(1)</sup></b>	<b>12,308</b>	<b>15.7%</b>	<b>12,094</b>	<b>16.0%</b>	<b>1.8%</b>
Depreciation, amortisation and impairment	(2,614)	-3.3%	(2,375)	-3.2%	
<b>EBIT</b>	<b>7,472</b>	<b>9.5%</b>	<b>9,719</b>	<b>12.9%</b>	
<b>EBIT adjusted <sup>(1)</sup></b>	<b>9,694</b>	<b>12.3%</b>	<b>9,719</b>	<b>12.9%</b>	<b>-0.3%</b>
Financial management and other costs	(942)	-1.2%	(1,341)	-1.8%	
<b>Pre-tax result</b>	<b>6,530</b>	<b>8.3%</b>	<b>8,379</b>	<b>11.1%</b>	
Taxes	(2,734)	-3.5%	(3,388)	-4.5%	
<b>Net result</b>	<b>3,796</b>	<b>4.8%</b>	<b>4,991</b>	<b>6.6%</b>	
<b>Net profit/loss adjusted <sup>(2)</sup></b>	<b>5,396</b>	<b>6.9%</b>	<b>4,991</b>	<b>6.6%</b>	<b>8.1%</b>
Results attributable to non-controlling interests	126	0.2%	73	0.1%	
<b>Group net result</b>	<b>3,670</b>	<b>4.7%</b>	<b>4,917</b>	<b>6.5%</b>	
<b>Group net profit/loss adjusted <sup>(2)</sup></b>	<b>5,270</b>	<b>6.7%</b>	<b>4,917</b>	<b>6.5%</b>	<b>7.2%</b>
Tax rate	41.9%		40.4%		

<sup>(1)</sup> As at 31 March 2018, EBITDA is adjusted excluding the costs incurred for participation in the R+T three-year fair, which was held in February in Stuttgart, for Euro 1.2 million and the expenses incurred for acquisitions and corporate reorganizations for Euro 1.0 million.

<sup>(2)</sup> Adjusted for the elements indicated in note (1) and the related total tax effect applied of Euro 0.6 million.

<sup>(3)</sup> Some items of the Income Statement at 31 March 2017 were reclassified for comparability with figures at 31 March 2018.

Pursuant to Consob Communication no. DEM/6064293 of 28 July 2006, the alternative performance indicators are defined in the “Economic and financial highlights of the Nice Group” section of this report.

## Consolidated Revenues

In the first quarter of 2018, revenues achieved by the Nice Group increased by 4.2% at current exchange rates and by 9.0% at constant exchange rates compared to the same period of the previous year. Sales for the period amounted to Euro 78,508.8 thousand compared to Euro 75,367.5 thousand in the first quarter of 2017, highlighting in particular net of the currency dynamics, significant progress in emerging markets and in some historical markets.

### Geographical Sales Breakdown

Below is an analysis of the trend of revenues recorded in the first quarter of 2018, compared with the corresponding period of the previous year.

(thousands of euro)	Q1 2018	%	Q1 2017	%	Δ %	Δ % <sup>(2)</sup>
France	11,038	14.1%	10,881	14.4%	1.4%	1.4%
Italy	7,643	9.7%	7,992	10.6%	-4.4%	-4.4%
Europe 15 <sup>(1)</sup>	21,772	27.7%	20,144	26.7%	8.1%	8.4%
Rest of Europe	12,958	16.5%	11,756	15.6%	10.2%	12.4%
Rest of the world	25,099	32.0%	24,594	32.6%	2.1%	15.5%
<b>Total Revenues</b>	<b>78,509</b>	<b>100.0%</b>	<b>75,368</b>	<b>100.0%</b>	<b>4.2%</b>	<b>9.0%</b>

(1) Excludes France and Italy  
(2) At constant exchange rates

Sales in France, accounting for 14.1% of the Group's sales, amounted to Euro 11,037.9 thousand and showed an increase of 1.4% compared to the same period of the previous year.

Sales in Italy amounted to Euro 7,642.5 thousand, down 4.4% compared to the first quarter of 2017.

Revenues in the remaining States of Europe 15 amounted to Euro 21,771.8 thousand, up 8.1% at current exchange rates and 8.4% at constant exchange rates compared to the first quarter of the previous year.

Sales in the Rest of Europe totalled Euro 12,957.9 thousand, rising 10.2% at current exchange rates and 12.4% at constant exchange rates compared to the first three months of 2017.

In the first quarter of 2018, sales in the Rest of the World, which accounts for 32.0% of Group turnover, grew by 2.1% at current exchange rates and by 15.5% at constant exchange rates, compared to the corresponding period of the previous year, with sales of Euro 25,098.5 thousand.

### Profitability Indicators

In the first quarter of 2018, gross profit (calculated as the difference between revenues and cost of goods sold) totalled Euro 42,782.6 thousand, up 3.9% compared to Euro 41,175.4 thousand in the first quarter of 2017 and with a margin on turnover of 54.5%, compared to 54.6% in the corresponding period of the previous year.

As at 31 March 2018, EBITDA adjusted<sup>1</sup> totalled Euro 12,307.8 million with a margin on sales of 15.7%, compared to Euro 12,093.7 thousand with a 16.0% margin on sales in the first quarter of 2017.

The Group net profit adjusted<sup>2</sup> in the first quarter of 2018 totalled Euro 5,270.1 thousand compared to the Group net profit in the first quarter of 2017 of Euro 4,917.2 thousand.

### Operating performance – Financial position

As at 31 March 2018 net working capital amounted to Euro 76,487.0 thousand, compared to Euro 54,903.7 thousand as at 31 December 2017 and compared to Euro 76,585.0 thousand as at 31 March 2017.

Certain consolidated cash flow data is presented below:

(thousands of euro)	Q1 2018	Q1 2017
Net result	3,796	4,991
D&A and other non cash items	3,043	3,647
Change in operating capital	(20,318)	(14,909)
<b>Operating cash flow</b>	<b>(13,479)</b>	<b>(6,272)</b>
Investments	(4,527)	(5,107)
<b>Free operating cash flow</b>	<b>(18,006)</b>	<b>(11,379)</b>
Acquisitions	(8,860)	-
<b>Free cash flow</b>	<b>(26,866)</b>	<b>(11,379)</b>
Net Financial Position of the acquired companies	159	-
Other changes	(228)	231
<b>Sub-total</b>	<b>(68)</b>	<b>231</b>
<b>Variation of net financial position</b>	<b>(26,934)</b>	<b>(11,148)</b>
<b>Opening net financial position</b>	<b>1,443</b>	<b>5,932</b>
<b>Closing net financial position</b>	<b>(25,491)</b>	<b>(5,216)</b>

The net financial position of the Group amounted to Euro -25,491.3 thousand, compared to Euro -5,215.8 thousand as at 31 March 2017 and compared to Euro 1,442.9 thousand as at 31 December 2017.

Following is the Group's net financial position as at 31 March 2018 and as at 31 December 2017:

<sup>1</sup> As at 31 March 2018, EBITDA is adjusted excluding the costs incurred for participation in the R+T three-year fair, which was held in February in Stuttgart, for Euro 1.2 million and the expenses incurred for acquisitions and corporate reorganizations for Euro 1.0 million.

<sup>2</sup> Adjusted for the elements indicated in note (1) and the related total tax effect applied of Euro 0.6 million.

(thousands of euro)	31/03/2018	31/12/2017
A. Cash	14	7
B. Other liquid funds	76,625	55,715
C. Shares held for trading	0	0
<b>D. Liquidity (A) + (B) + (C)</b>	<b>76,639</b>	<b>55,722</b>
E. Current financial receivables	2,465	2,765
F. Current bank loans	(2,543)	(51)
G. Current portion of non-current debt	(25,392)	(21,762)
H. Other current financial payables	0	(34)
<b>I. Current borrowing (F) + (G) + (H)</b>	<b>(27,935)</b>	<b>(21,846)</b>
<b>J. Net liquidity (I) + (E) + (D)</b>	<b>51,169</b>	<b>36,640</b>
Non-current financial receivables (*)	13	13
K. Non-current bank loans	(76,671)	(35,209)
L. Bonds issued	0	0
M. Other non-current payables	(2)	(2)
<b>N. Non-current borrowing (K) + (L) + (M) (**)</b>	<b>(76,660)</b>	<b>(35,198)</b>
<b>O. Net financial debt (J) + (N)</b>	<b>(25,491)</b>	<b>1,443</b>

(\*) Non-current financial receivables are included in the "Other non-current assets" caption of the "Consolidated statement of financial position".

(\*\*) Non-current borrowing includes non-current financial receivables.

**Significant events after the reporting period**

On 13 April 2018, Nice announced its entry as majority shareholder in the share capital of Abode Systems, Inc., an American company specialized in offering a complete range of products and the technological platform for the end consumer, for a connected and protected home for maximum ease of use.

**Outlook for the future**

Thanks to the results achieved in the first quarter of 2018 and to the solid financial position that has always characterised Nice Group, the management believes that it will be possible to pursue its investment plans in order to achieve the growth objectives set for the near future.

Oderzo, 10 May 2018.

**For the Board of Directors**

**The Chairman**

**Lauro Buoro**

## Consolidated financial statements as at 31 March 2018

### Statement of financial position - consolidated financial position as at 31 March 2018 and 31 December 2017

(thousands of euro)	31/03/2018	31/12/2017
<b><u>ASSETS</u></b>		
<b>Non-current assets</b>		
Intangible fixed assets	119,676	114,645
Property, plant and equipment	48,657	47,892
Investment property	8,112	8,195
Other non-current assets	1,036	1,068
Deferred tax assets	8,931	8,763
<b>Total non-current assets</b>	<b>186,412</b>	<b>180,562</b>
<b>Current assets</b>		
Inventories	68,780	62,619
Commercial receivables	61,609	54,131
Other current assets	3,745	3,113
Tax receivables	9,576	11,324
Other current financial assets	2,465	2,765
Liquid funds	76,639	55,722
<b>Total current assets</b>	<b>222,814</b>	<b>189,673</b>
<b>Total assets</b>	<b>409,226</b>	<b>370,235</b>
<b><u>LIABILITIES AND SHAREHOLDERS' EQUITY</u></b>		
<b>Shareholders' equity</b>	<b>221,174</b>	<b>220,021</b>
<b>Minorities</b>	(822)	(826)
<b>Total shareholders' equity</b>	<b>220,353</b>	<b>219,194</b>
<b>Non-current liabilities</b>		
Provisions for risks and charges	3,258	3,321
Employee benefits	2,868	2,894
Medium-/long-term loans	76,671	35,209
Other non-current liabilities	8,648	8,954
Tax payables (beyond 12 months)	713	1,068
Deferred tax liabilities	1,558	1,465
<b>Total non-current liabilities</b>	<b>93,716</b>	<b>52,912</b>
<b>Current liabilities</b>		
Bank overdrafts and loans	27,935	21,812
Other financial liabilities	-	34
Trade payables	47,865	54,777
Other current liabilities	11,034	11,372
Tax payables (within 12 months)	8,324	10,134
<b>Total current liabilities</b>	<b>95,158</b>	<b>98,129</b>
<b>Total liabilities</b>	<b>188,874</b>	<b>151,041</b>
<b>Total liabilities and shareholders' equity</b>	<b>409,226</b>	<b>370,235</b>

**Interim consolidated income statement as at 31 March 2018 and 2017**

	Q1 2018	Q1 2017
(thousands of euro)		
<b>Revenues</b>	<b>78,509</b>	<b>75,368</b>
<b>Operating costs:</b>		
Basic components, ancillary materials and consumables	(34,486)	(30,950)
Cost for services	(14,144)	(14,006)
Rental and lease costs	(1,966)	(2,054)
Payroll costs	(17,931)	(16,299)
Other operating costs	(646)	(1,173)
Amortisation	(2,614)	(2,375)
Other income	750	1,208
<b>Operating result</b>	<b>7,472</b>	<b>9,719</b>
Financial income	343	238
Financial expense	(1,284)	(1,579)
<b>Pre-tax result</b>	<b>6,530</b>	<b>8,379</b>
Income taxes	(2,734)	(3,388)
<b>Net result</b>	<b>3,796</b>	<b>4,991</b>
Results attributable to non-controlling interests	126	73
<b>Group net result</b>	<b>3,670</b>	<b>4,917</b>

\* Some items of the Income Statement at 31 March 2017 were reclassified for comparability with figures at 31 March 2018.

<b>Consolidated earnings per share</b>	Q1 2018	Q1 2017
(thousands of euro)		
Average no. of shares	110,664,000	110,664,000
Group net result	3,670	4,917
Data per share (Euro)		
Basic, net profit attributable to the ordinary shareholders of the parent	0.03317	0.04443
Diluted, net profit attributable to the ordinary shareholders of the parent	0.03317	0.04443

## Interim consolidated comprehensive income statement as at 31 March 2018 and 2017

	Q1 2018	Q1 2017
<hr/>		
(thousands of euro)		
<hr/>		
<b>Net result</b>	<b>3,796</b>	<b>4,991</b>
Other comprehensive income after taxes that may be recycled to profit or loss	(2,638)	1,031
- Differences on translation of foreign financial statements	<u>(2,638)</u>	<u>1,031</u>
<b>Total comprehensive income (loss) after taxes</b>	<b><u>1,158</u></b>	<b><u>6,022</u></b>
Attributable to:		
Non-controlling interests	6	231
Shareholders of the parent company	1,153	5,790



**Consolidated Statement of Cash Flow as at 31 March 2018 and 2017**

(thousands of euro)	Q1 2018	Q1 2017
<b>CASH FLOWS GENERATED BY OPERATING ACTIVITIES:</b>		
<b>Group net result</b>	<b>3,670</b>	<b>4,917</b>
Net results attributable to non-controlling interests	126	73
Income taxes	2,734	3,388
Depreciation, amortisation and impairment	2,614	2,375
Net changes in other funds	429	1,272
<b>Changes in current assets and liabilities:</b>		
Decrease/increase in Receivables due from customers	(7,108)	(5,186)
Other current assets	(641)	839
Inventories	(5,508)	(3,727)
Payables due to suppliers	(6,512)	(6,380)
Other current liabilities	(504)	(646)
Income taxes paid in the period	(2,780)	(3,196)
<b>Total adjustments and changes</b>	<b>(17,149)</b>	<b>(11,189)</b>
<b>Operating cash flow</b>	<b>(13,479)</b>	<b>(6,272)</b>
<b>CASH FLOWS USED IN INVESTING ACTIVITIES:</b>		
Investments in intangible assets	(1,932)	(934)
Investments in tangible fixed assets	(2,595)	(4,174)
Investments in shareholdings	(8,860)	-
<b>Cash flows absorbed by investing activities</b>	<b>(13,387)</b>	<b>(5,107)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES:</b>		
New loans	47,903	3,178
Repayment of loans	(236)	-
Net change in other financial liabilities	(34)	7
Net change in medium-/long-term tax payables	(335)	(23)
Net change in other non-current assets	(16)	29
Net change in other financial assets	463	607
Interest income collected	64	-
Interest expense paid	(150)	(726)
Translation differences and other changes in Equity	13	206
<b>Cash flows absorbed by financing activities</b>	<b>47,670</b>	<b>3,277</b>
Effect of currency fluctuations of liquid funds	114	(138)
<b>Increase/(decrease) in liquid funds</b>	<b>20,918</b>	<b>(8,240)</b>
<b>Liquid funds, start of year</b>	<b>55,722</b>	<b>70,552</b>
<b>Liquid funds, end of year</b>	<b>76,639</b>	<b>62,312</b>

**Consolidated statement of changes in shareholders' equity as at 31 March 2018**

(thousands of euro)	Share capital	Legal reserve	Share premium reserve	Treasury shares	Retained earnings and reserves	Translation reserve	Group Shareholders' Equity	Profit (Loss) attributable to non-controlling interests	Non-controlling interests in capital and reserves	Total Shareholders' Equity
<b>Balance as at 31 December 2017</b>	<b>11,600</b>	<b>2,320</b>	<b>32,179</b>	<b>(20,771)</b>	<b>220,675</b>	<b>(25,982)</b>	<b>220,021</b>	<b>491</b>	<b>(1,317)</b>	<b>219,194</b>
Result for the period	-	-	-	-	3,670	-	3,670	126	-	3,796
Translation difference	-	-	-	-	-	(2,518)	(2,518)	-	(120)	(2,638)
<b>Comprehensive income</b>	-	-	-	-	<b>3,670</b>	<b>(2,518)</b>	<b>1,153</b>	<b>126</b>	<b>(120)</b>	<b>1,158</b>
Payment of dividends	-	-	-	-	-	-	-	-	-	-
Other changes	-	-	-	-	-	-	-	-	-	-
<b>Balance as at 31 March 2018</b>	<b>11,600</b>	<b>2,320</b>	<b>32,179</b>	<b>(20,771)</b>	<b>224,345</b>	<b>(28,500)</b>	<b>221,174</b>	<b>617</b>	<b>(1,437)</b>	<b>220,353</b>

**Consolidated statement of changes in shareholders' equity as at 31 March 2017**

(thousands of euro)	Share capital	Legal reserve	Share premium reserve	Treasury shares	Retained earnings and reserves	Translation reserve	Group Shareholders' Equity	Profit (Loss) attributable to non-controlling interests	Non-controlling interests in capital and reserves	Total Shareholders' Equity
<b>Balance as at 31 December 2016</b>	<b>11,600</b>	<b>2,320</b>	<b>32,179</b>	<b>(20,771)</b>	<b>209,350</b>	<b>(15,266)</b>	<b>219,412</b>	<b>241</b>	<b>(1,410)</b>	<b>218,244</b>
Result for the period	-	-	-	-	4,917	-	4,917	73	-	4,991
Translation difference	-	-	-	-	-	873	873	-	158	1,031
<b>Comprehensive income</b>	-	-	-	-	<b>4,917</b>	<b>873</b>	<b>5,790</b>	<b>73</b>	<b>158</b>	<b>6,022</b>
Payment of dividends	-	-	-	-	-	-	-	-	-	-
Other changes	-	-	-	-	-	-	-	-	-	-
<b>Balance as at 31 March 2017</b>	<b>11,600</b>	<b>2,320</b>	<b>32,179</b>	<b>(20,771)</b>	<b>214,267</b>	<b>(14,393)</b>	<b>225,202</b>	<b>314</b>	<b>(1,252)</b>	<b>224,266</b>

## List of consolidated companies as at 31 March 2018

Name	Registered office	Reporting	Currency	Share	% ownership		
		date		capital	Direct	Indirect	Total
Nice S.p.A.	Oderzo (Province of Treviso), Italy	31/12/2018	EUR	11,600,000			
Building App s.r.l.	Oderzo (Province of Treviso), Italy	31/12/2018	EUR	110,000	100.0%		100.0%
Nice UK LTD	Nottinghamshire, United Kingdom	31/12/2018	GBP	765,000	100.0%		100.0%
Nice Belgium S.A.	Hervelee, Belgium	31/12/2018	EUR	212,000	99.7%		99.7%
Nice Polska S.p. Z.o.o.	Pruszkov, Poland	31/12/2018	PLN	1,000,000	100.0%		100.0%
Nice Automatismos Espana S.A.	Mostoles, Madrid, Spain	31/12/2018	EUR	150,253	60.0%		60.0%
Nice Group USA Inc.	San Antonio, Texas, USA	31/12/2018	USD	1	100.0%		100.0%
Nice France S.a.s.	Aubagne, France	31/12/2018	EUR	600,000	100.0%		100.0%
S.C. Nice Romania S.A.	Bucharest, Romania	31/12/2018	RON	383,160	99.0%		99.0%
S.C. Nice Real Estate Romania SRL	Bucharest, Romania	31/12/2018	RON	901,000		100.0%	100.0%
Nice Deutschland GmbH	Billerbeck, Germany	31/12/2018	EUR	50,000	100.0%		100.0%
Nice Shanghai Automatic Control Co. LTD	Shanghai, China	31/12/2018	EUR	2,300,000	100.0%		100.0%
R.D.P. Shanghai Trading Co. LTD	Shanghai, China	31/12/2018	EUR	200,000	100.0%		100.0%
Nice Istanbul Makine Ltd	Istanbul, Turkey	31/12/2018	TRY	10,560,000	99.0%		99.0%
Nice Australia Home Automation PTY Ltd	Sydney, Australia	31/12/2018	AUD	5,113,814	100.0%		100.0%
AutomatNice Portugal S.A.	Lisbon, Portugal	31/12/2018	EUR	50,000	100.0%		100.0%
Silentron S.p.A.	Turin, Italy	31/12/2018	EUR	500,000	100.0%		100.0%
ET Nice (PTY) LTD	Cape Town, South Africa	31/12/2018	ZAR	22,000,000	100.0%		100.0%
Nice Home Automation JSC	Moscow, Russia	31/12/2018	RUB	20,000	75.0%		75.0%
SAAC S.r.l.	Treviso (Italy)	31/12/2018	EUR	25,000	100.0%		100.0%
Fenice Immobiliare S.p.A.	Oderzo (Province of Treviso), Italy	31/12/2018	EUR	2,670,000	100.0%		100.0%
Peccinin Portoes Automaticos Industrial Ltda	Limeira, Brazil	31/12/2018	BRL	77,822,600	100.0%		100.0%
King Gates S.r.l.	Pordenone, Italy	31/12/2018	EUR	100,000	100.0%		100.0%
King Gates France SAS	Castelnau D'estrefonds	31/12/2018	EUR	10,000		100.0%	100.0%
elero GmbH	Beuren, Germany	31/12/2018	EUR	1,600,000		100.0%	100.0%
elero Motors & Controls Pvt. Ltd.	New Delhi, India	31/03/2019	INR	638,200		100.0%	100.0%
elero Singapore Pte. Ltd.	Singapore, China	31/12/2018	SGD	2		100.0%	100.0%
elero AB	Malmo, Sweden	31/12/2018	SEK	100,000		100.0%	100.0%
Nice Gulf FZE	Dubai, United Arab Emirates	31/12/2018	AED	1,008,000	100.0%		100.0%
ET Systems (Pty) Ltd (**)	Cape Town, Sud Africa	28/02/2019	ZAR	150		100.0%	100.0%
Genno Tecnologia LTDA	Santa Rita do Sapucaí, Brazil	31/12/2018	BRL	4,005,000		100.0%	100.0%
Omegaport Equipamentos de Seguranca LTDA	Toledo (PR), Brazil	31/12/2018	BRL	60,000		51.0% (*)	51.0% (*)
Hy-Security Gate Inc.	Kent, Washington, USA	31/12/2018	USD	200,000		100.0%	100.0%
Linear Equipamentos e Serviços Ltda	San Paolo, Brazil	31/12/2018	BRL	11,000,000		100.0%	100.0%

(\*) Usufruct right over the shares

(\*\*) ET Systems (Pty) Ltd was absorbed by ET Nice (PTY) Ltd with effect from 1.09.2016. Work to deregister the company name is currently in progress

**Statement of the director responsible for preparing company accounting documents**

Pursuant to article 154-*bis* paragraph 2 – part IV, title III, heading II, section V-*bis* of the Legislative Decree February 24, no. 58: “Consolidation act of the regulations in the field of financial brokerage, according to articles 8 and 21 of the law February 6 1996, no. 52”

The undersigned Ms Denise Cimolai, director responsible for preparing company accounting documents of the Company Nice S.p.A.

DECLARES

in compliance with the matters laid down by the second paragraph of art. 154-*bis* of “Consolidation act of the regulations in the field of financial brokerage” that, on the basis of his own knowledge, the Quarterly Report as at 30 September 2017 are consistent with the document results, books and compulsory entries.

The Assigned Manager to prepare the  
company accounting documents

Ms Denise Cimolai