Althea Group Limited

Report and Financial Statements

31 March 2018

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Directors

Kurt Bjorklund
Alessandro Dogliani
Silvia Oteri
Mubasher Sheikh

Bankers

UniCredit Bank AG
Moor House
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EC2Y 5ET

Solicitors

Clifford Chance
10 Upper Bank Street
London
E14 5JJ

Registered Office

Unit 4, Theale Commercial Estate
Ely Road
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RG7 4BQ

Strategic report

The directors present their Strategic report and the Financial Statements for the year ended 31 March 2018.

Principal activities and review of the business

Althea Group Limited ("the Company") is an intermediate investment holding company of the Althea Group ("the Group"). The Company also performs management activities on behalf of other Group entities. The company was renamed from Pantheon Holdco Limited to Althea Group Limited on 11 September 2017.

In view of the straight forward business, the directors do not consider the use of key performance indicators necessary to provide an understanding of the development, performance or position of the business.

On 12 May 2017, Double 2 S.p.A. ("Double"), a vehicle established by PantheLux S.a.r.l., the ultimate parent of the Company, announced the intention to promote a voluntary Public Tender Offer ("PTO") for the entire share capital of ITAL Telematic and Biomedical Services S.p.A. ("TBS Group", or the "Target") with the aim of delisting the Target (the "P2P").

The PTO was successfully completed on 26 July 2017, with the acquisition of 41,034,334 shares making up 99.066% of the whole TBS Group share capital at a price of EUR 2.2 per share. PantheLux Sàrl's intention is to combine TBS Group with the Group.

In June 2017, Panthelux Sàrl and Double 1 S.p.A (subsidiary of Panthelux Sàrl) entered into a €300 million senior facilities agreement. The facility was also made available to the Company as an additional borrower. In particular, the lenders make available:

- Term loan facilities for €225 million utilized for payment of the purchase price for the TBS Group acquisition, costs and expenses for the transaction and refinancing certain the existing borrowings of both the Company and the TBS group.
- Term loan facilities for €15 million necessary to repay TBS Group Corporate Bond;
- A multicurrency term loan facility for Capex (€30 million);
- A multicurrency revolving credit facility for financing or refinancing of any working capital and the general corporate purposes of the Group (€30 million).

As noted, part of this senior facility was made available to the Company as an additional borrower. This resulted in full repayment of the existing Company term loan (described in note 2.9), with a new loan payable to the new pool of banks. The Company and its material subsidiaries are guarantors under the new senior facilities agreement.

The Group has undergone a reorganization during the current year. In preparation for the reorganization, in September 2017 the corporate seat of the Company migrated from England and Wales to Italy by way of a future merger into another Italian entity of the Group Panthelux Sàrl. Furthermore, management and core operations of the company migrated in Italy.

As part of the reorganization, the Company moved its tax residence from England and Wales to Italy. The merger of the Althea Group Limited into another Italian entity of the Group Panthelux Sàrl, as contemplated under the ongoing the cross-border merger process, is aimed at, among others, aligning the corporate seat of the Althea Group Limited with its tax residence. Althea Group Limited also became an Italian tax resident with effective date starting from the first day of the accounting period as at 31 March 2018 (i.e. 1 April 2017) for the purpose of direct taxes payment and starting from 27 September 2017 for VAT purposes.

The Directors of the Company, together with Pantheon Topco Limited, Pantheon MidCo Limited and Pantheon MidCo 2 Limited (together the "Transferor Companies") intend to migrate to Italy and then enter into a cross-border merger with Double 1 SpA (or "Transferee Company"), by means of a merger by absorption (as defined in the UK Merger Regulations and which is defined in Article 2501 of the ICC as a "merger by incorporation"). The merger agreement is subject to a process involving the notification of creditors and other stakeholders followed by an application for court approval.

Strategic report (continued)

On 2 November 2018, the High Court of Justice – Business and Property Courts of England and Wales Companies Court confirmed that the pre-merger acts and formalities for the cross-border merger as set out in the companies (Cross Border Mergers) Regulations 2007 had been appropriately completed. With the court approval, the Company's assets, liabilities, rights, claims, and operations will be absorbed by Transferee Company and the Transferor Companies will be dissolved.

During the year, following the decision to migrate the company to Italy and considering that the Company moved its tax residence from England and Wales to Italy, on 30 September 2017 the company changed its functional currency from GBP to EUR. The change in functional currency reflects the fact that the group is now headquartered in Italy and that EUR has become the predominant currency in the company, counting for a significant part of the company's cash flow, cash flow management and financing and the majority of transactions.

As part of the transition to IFRS, the company also changed its presentational currency of the financial statements from GBP to EUR. The change has been implemented with retrospective effect.

Key performance indicators

In view of the company being that of an investment holding company of the Group, the directors do not consider the use of key performance indicators necessary to provide an understanding of the development, performance or position of the company.

Principal risks and uncertainties

The Company is manged on a group basis and the principal risks and uncertainties facing it are therefore integrated with those facing the Group as a whole. There are a range of risks and uncertainties facing the Company and the list below is not intended to be exhaustive. The focus is on those specific risks and uncertainties that the directors believe could have significant impact on the Company's position, performance and future development.

Investment impairment

There is a risk that the recoverable amount of the company's investment may fall below its cost. The carrying values of fixed asset investments are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable and provision is made for any impairment.

On behalf of the Board

A. Dogliani
Director and Group Chief Executive Officer
18 December 2018
Registered No. 9082624

Directors' report

The directors present their annual report and the financial statements of the Company for the year to 31 March 2018. This report covers the period from 1 April 2017 to 31 March 2018.

Results

The Company loss for the year after taxation amounted to €7.3 million (2017: Loss of €15.5 million). The directors do not recommend a final dividend (2017: nil).

Directors

The directors who served the Company during the period were as follows:

Silvia Oteri
Mubasher Sheikh
Kurt Bjorklund
Alessandro Dogliani

Directors' liabilities

The Group maintains an insurance policy to indemnify directors and officers for losses or defence costs arising from the performance of their duties.

Future developments

The directors continue to seek opportunities for further investments.

Going concern

The Directors of the Company, together with Pantheon Topco Limited, Pantheon MidCo Limited and Pantheon Midco2 Limited (together the "Transferor Companies") intend to migrate the companies to Italy and then enter into a cross-border merger with Double 1 S.p.A. (or "Transferee Company"), by means of a merger by absorption (as defined in the UK Merger Regulations and which is defined in Article 2501 of the ICC as a "merger by incorporation"). The merger agreement is subject to a process involving the notification of creditors and other stakeholders followed by an application for court approval.

On 2 November 2018, the High Court of Justice – Business and Property Courts of England and Wales Companies Court confirmed that it has completed the pre-merger acts and formalities for the cross-border merger as set out in the companies (Cross Border Mergers) Regulations 2007. On 15 November 2018 the final deed of cross-border merger has been executed before the Italian notary and on 16 November 2018 the Italian notary released the final merger certificate. The cross-border merger will be effective as of 1 January 2019.

With the court approval, the Company's assets, liabilities, rights, claims, and operations will be absorbed by Transferee Company and the Transferor Companies will be dissolved.

As it is management's intention to dissolve the Company, these financial statements have been prepared on a basis other than Going Concern. Given that Double 1 S.p.A. is to be regarded as a continuation of the Company and that the Company's assets and liabilities will be transferred at their carrying amounts, no restatement or reclassification of assets or liabilities has been considered necessary. The Directors believe that the group is well placed to manage its business risks. Furthermore operations have not been presented as discontinued in these financial statements given that the Company's activities are planned to be continued through the merged entity.

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Directors' report (continued)

Financial instruments

The Group's aim is to ensure that the use of financial instruments does not increase the risks inherent in the Group's operations. Policies are in place to minimise the risks that counterparties to financial instruments do not perform their contractual commitments, that the group might be unable to meet its contractual obligations, and that cash flows resulting from financial instruments might differ from those expected.

Liquidity risk

Liquidity risk is the risk that the Group will have difficulty settling its liabilities as they fall due. This risk is managed by monitoring cash generation and collection in all the Group's operations, and maintaining bank facilities which are committed for not less than five years, and which provide borrowing capacity well in excess of anticipated operational requirements.

Cash flow risk

Cash flow risk is the risk of exposure to variability in future cash flows relating to recognised assets or liabilities, such as variable interest rates on borrowings. The Group is selective about its exposure to such risks, and may use derivative instruments to mitigate any exposures that arise.

Events since the balance sheet date

As detailed in the going concern section above, the Directors of the Company, together with Pantheon Topco Limited, Pantheon MidCo Limited and Pantheon MidCo2 Limited (together the "Transferor Companies") intend to migrate to Italy and then enter into a cross-border merger with Double 1 SpA (or "Transferee Company"), by means of a merger by absorption (as defined in the UK Merger Regulations and which is defined in Article 2501 of the ICC as a "merger by incorporation"). The necessary court approvals were obtained in November 2018 and the merger is expected to be effective from 1 January 2019.

Disclosure of information to the auditors

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow directors and the group's auditor, each director has taken all the steps that he/she is obliged to take as a director in order to make himself/herself aware of any relevant audit information and to establish that the auditor is aware of that information.

Auditors

As it is the intention of the Directors to dissolve the Company as part of the merger with Double 1 SpA, Ernst & Young LLP will not be reappointed as auditor of the Company.

On behalf of the Board

A. Dogliani
Director and Group Chief Executive Officer
18 December 2018
Registered No. 9082624

Directors' responsibilities statement

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable laws in the United Kingdom and those International Financial Reporting Standards as adopted by the European Union.

Under company law, the directors must not approve the financial statements unless they are satisfied that they present fairly the financial position, financial performance and cash flows of the Company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in IFRS are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- state whether applicable EU IFRS Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Company Act 2006 and Article 4 of the IAS Regulation. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ALTHEA GROUP LIMITED

Opinion

We have audited the financial statements of Althea Group Limited for the year ended 31 March 2018 which comprise the statement of financial position, the statement of comprehensive income, the statement of changes in equity, the cash flow statement and the related notes 1 to 8, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union and, as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

In our opinion, the financial statements:

- give a true and fair view of the company's affairs as at 31 March 2018 and of its loss for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report below. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter – financial statements prepared on a basis other than going concern

We draw attention to Note 1.4 to the financial statements which explains that the financial statements have been prepared on a basis other than going concern as the directors have entered into a cross-border merger subsequent to the balance sheet date and intend to merge the operations of the Company into another group company and the Company will be dissolved.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

AD

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 7, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at https://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ALTHEA GROUP LIMITED (continued)

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Ernst & Young LLP

David Hales (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
Reading
18 December 2018

Statement of financial position

(thousands of Euro)	*Notes*	31 March 2018	31 March 2017	01-Apr 2016
ASSETS				
Non-current assets				
Tangible assets	*2.1*	2	1,973	1,769
Intangible assets	*2.2*	1,070	1,252	222
Investments	*2.3*	128,087	130,353	211,555
Receivables and other non-current assets	*2.4*	146,142	140,211	57,201
Total non-current assets		**275,301**	**273,789**	**270,747**
Current assets				
Trade and other receivables	*2.5*	9,073	2,324	-
Current tax receivables	*2.6*	1,637	-	-
Cash and cash equivalents	*2.7*	4,708	2,655	10,278
Total current assets		**15,418**	**4,979**	**10,278**
TOTAL ASSETS		**290,719**	**278,768**	**281,025**
Share capital		150,124	154,730	116,769
Retained earnings		(31,337)	(24,835)	(9,641)
EQUITY	*2.8*	**118,787**	**129,895**	**107,128**
LIABILITIES				
Non-current liabilities				
Financial liabilities	*2.9*	158,152	146,815	170,900
Total non-current liabilities		**158,152**	**146,815**	**170,900**
Current liabilities				
Trade and other payables	*2.10*	13,592	2,058	2,997
Other current liabilities	*2.11*	188	-	-
Total current liabilities		**13,780**	**2,058**	**2,997**
TOTAL EQUITY AND LIABILITIES		**290,719**	**278,768**	**281,025**

The financial statements of Pantheon Topco Limited and related notes 1 to 8 were approved by the board of Directors and signed on its behalf by:

A. Dogliani
Director and Group Chief Executive Officer
18 December 2018

Statement of comprehensive income

(thousands of Euro)	*Notes*	Year ended at 31 March 2018	2017
Revenue	*3.1*	7,131	3,509
Total revenue		**7,131**	**3,509**
Total operating costs		11,322	6,434
Analysed as:			
Operating costs (excluding depreciation and amortization)	*3.2*	10,728	6,053
Operating loss before depreciation and amortization		**-3,597**	**-2,544**
Depreciation & Amortization	*3.3*	-594	-381
Operating Loss		**-4,191**	**-2,925**
Finance income	*3.5*	6,280	65
Finance cost	*3.4*	-11,299	-12,591
Loss before tax		**-9,210**	**-15,451**
Tax	*3.6*	1,925	-
Loss after tax		**-7,285**	**-15,451**

All amounts relate to continuing activities. There are no amounts going through other comprehensive income in the year.

There are no amounts going to other comprehensive income.

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Cash flow statement

	31/03/2018	31/03/2017
Operating activities		
Loss for the year before tax	(9,210)	(15,451)
Depreciation and amortization	594	381
Net finance costs	5,019	12,526
(Increase) in debtors	(14,872)	(1,808)
Increase in creditors	19,668	1,227
Net cashflow from operating activities	**1,199**	**(3,125)**
Investing activities		
Interest received	2,481	1,388
Payments to acquire intangible fixed assets	(324)	(203)
Payments to acquire tangible fixed assets	-	(1,030)
Purchase of subsidiary undertaking	(1,615)	-
Net cash flow from investing activities	**542**	**155**
Financing activities		
Interest paid	(5,388)	(6,153)
Issue of ordinary share capital	-	37,961
New long term loans	139,800	1,500
Repayment of short term loan from immediate parent company	-	(37,961)
Repayment of long term loans	(134,100)	-
Net cash flow from/ (used in) financing activities	**312**	**(4,653)**
Increase/ (decrease) in cash and cash equivalents	**2,053**	**(7,623)**
Cash and cash equivalents at 1 April	2,655	10,278
Cash and cash equivalents at 31 March	**4,708**	**2,655**

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Statement of changes in equity

Company	Called-up share capital €000	Profit and loss account €000	Translation reserve €000	Total equity €000
At 31 March 2016	116,769	(9,641)	-	107,128
Loss for the period	-	(15,194)	-	(15,194)
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	-	(15,194)	-	(15,194)
New shares issued	37,961	-	-	37,961
At 31 March 2017	**154,730**	**(24,835)**	**-**	**129,895**
At 1 April 2017	154,730	(24,835)	-	129,895
Loss for the period	-	(7,285)	-	(7,285)
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	-	(7,285)	-	(7,285)
Exchange differences after migration	(4,606)	739	44	(3,823)
At 31 March 2018	150,124	(31,381)	44	118,787

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Notes to the financial statements

At 31 March

1. Accounting policies

1.1 Statement of compliance

Althea Group Limited is a private limited company limited by shares incorporated in England. The Registered Office is Unit 4, Theale Commercial Estate, Ely Road, Theale, Berkshire RG7 4BQ.

The Group's financial statements have been prepared in compliance with International Financial Reporting Standards as adopted by the EU ("IFRS") as it applies to the financial statements of the Group for the year ended 31 March 2018.

1.2 Basis of preparation

The financial statements of Althea Group Limited were authorised for issue by the Board of Directors on 12 December 2018.

The financial statements have been prepared in accordance with applicable accounting standards and are prepared under the historical cost convention. The financial statements are prepared in Euro. The company is not required to prepare consolidated accounts as it is included within a larger group. The company's financial statements are presented in EUR and all values are rounded to the nearest €.

1.3 Foreign Currency Transactions

Transactions in foreign currency are initially recorded in the entity's functional currency by applying the spot exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currency are retranslated at the rate of exchange ruling at the balance sheet date. Exchange rate differences arising from financial transactions are classified in the income statement as "Finance cost" or "Finance income".

Non-monetary assets and liabilities expressed in a currency other than Euro are accounted for at their purchase cost, using the exchange rate at the date of the transaction recognition date.

During the year, following the decision to migrate the company to Italy and considering that the Company moved its tax residence from England and Wales to Italy, on 30 September 2017 the company changed its functional currency from GBP to EUR. The change in functional currency reflects the fact that the group is now headquartered in Italy and that EUR has become the predominant currency in the company, counting for a significant part of the company's cash flow, cash flow management and financing and the majority of transactions. In accordance with IAS 21, the effect of the change in functional currency has been accounted for prospectively. All items were translated into EUR using the exchange rate at the date of the change. The resulting translated amounts for non-monetary items have been treated as their historical cost.

As part of the transition to IFRS, the company also changed its presentational currency of the financial statements from GBP to EUR. The change has been implemented with retrospective effect in accordance with IAS 8. Prior to the change in functional currency, all balance sheet items a restated at the FX rate applicable at year end and P&L items were translated at the average FX rate. The resulting exchange gains and losses are presented in other comprehensive income.

Accounting policies (continued)

1.4 Going concern

The Directors of the Company, together with Pantheon Topco Limited, Pantheon MidCo Limited and Pantheon Midco2 Limited (together the "Transferor Companies") intend to migrate the companies to Italy and then enter into a cross-border merger with Double 1 S.p.A. (or "Transferee Company"), by means of a merger by absorption (as defined in the UK Merger Regulations and which is defined in Article 2501 of the ICC as a "merger by incorporation"). The merger agreement is subject to a process involving the notification of creditors and other stakeholders followed by an application for court approval.

On 2 November 2018, the High Court of Justice – Business and Property Courts of England and Wales Companies Court confirmed that it has completed the pre-merger acts and formalities for the cross-border merger as set out in the companies (Cross Border Mergers) Regulations 2007. On 15 November 2018 the final deed of cross-border merger has been executed before the Italian notary and on 16 November 2018 the Italian notary released the final merger certificate. The cross-border merger will be effective as of 1 January 2019.

With the court approval, the Company's assets, liabilities, rights, claims, and operations will be absorbed by Transferee Company and the Transferor Companies will be dissolved.

As it is management's intention to dissolve the Company, these financial statements have been prepared on a basis other than Going Concern. Given that Double 1 S.p.A. is to be regarded as a continuation of the Company and that the Company's assets and liabilities will be transferred at their carrying amounts, no restatement or reclassification of assets or liabilities has been considered necessary. The Directors believe that the group is well placed to manage its business risks. Furthermore operations have not been presented as discontinued in these financial statements given that the Company's activities are planned to be continued through the merged entity.

1.5 Judgements and key sources of estimation uncertainty

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. The directors' have concluded that the judgements made during the year are not significant and that any estimation uncertainty does not give rise to a significant risk of material adjustment to the carrying amounts of assets and liabilities within the next financial year.

1.6 Significant accounting policies

Tangible assets

Tangible assets are measured at their purchase or production cost, net of accumulated depreciation and possible impairments. The cost includes charges incurred to make them available for use, and possible dismantling and removal charges, which will be incurred accordingly to contractual obligations that require the asset to be brought back to the original conditions.

Borrowing costs directly attributable to the purchasing, construction or production of an asset, which require the capitalisation under IAS 23, are recognized as asset as a part of its cost.

Charges incurred for the ordinary and/or cyclic conservative maintenance and repairs are charged directly to the income statement when incurred. The capitalisation of costs regarding the enlargement, modernization, improvement of the structural elements owned or in use by third parties is carried out when they comply with the requirements to be identified as assets or parts of an asset.

Depreciations are charged by a straight-line method, through rates that allow asset amortization until the end of their useful life. The Company estimated the useful life for each tangible asset category as follows:

Fixtures & Fittings – over 5 years

Accounting policies (continued)

Intangible assets

Intangible assets include non-monetary items, identifiable and with no physical substance, measurable and able to generate future economic benefits. These items are recognized at their purchase and/or production cost, including any directly attributable charges for preparing the asset to be used, net of accumulated amortization and possible impairment losses.

The amortization of intangible assets begins when the asset is available for use and it is systematically charged on the basis of the residual useful life. The estimated useful life with regard to the different intangible asset categories is the following:

Licenses – over 3 to 5 years

Impairment loss of intangible and tangible assets

The Company assesses at least once a year, the recoverability of the book value of the intangible assets having a finite useful life and of the tangible assets, in order to determine if there is any indication of impairmcnt loss. If thcrc is an indication that the asset is impaired, the carrying value is reduced to the recoverable amount.

If it is not possible to assess the recoverable amount of an individual asset, the Company estimates the recoverable amount of a cash-generating unit to which the asset belongs. The recoverable value of an asset is the higher between the fair value, less cost to sell, and the value in use. In order to determine the value in use of an asset, the Company calculates the present value of the future expected cash flows, before taxes, applying a discount rate, before taxes, which considers the current market's evaluations of time value of money and of the specific risks of the asset. An impairment loss is recognised only if the recoverable amount is lower than the carrying amount. If the previous conditions, that had determine the loss, are no longer met, the carrying amount of the asset is increased up to the recoverable amount. This amount shall not be higher than the historical cost that would have been determined if the impairment had not been recognised. The reversal of the impairment loss is immediately recognised in the income statement.

Investments in subsidiaries:

Investments held as fixed assets are carried at cost less provision for impairment. The carrying values of fixed asset investments are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

Trade receivables and other current and non-current receivables

Trade receivables, current and not-current receivables (representing financial assets) are referred to financial instruments, mainly accounts receivables, not derivatives and not listed in an active markets, from which are expected fixed or determined payments. The trade receivables and the other receivables are disclosed in the balance sheet as current assets, except for those having a contractual maturity beyond 12 months with reference to the closing date, which are disclosed as non-current assets. The financial assets are recognised in the balance sheet once the Company becomes part of the relevant agreements.

The financial assets which are disposed are derecognised from the balance sheet, when the right to receive cash flows is transferred together with the risks and the benefits associated to the asset disposed.

These assets are originally carried at the fair value and, afterwards, at the amortised cost, using the effective interest rate, reduced by impairment losses. The impairment losses of the receivables are recognised in the income statement when it is expected that the Company will not be able to collect the receivable according to the agreement.

The amount of the write-down is measured as the difference between the carrying value of the assets and the present value of the future expected cash flows. The receivables' balance is disclosed in the balance sheet net of the doubtful debts provision.

Accounting policies (continued)

Cash and cash equivalents

Cash and cash equivalents comprise cash, bank accounts, deposits redeemable on demand and other short-term and highly liquid financial investments which are promptly convertible into cash or cash equivalents within 90 days from the original date of acquisition and they are subject to a non-significant risk of change in value.

Financial liabilities, trade debts and other debts

Financial liabilities (excluding the derivatives), trade debts and other debts, are initially recognized at fair value, net of related charges, and are subsequently measured at amortized cost, by applying effective interest rate criteria. If a change occurs in the expected cash flows, its value is reassessed to reflect this change, on the basis of the new present value of future expected cash flow and of the new effective interest rate.

Financial liabilities are disclosed as current liabilities, unless the Company has an unconditioned right to postpone the payment for at least 12 months after the related date.

Financial liabilities are derecognised when settled, and when the Company has transferred all the risks and charges related to the instrument.

Interest-bearing loans and borrowings

All interest-bearing loans and borrowings which are basic financial instruments are initially recognised at the present value of cash payable to the bank (including interest). After initial recognition they are measured at amortised cost using the effective interest rate method, less impairment. The effective interest rate amortisation is included in finance revenue in the income statement. Transaction costs directly attributable to the financing arrangement are capitalised against the loan and amortised over the term of the loan.

Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is received. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty. Revenue relates to management fees charged to the TBS group.

Cost recognition

Costs are recognized at the moment of the purchasing of goods and services.

Taxes

Current taxes are assessed on the basis of the taxable income, in accordance with the fiscal rates into force at the financial statements' date.

Deferred tax assets and liabilities are recognized on the basis of all the temporary differences emerging between the tax value of an asset or liability and its book value. Deferred tax assets, included those related to previous tax losses, with respect to the portion, which is not offset against deferred tax liabilities, are accounted for to the extent that it is probable that future taxable income will be available against which the deferred tax assets can be recovered. Deferred tax assets and liabilities are measured using fiscal rates that are expected to be applied in the years in which differences will be realized or erased, on the basis of fiscal rates into force at the financial statements date.

Current taxes, deferred tax assets and liabilities are recorded in the income statement, except for those related to items accounted for against equity, where the related fiscal effect is recognized directly to equity as well. Taxes are offset when they are applied by the same fiscal authority and when set-off legal right exists.

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Accounting policies (continued)

1.7 Recently issued accounting standards

The Company applies for the first time the IFRS accounting principles, including the early adoption of IFRS 15, IFRS 16 and IFRS 9. For the relevant impact refer to FTA (First Time Adoption) tables in Note 8.

1) Accounting standards not yet applicable, since not yet approved by the European Union

As of the date of this document, the relevant bodies of the European Union had not yet concluded the approval process necessary for the adoption of the following accounting standards and amendments.

Amendments to IFRS 2 "Classification and Measurement of Share-based Payment Transactions"

This amendment, which was published by the IASB on 20 June 2017, clarifies the basis of measurement for cash-settled share-based payments, and the accounting treatment of the changes to an incentive plan that switches from being settled with cash to being settled with capital instruments. The document also introduces an exception to IFRS 2 that will result in an incentive plan being fully accounted for as a plan settled with capital instruments whenever the employer is obliged to pay the tax authority a withholding tax arising from the plan itself and charged to the relative employee beneficiaries. The changes will apply starting with the fiscal year that begins on or after 1 January 2018. Early adoption is permitted. The Company does not have any share options and thus the standard is not expected to impact the results.

Amendments to IAS 40 "Transfers of Investment Property"

These amendments, which were published by the IASB on 8 March 2017, make it clear that the transfer to or from an investment property must be justified by a change in its intended use. In order to determine whether an investment property's intended use has changed, it is necessary to verify whether the investment meets or has ceased to meet the definition of an investment property. This change must be supported by evidence. The changes will apply starting with the fiscal year that begins on or after 1 January 2018. The Company does not have any investment properties and thus the standard is not expected to impact the results.

Annual improvements 2014-2017

The changes introduced by this document, which was published by the IASB on 8 March 2017, will affect:

- IFRS 1 "First-time adoption of the International Financial Reporting Standards", starting with the fiscal year that begins on 1 April 2017;
- IAS 28 "Investments in associates and joint ventures", starting with the fiscal year that begins on 1 April 2017.

The Company does not believe that the provisions arising from this standard's entry into force will have any impact upon its economic or equity situation.

IFRIC 22 "Foreign currency transactions and advance consideration"

This interpretation, which was published by the IASB on 8 March 2017, addresses the accounting treatment of transactions denominated in foreign currencies, or portions of transactions whose amounts are denominated in foreign currencies. The interpretation provides a guide for the circumstances in which a single payment/collection is envisaged, as well as the cases in which multiple payments/collections are made. The interpretation aims to reduce the inconsistent conduct taking place in practice. The changes will apply starting with the fiscal year that begins on or after 1 January 2018. The Company does not believe that the provisions arising from this standard's entry into force will have any impact upon its economic or equity situation.

IFRIC 23 "Uncertainty over Income Tax Treatments"

On 7 June 2017, the IASB issued IFRIC 23 "Uncertainty over Income Tax Treatments", which contains indications on the accounting of income tax related tax assets and liabilities (current and/or deferred) in the presence of uncertainties regarding the application of the tax legislation. The provisions of IFRIC 23 are effective starting with the fiscal years beginning on or after 1 January 2019.

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Accounting policies (continued)

Amendment to IFRS 9 "Prepayment Features with Negative Compensation"

On 12 October 2017, the IASB issued an amendment to IFRS 9 in order to address several issues concerning the applicability and classification of IFRS 9 "Financial Instruments" in relation to certain financial assets with the possibility of early repayment. The IASB also clarifies certain aspects regarding the accounting of financial liabilities following changes in the same. The provisions of the Amendment to IFRS 9 are effective starting with the fiscal years beginning on or after 1 January 2019.

Amendment to IAS 28 "Long-term Interests in Associates and Joint Ventures"

On 12 October 2017, the IASB issued an amendment to IAS 28 in order to clarify the application of IFRS 9 "Financial Instruments" for long-term interests in subsidiaries or joint ventures included in investments in such entities for which the equity method is not applied. The provisions of the Amendment to IAS 28 are effective starting with the fiscal years beginning on or after 1 January 2019.

IFRS 17 "Insurance Contracts"

On 18 November 2017, the IASB issued IFRS 17 "Insurance contracts", which lays down the principles for the recognition, measurement, presentation, and representation of the insurance contracts covered by the standard. The goal of IFRS 17 is to ensure that an entity provides relevant information that faithfully represents the contracts in question, in order to provide the reader of the financial statements with a basis for evaluating the effects of such contracts upon the entity's equity and financial position, earnings, and cash flows. The Company does not have any insurance contracts and thus the standard is not expected to impact the results.

2. Notes to the statement of financial position

2.1 Tangible assets

(thousands of Euro) **Tangible assets**	**31 March 2016**	**Additions**	**Depreciation**	**Disposals/Reclass**	**FX gains/ (losses)**	**31 March 2017**
Other assets						
Historical cost	*1,780*	*344*	-	-	-	*2,124*
Accumulated depreciation	*-11*	-	*-140*	-	-	*-151*
Total	**1,769**	**344**	**-140**	**-**	**-**	**1,973**

(thousands of Euro) **Tangible assets**	**31 March 2017**	**Additions**	**Depreciation**	**Disposals/Reclass**	**FX gains/ (losses)**	**31 March 2018**
Other assets						
Historical cost	*2,124*	*2*	-	*-2,124*	-	*2*
Accumulated depreciation	*-151*	-	*-77*	*222*	*6*	-
Total	**1,973**	**2**	**-77**	**-1,902**	**6**	**2**

2.2 Intangible assets

(thousands of Euro) **Intangible assets**	**31 March 2016**	**Addition**	**Amortization**	**Disposal/Reclass**	**FX gains/ (losses)**	**31 March 2017**
Other intangible assets						
Historical cost	*245*	*1,265*	-	-	-	*1,510*
Accumulated amortization	*-23*	-	*-235*	-	-	*-258*
Total	**222**	**1,265**	**-235**	**-**	**-**	**1,252**

(thousands of Euro) **Intangible assets**	**31 March 2017**	**Addition**	**Amortization**	**Disposal/ Reclass**	**FX gains/ (losses)**	**31 March 2018**
Other intangible assets						
Historical cost	*1,510*	*324*	-	-	-	*1,834*
Accumulated amortization	*-258*	-	*-517*	-	*11*	*-764*
Total	**1,252**	**324**	**-517**	**-**	**11**	**1,070**

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2.3 *Investments*

Investments in subsidiaries at 31 March 2018 totaled to €128,087 thousand (31 March 2017: €130,353 thousand). The detail of investments is shown below:

(thousands of Euro) Investment	Percentage ownership	31 March 2017	Addition	Disposal / Reclass	FX loss on change in functional currency	31 March 2018
Asteral Holding Limited	100 %	31,502	-	-	-938	30,564
Mesa Group Holdings GmbH	100 %	43,216	-	-	-1,287	41,929
Althea France Sas	100 %	1,003	-	-	-30	973
Althea Italia SpA	100 %	54,632	1,603	-	-1,626	54,609
Althea Sverige	100 %	-	5	-	-	5
Althea Denmark	100 %	-	7	-	-	7
Total		**130,353**	**1,615**	-	**-3,881**	**128,087**

The movement in investments is related to:

- The acquisition of the minorities of Althea Italia S.p.A. related to the Biomed business concern of Zephyro for a price €1.6 million.
- The establishment of two new companies: Althea Sverige and Althea Denmark.
- The "FX loss on change in functional currency" column included the accounting adjustments required from changing the functional currency from GBP to EUR. The investments were translated into EUR using the exchange rate at the date of the change in functional currency. The resulting translated amounts for these non-monetary items have been treated as their historical cost.

Althea Group Limited has the following direct and indirect subsidiary undertakings, which are wholly owned unless otherwise stated:

Company	Country of incorporation	Activity
Asteral Holdings Limited (1) (1)	England and Wales	Holding company
Althea UK and Ireland Limited (1)	England and Wales	Managed equipment services
Althea Maintenance Services Ltd (1)	England and Wales	Managed equipment services
Althea Services Ltd (1)	England and Wales	Managed equipment services
Althea (MMS) Ltd (1)	England and Wales	Managed equipment services
Althea Holdings (MES) (1)	England and Wales	Managed equipment services
Althea (MES) Ltd (1)	England and Wales	Managed equipment services
Asset CO Healthcare (Whittington) (1)	England and Wales	Managed equipment services
Althea (Leichester 2) Ltd (1)	England and Wales	Managed equipment services
Althea (Managed Healthcare) Limited (1)	England and Wales	Managed equipment services
MESA Group Holdings GmbH (2)	Switzerland	Holding company
Medical Equipment Solutions & Application Sagl (2)	Switzerland	Managed equipment services
Pantheon Healthcare Group GmbH(2)	Switzerland	In liquidation
Althea US LLC (3)	United States	Managed equipment services
MESA Italia S.r.l. Unipersonale(4)	Italy	Managed equipment services
Althea Polska Sp.Z.o.o. (5)	Poland	Managed equipment services
Althea Medikal AS (6)	Turkey	Managed equipment services
Althea US Inc. (7)	United States	Managed equipment services
Althea France S.A.S. (8)	France	Managed equipment services
Althea Italia S.p.A. (9)	Italy	Managed equipment services
Tecnologia Moderna Sarda S.r.l. (10)	Italy	Managed equipment services
Althea Danmark ApS(11)	Denmark	Managed equipment services
Althea Sverige AB (12)	Sweden	Managed equipment services

Investments (continued)

The registered address of the subsidiaries is as follows:

(1) Unit 4 Theale Commercial Estate, Ely Road, Theale, Berkshire UK RG7 4BQ

(2) Via Generale Guisan n. 16, 6932 Breganzona, Switzerland

(3) c/o the Corporation Service Company, 2711 Centerville Road, Ste. 400, City of Wilmington, County of New Castle, Delaware 19808

(4) Via Papa Giovanni XXIII 43 Rodano, Milan, Italy

(5) Ul. Bielska 49, 43-190 Mikolow,Poland

(6) Esentepe Mah. Anayurt Cad. Reyhanli Sok. No: 1/7 Kartal, Instanbul ,Turkey

(7) 101 Old Stone Bridge Rd, Goodlettsville, TN 37072,USA

(8) 16 Rue du Zephyr, Parc de l'Oceane, Zone de Conurtaboeuf Est, 91140 Villejust, France

(9) Viale Alexandre Gustave Eiffel 13, 00148 Roma, Italy

(10) Strada Provinciale Sassari-Ittiri, Località Truncone, 07100 – Sassari, Italy

(11) Herlev Hovedgade 195C, 2. DK-2730 Herlev, Danmark

(12) C/O Accountor Ekonomi och Rådgivning AB, Box 1126, 111 81 Stockholm

2.4 *Receivables and other non-current assets*

Receivables and other non-current assets amounted to €146,142 thousand at 31 March 2018 (31 March 2017: €140,211 thousand) and mainly included financial assets in Althea UK & Ireland and Althea Italia.

2.5 *Trade and other receivables*

(thousands of Euro)	**31 March**	
Other receivables	**2018**	**2017**
Intercompany receivables	8,239	2,181
Other taxes receivables	363	-
Prepayments and other assets	471	143
Total	**9,073**	**2,324**

2.6 *Current Tax receivables*

Current Tax receivables amounted to €1,637 thousand at 31 March 2018 (31 March 2017: nil) and included the credit with the Italian Tax Authority for the Group taxation balance, which include the Company and its subsidiaries (directly and indirectly controlled) in Italy.

2.7 *Cash and cash equivalents*

The detail of cash and cash equivalents at 31 March 2018 and 2017 is shown below:

(thousands of Euro)	**31 March**	
Cash and cash equivalents	**2018**	**2017**
Cash and cash equivalents	4,708	2,655
Total	**4,708**	**2,655**

2.8 *Equity*

Share capital		2018	2017
Allotted, called up and fully paid	*No.*	€000	€000
Ordinary shares of £0.01 each	13,327,624,829	150,124	154,730

2.9 *Financial payables (current and non-current)*

The table below shows the detail of the current and non-current payables to banks at 31 March 2018 and 2017:

(thousands of Euro)	31 March			
	2018		2017	
Financial payables	**Current**	**Non-current**	**Current**	**Non-current**
Long-term loans	-	137,232	-	131,101
Short-term credit line and current accounts payable				
Intercompany loans payable	-	20,920	-	15,714
Total	**-**	**158,152**	**-**	**146,815**

Details of the long term loans are as follows:

	2018	2017
	€000	€000
Term B1 facility – new loan	72,782	-
Term B2 facility – new loan	60,070	-
Term B1 facility – old loan	-	80,000
Term B2 facility – old loan	-	52,599
Revolving credit facility	7,000	1,500
	139,852	**134,099**
Less: issue costs	(2,620)	(2,998)
	137,232	**131,101**

In June 2017, Panthelux Sàrl and Double 1 S.p.A (subsidiary of Panthelux Sàrl) entered into a €300 million senior facilities agreement. The facility was also made available to the Company as an additional borrower. In particular, the lenders make available:

- Term loan facilities for €225 million utilized for payment of the purchase price for the TBS Group acquisition, costs and expenses for the transaction and refinancing certain the existing borrowings of both the Company and the TBS group.
- Term loan facilities for €15 million necessary to repay TBS Group Corporate Bond;
- A multicurrency term loan facility for Capex (€30 million);
- A multicurrency revolving credit facility for financing or refinancing of any working capital and the general corporate purposes of the Group (€30 million).

Financial payables (current and non-current) (continued)

Part of this senior facility was made available to the Company as an additional borrower. This resulted in full repayment of the existing Company term loan, with a new loan payable to the new pool of banks. The Company and its material subsidiaries are guarantors under the new senior facilities agreement.

The Term B1 loan is euro denominated repayable on 19 July 2024 with an interest rate of 4.25% above EURIBOR. The Term B2 loan is sterling denominated repayable on 19 July 2024 with an interest rate of 4.75% above LIBOR.

Finance costs paid under the financing arrangement are amortised over the term of the loan.

2.10 Trade and other payables

(thousands of Euro)	**31 March**	
Trade and other payables	**2018**	**2017**
Trade payables	13,412	2,058
Payables to employees	120	-
Payables to social security institutions	60	-
Total	**13,592**	**2,058**

2.11 Other current liabilities

(thousands of Euro)	**31 March**	
Other current liabilities	**2018**	**2017**
Other taxes payables	140	-
Other current liabilities	48	-
Total	**188**	**-**

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3. Notes to comprehensive income statement

3.1. Revenues

The detail of revenues at 31 March 2018 and 2017 is shown below:

(thousands of Euro)	31 March	
Revenues	**2018**	**2017**
Revenues from Europe	6,843	3,311
Revenues from USA	212	167
Revenues from other country	76	31
Total	**7,131**	**3,509**

Revenues relates to management recharges to subsidiaries of Althea Group and related parties of TBS Group.

3.2. Total costs

The detail of costs for services at 31 March 2018 and 2017 is displayed below:

(thousands of Euro)	31 March	
Costs for services	**2018**	**2017**
Employees expenses	269	-
Service costs	10,234	6,012
Other	225	41
Total	**10,728**	**6,053**

The item "services" included mainly legal and professional fees, transportation and sending costs.

Details of the employee expenses are provided below:

	2018	**2017**
	€000	€000
Wages and salaries	171	-
Social security costs	44	-
Other pension costs	54	-
	269	-

The average monthly number of employees during the period was made up as follows:

	2018	**2017**
	No.	No.
Sales and administration	4	-

3.3. Depreciation and amortization

The detail of depreciation and amortization at 31 March 2018 and 2017 is shown below:

(thousands of Euro)	31 March	
Depreciation & Amortization	**2018**	**2017**
Depreciation tangible assets	77	143
Amortization intangible assets	517	238
Total	**594**	**381**

3.4. Finance costs

(thousands of Euro)	31 March	
	2018	**2017**
Bank interest payable and related charges	10,528	7,790
Foreign exchange differences arising on financial assets and liabilities	841	-
Other financial payables	(70)	4,801
Total	11,299	12,591

3.5. Finance income

(thousands of Euro)	31 March	
	2018	**2017**
Financial income on intercompany financial receivables	6,280	-
Other	-	65
Total	6,280	65

3.6. Taxes

(thousands of Euro)	31 March	
Taxes	**2018**	**2017**
Current taxes (income)	(1,925)	-
Deferred taxes	-	-
Total	**(1,925)**	**-**

(thousands of Euro)	31 March	
Current tax	**2018**	**2017**
Income related to Tax consolidation benefit	(1,925)	-
Total	**(1,925)**	**-**

Taxes (continued)

Reconciliation of tax expense and the accounting profit multiplied by the tax rate for 2017 and 2018:

	2018 €000	2017 €000
Loss on ordinary activities before tax	(9,210)	(15,451)
Loss on ordinary activities before tax multiplied by the tax rate 24% (2017: 20%)	(2,210)	(3,090)
Expenses not deductible for tax purposes	338	3,090
Non-taxable income	(109)	-
Other	56	-
Total tax income for the year	(1,925)	-

3.7. Auditor's remuneration

The auditor's remuneration for the Company was €6,200 (2017: €6,200). No non-audit services were provided to the Company.

3.8. Directors' remuneration

Directors' emoluments have been borne by fellow group companies. The directors of the Company are also directors or officers of other companies within the Althea group. The directors' services to the Company do not occupy a significant amount of their time and are considered to be incidental. As such these directors do not consider that they receive any remuneration for their services to the Company for the years ended 31 March 2018 and 31 March 2017.

4. Related party transactions

4.1 Receivables and payables

The detail of financial balances, about the Company's transactions with related parties (including intercompany transactions, both trade and financial) at 31 March 2018 is shown below:

(thousands of Euro)	31 March 2018	
Related parties transactions	**Receivables**	**Payables**
Mesa Group Holding	15,208	-
Mesa Sagl	10,311	(745)
Althea Polska	632	(108)
Althea Medikal	185	-
ESA	2,174	-
Althea France	986	-
Mesa Italia	1,658	(275)
Althea Italia	69,946	(7,364)
Temosa	7	(8)

(thousands of Euro)	31 March 2018	
Related parties transactions	**Receivables**	**Payables**
Althea UK&Ireland	-	(15,600)
Asteral Ltd	51,700	-
Assetco Healthcare (Whit) Ltd	12	-
Asteral Services Ltd	27	-
Asteral (Managed Healthcare) Ltd	27	-
Asteral Holdings (CoopMES) Ltd	-	-
Asteral (Leicester 2) Ltd	103	-
Asteral (MMS) Ltd	1	-
Asteral (MES) Ltd	2	-
MESA Group (UK) Ltd	54	-
Double 1 S.p.A.	-	(4,479)
Althea S.p.A.	-	(842)
TBS GROUP	9	-
EBM	770	-
TESAN TELEVITA	5	-
CRIMO	55	-
MSI	8	-
TBS GB	175	-
TBS FR	111	-
TBS BE	3	-
STI NL	8	-
TBS ES	33	-
TBS PT	2	-
TBS IN	17	-
TBS IMAGING	105	-
CRIMO FRANCE	41	-
TUNEMEDIX	5	-
Total	**154,380**	**(29,421)**

Payables mainly refers to financial liabilities towards Double 1 S.p.A. and Althea S.p.A. arising from the advance payment of certain costs linked to the loan on behalf of Althea Group Limited and intercompany receivables relating to funding and management charges provided across the group. Transactions were made at conditions in line with arm's length.

Related party transactions (continued)

4.2 Sales and purchases

The detail of economic balances, about the Company's transactions with related parties at 31 March 2018 is shown below:

(thousands of Euro)	**31 March 2018**	
Related parties transactions	Revenues	Costs
Mesa Group Holding	-	-
Mesa Sagl	302	(762)
Althea Polska	509	(108)
Althea Medikal	59	-
ESA	212	-
Althea France	92	-
Mesa Italia	111	(176)
Althea Italia	2,869	(3,727)
Althea UK&Ireland	585	-
Asteral Ltd	-	-
Assetco Healthcare (Whit) Ltd	64	-
Asteral Services Ltd	66	-
Asteral (Managed Healthcare) Ltd	130	-
Asteral Holdings (CoopMES) Ltd	134	-
Asteral (Leicester 2) Ltd	635	-
Asteral (MMS) Ltd	12	-
Asteral (MES) Ltd	5	-
Althea S.p.A.	-	-
TBS GROUP	9	-
EBM	771	-
TESAN TELEVITA	5	-
CRIMO	55	-
MSI	8	-
TBS GB	175	-
TBS FR	111	-
TBS BE	3	-
STI NL	8	-
TBS ES	33	-
TBS PT	2	-
TBS IN	18	-
TBS IMAGING	105	-
CRIMO FRANCE	41	-
TUNEMEDIX	2	-
Total	**7,131**	**(4,774)**

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Related party transactions (continued)

Revenues mainly relate to management recharges to TBS Group and other intercompany entities.

Key management personnel

All directors and certain senior employees who have authority and responsibility for planning, directing and controlling the activities of the Group are considered to be key management personnel. Some of these individuals are remunerated by other group companies. Total remuneration in respect of these individuals is €1.1m (2017: €2.0m).

In the year there were no other related party transactions.

5. Guarantees

Althea Group Limited pledged the shares issued by the subsidiaries Althea Italia S.p.A. and Asteral Holdings Limited to guarantee credit facilities granted by a bank pool jointly to three legal entities: (i) Althea Group Limited.; (ii) DOUBLE 1 S.p.A. and (iii) ALTHEA S.p.A. The total amount of the credit facilities is €300 million (including a credit facility of GBP 52.6 million, corresponding to €60 million at the time of concession) of which, at the end of the financial year, around €136 million had been issued to Althea Group Limited and around €91 million had been issued to DOUBLE 1 S.p.A.. Althea Group Limited is a related party as a subsidiary of a company that controls DOUBLE 1 S.p.A..

6. Subsequent events

The Directors of the Company, together with Pantheon Group Limited, Pantheon MidCo Limited and Pantheon MidCo 2 Limited (together the "Transferor Companies") intend to migrate to Italy and then enter into a cross-border merger with Double 1 SpA (or "Transferee Company"), by means of a merger by absorption (as defined in the UK Merger Regulations and which is defined in Article 2501 of the ICC as a "merger by incorporation"). The necessary court approvals were obtained in November 2018 and the merger is expected to be effective from 1 January 2019.

7. Immediate and ultimate parent company

The ultimate parent company is Permira V G,P, Limited, incorporated in Guernsey. The immediate parent company is Pantheon Midco2 Limited, a limited company registered in the UK. The company results have been consolidated in the results of Pantheon Topco Limited. Copies of the group financial statements can be obtained from:

Pantheon Topco Limited
Unit 4, Theale Commercial Estate
Ely Road
Theale
Berkshire
RG7 4BQ

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8. IFRS first time adoption

For the year-ended 31 March 2017, the Company prepared financial statements in accordance with UK GAAP, FRS 102. The Company has transitioned to International Financial Reporting Standards as adopted by the European Union (IFRS) with an adoption date of 1 April 2016. This note explains the information and impact of transition from UK GAAP to IFRS as required by IFRS 1. For this purpose the following information has been presented:

- the reconciliation schedule between the Company's financial position as of 1 of April 2017 and 31 of March 2017 prepared in accordance with the previous GAAP accounting standards and those prepared in accordance with EU IFRS;
- the reconciliation schedule between the comprehensive income statement of the year at 31 March 2017 prepared in accordance with the previous GAAP and the one prepared in accordance with EU IFRS;
- the reconciliation schedule of equity as of 1 April 2017 and 31 of March 2017 prepared according to the previous GAAP with the equity prepared according to the EU IFRS;
- the reconciliation schedule of the net comprehensive income of the year ended at 31 March 2017 in accordance with the previous GAAP with the result determined according to the EU IFRS;
- notes to the adjustments and reclassification included in the above-mentioned reconciliations schedules, describing the significant effects of the transaction concerning both the classifications of the items and different evaluation as well as the subsequent effects on the financial and economic situation.

The international accounting standards require a retrospective application of all the standards in force on the date of the first financial statements prepared according to the EU IFRS, and permit the optional early adoption of the accounting standards approved by the bodies of the European Union but not yet mandatory. The Company has opted for the early application of all the accounting standards applicable in advance.
IFRS 1 provides, for the companies that adopt EU IFRS for the first time, some compulsory and optional exemptions to this retrospective adoption.

Optional exemptions to the full retrospective adoption of EU IFRS

Optional exemptions required by IFRS 1 haven't been applied as these are not applicable to the Company.

Mandatory exemptions to the full retrospective adoption of EU IFRS

The sole mandatory exemption applicable to the Group with respect to this transition relates evaluations used when processing information at the transition date, which are consistent with those used in preparing the relevant financial statements according to the applicable accounting standards (after the adjustments needed to reflect possible differences in the accounting standards).

Other mandatory exemptions required by IFRS 1 have not been applied since referred to cases not applicable to the Company.

Financial position as at 1 April 2016

The reconciliation between the financial position as at 1 April 2016 of the Company, prepared in accordance with the UK Accounting Standards and reclassified based on the criteria chosen by the Company for the financial statements EU IFRS, and the financial position prepared according to EU IFRS is shown in the Annex 1.

Financial position as at 31 March 2017

The reconciliation between the financial position as at 31 March 2017 of the Company, prepared in accordance with the UK Accounting Standards and reclassified based on the classification criteria chosen by the Group for the financial statements EU IFRS, and the financial position prepared according to the EU IFRS is shown in the Annex 2.

AD

Comprehensive income statement as at 31 March 2017

The reconciliation between the comprehensive income statement of the fiscal year as at 31 March 2017 of the Group prepared in accordance with the UK Accounting Standards and reclassified according to the classification criteria chosen by the Group for the financial statements EU IFRS and the comprehensive income statement prepared according to EU IFRS is shown in Annex 3.

Shareholders' equity as at 1 April 2016 and 31 March 2017 and the comprehensive net income for the fiscal year ended, 31 March 2017

Below are shown the reconciliations between the shareholders' equity of the Company as at 1 April 2016 and 31 March 2017 and the comprehensive net result for the fiscal year ended 31 March 2017 prepared according to the UK Accounting Standards and the equivalent balances prepared in accordance with EU IFRS.

Notes to the reconciliations of the shareholders' equity as at 1 April 2016 and 31 March 2017 and the comprehensive net income for the fiscal year ended March 31, 2017.

STATEMENT OF FINANCIAL POSITION AS AT 1 APRIL 2016

	01/04/2016	Adjustment IFRS and Reclassification			
(thousands of Euro)	Statement of financial position as at 1 April 2016 prepared according to UK GAAP and exposed according to IFRS	Adjustment IFRS	Statement of financial position as at 1 April 2016 after IFRS adjustments	Reclassification	Statement of financial position as at 1 April 2016 prepared according to IFRS
ASSETS					
Non-current assets					
Tangible assets	1,770	-	1,770	-	1,770
Intangible assets and Goodwill	222	-	222	-	222
Investments	211,555	-	211,555	-	211,555
Receivables and other non-current assets	57,201	-	57,201	-	57,201
Total non-current assets	**270,748**	-	**270,748**	-	**270,748**
Current assets					
Inventories	-	-	-	-	-
Trade and other receivables	-	-	-	-	-
Current tax receivables	-	-	-	-	-
Cash and cash equivalents	10,278	-	10,278	-	10,278
Other current assets	-	-	-	-	-
Total current assets	**10,278**	-	**10,278**	-	**10,278**
TOTAL ASSETS	281,026	-	281,026	-	281,026
EQUITY	107,128	-	107,128	-	107,128

LIABILITIES					
Non-current liabilities					
Provisions	-	-	-	-	-
Employees benefits	-	-	-	-	-
Deferred tax liabilities	-	-	-	-	-
Financial liabilities	170,900	-	170,900	-	170,900
Other non-current liabilities	-	-	-	-	-
Total non-current liabilities	**170,900**	-	**170,900**	-	**170,900**
Current liabilities					
Trade and other payables	2,998	-	2,998	-	2,998
Current taxes payables	-	-	-	-	-
Financial libilities	-	-	-	-	-
Other current liabilities	-	-	-	-	-
Total current liabilities	**2,998**	-	**2,998**	-	**2,998**
TOTAL EQUITY AND LIABILITIES	**281,026**	-	**281,026**	-	**281,026**

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STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2017

	31/03/2017	Adjustment IFRS and Reclassification			
(thousands of Euro)	**Statement of financial position as at 31 March 2017 prepared according to UK GAAP and exposed according to IFRS***	**Adjustment IFRS**	**Statement of financial position as at 31 March 2017 after IFRS adjustments**	**Reclassification**	**Statement of financial position as at 31 March 2017 prepared according to IFRS**
ASSETS					
Non-current assets					
Tangible assets	1,973	-	1,973	-	1,973
Intangible assets and Goodwill	1,252	-	1,252	-	1,252
Investments	130,353	-	130,353	-	130,353
Deferred tax assets	-	-	-	-	-
Receivables and other non-current assets	140,211	-	140,211	-	140,211
Total non-current assets	**273,789**	-	**273,789**	-	**273,789**
Current assets					
Inventories	-	-	-	-	-
Trade and other receivables	2,324	-	2,324	-	2,324
Current tax receivables	-	-	-	-	-
Cash and cash equivalents	2,655	-	2,655	-	2,655
Other current assets	-	-	-	-	-
Total current assets	**4,979**	-	**4,979**	-	**4,979**
TOTAL ASSETS	**278,768**	-	**278,768**	-	**278,768**
EQUITY	**129,895**	-	**129,895**	-	**129,895**

LIABILITIES					
Non-current liabilities					
Provisions	-	-	-	-	-
Employees benefits	-	-	-	-	-
Deferred tax liabilities	-	-	-	-	-
Financial liabilities	146,815	-	146,815	-	146,815
Other non-current liabilities	-	-	-	-	-
Total non-current liabilities	**146,815**	-	**146,815**	-	**146,815**
Current liabilities					
Trade and other payables	2,059	-	2,059	-	2,059
Current taxes payables	-	-	-	-	-
Financial liabilities	-	-	-	-	-
Other current liabilities	-	-	-	-	-
Total current liabilities	**2,059**	-	**2,059**	-	**2,059**
TOTAL EQUITY AND LIABILITIES	**278,768**	-	**278,768**	-	**278,768**

COMPREHENSIVE INCOME STATEMENT AS AT 31 MARCH 2017

	31/03/2017	Adjustment IFRS and reclassification			
(thousands of Euro)	Statement of comprehensive income as at 31 March 2017 prepared according to UK GAAP and exposed according to IFRS	Adjustment IFRS	Statement of comprehensive income as at 31 March 2017 after IFRS adjustments	Reclassification	Statement of comprehensive income as at 31 March 2017 prepared according to IFRS
Revenue	3,509	-	3,509	-	3,509
Other income	-	-	-	-	-
Total revenue	**3,509**	-	**3,509**	-	**3,509**
Total operating costs	**6,053**	-	**6,053**	-	**6,053**
EBITDA	**-2,544**	-	**-2,544**	-	**-2,544**
Depreciation & Amortization	381	-	381	-	381
EBIT	**-2,925**	-	**-2,925**	-	**-2,925**
Finance income	65	-	65	-	65
Finance cost	12,591	-	12,591	-	12,591
Loss before tax	**-15,451**	-	**-15,451**	-	**-15,451**
Tax	-	-	-	-	-
Loss after tax	**-15,451**	-	**-15,451**	-	**-15,451**

AD

(thousands of Euro)	31/03/2017 Statement of comprehensive income as at 31 March 2017 prepared according to UK GAAP and exposed according to IFRS	Adjustment IFRS and Reclassification Adjustment IFRS	Statement of comprehensive income as at 31 March 2017 after IFRS adjustments	Reclassification	Statement of comprehensive income as at 31 March 2017 prepared according to IFRS
Loss after tax for the year (A)	**-15,451**	**-**	**-15,451**	**-**	**-15,451**
Other comprehensive income which will not be reclassified to the income statement					
Losses on employees benefits net of tax	-	-	-	-	-
Total other comprehensive income which will not be reclassified to the income statement: (B1)	**-**	**-**	**-**	**-**	**-**
Other comprehensive income which may be reclassified to the income statement					
Differences arising from the conversion of the financial statements of foreign companies	-	-	-	-	-
Total comprehensive income which may be reclassified to the income statement (B2)	**-**	**-**	**-**	**-**	**-**
Total other comprehensive losses net of tax (B)= (B1)+(B2)	**-**	**-**	**-**	**-**	**-**
Total comprehensive loss (A)+(B)	**-15,451**	**-**	**-15,451**	**-**	**-15,451**