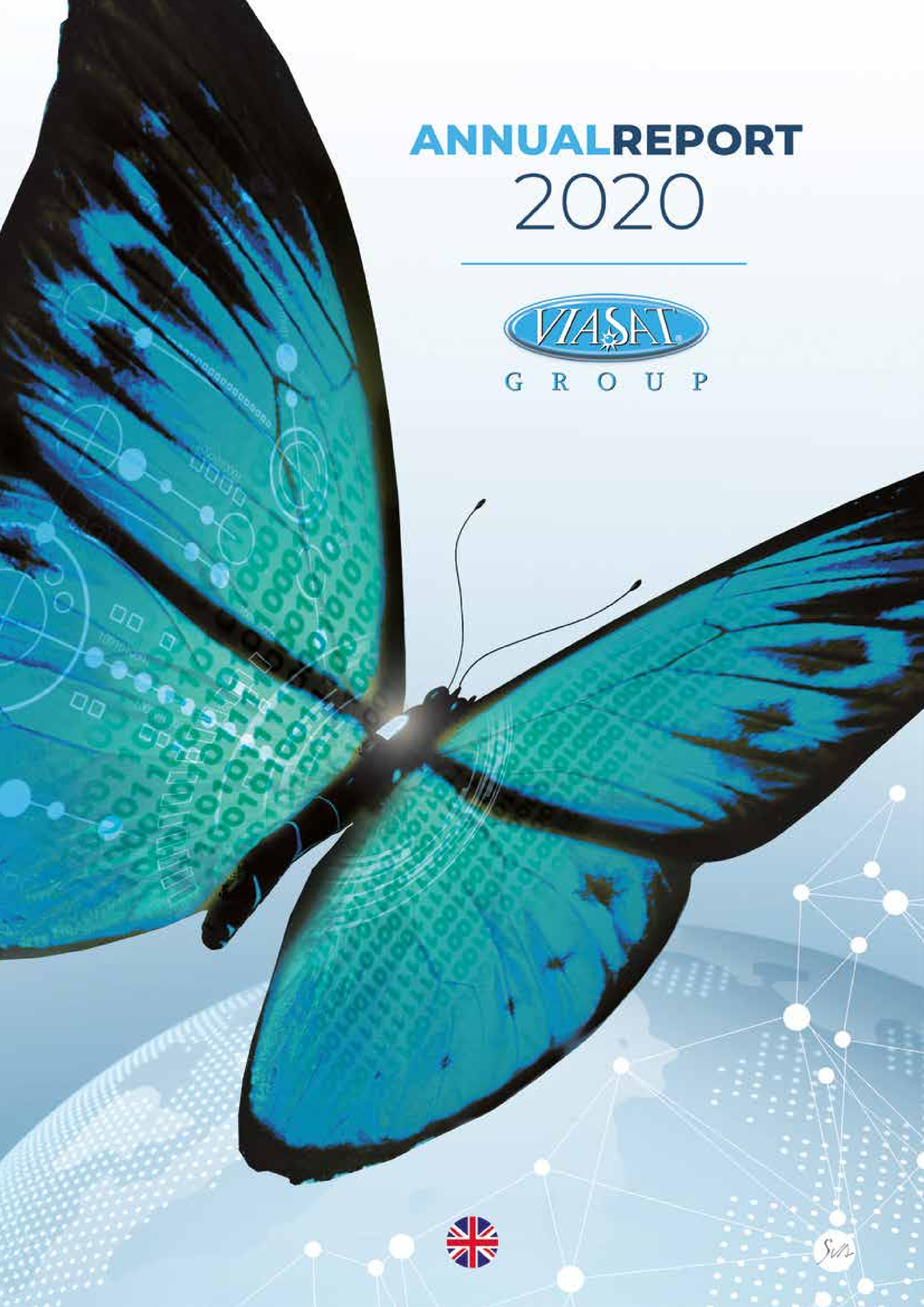
ANNUALREPORT
2020

VIASAT
GROUP



ANNUALREPORT 2020

VIASAT GROUP

www.viasatgroup.com

Viasat Group S.p.A.
Via Aosta, 23 | 10078 Venaria Reale (TO) | Italy
+39 011 4560201

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VISION

We believe that technology can improve the life of people and that of companies.

We believe that data complexity can be governed by simplicity.

We believe that people's passion, talent and creativity are the first step towards innovation.

We believe that a dream is only a dream until you decide to turn it into reality.

MISSION

Looking towards a sustainable future, thanks to a technology that is able to transform data into knowledge, helping our customers reach ever more challenging goals and targets.

ADMINISTRATION AND CONTROL BODIES

BOARD OF DIRECTORS

President
Domenico Petrone

CEO
Marco Petrone

Director
Giovanna Minuzzo

BOARD SECRETARY

Simone Durando

BOARD OF STATUTORY AUDITORS

President
Claudio Vighetto

Auditors
Nives Servi
Antonio Procopio

Alternate Auditors
Jacopo Fea
Maria Luisa Fassero

INDEPENDENT AUDITORS

EY S.p.A.

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CONSOLIDATED
FINANCIAL STATEMENTS

as at 31 December 2020

2020

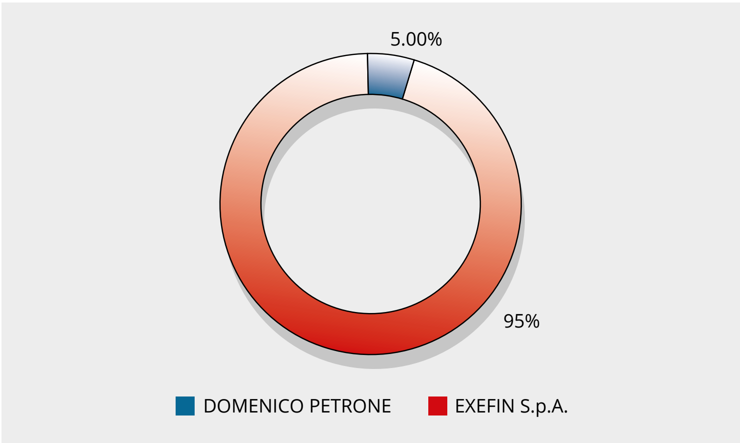
GROUP

SHAREHOLDERS

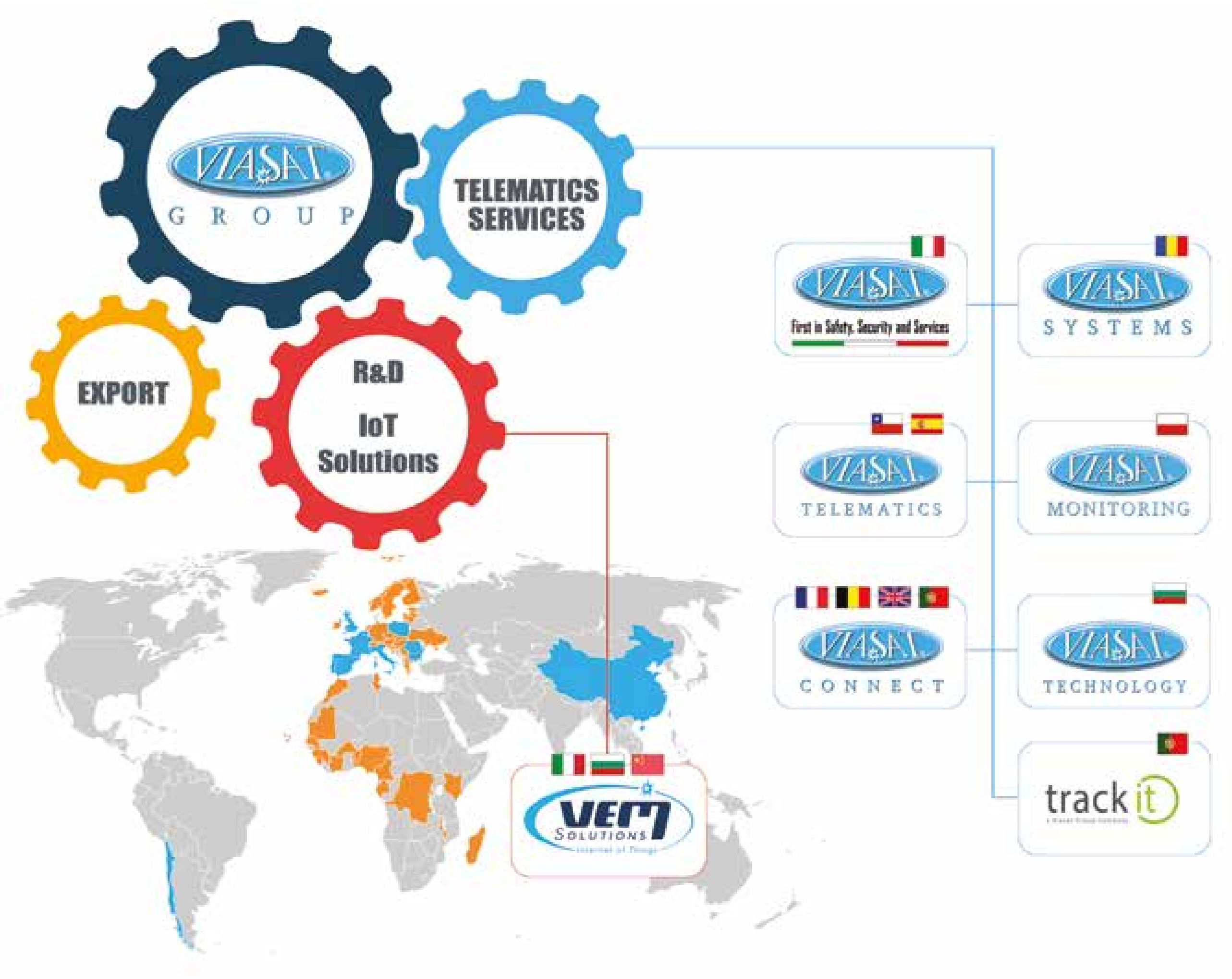
As at the closing date of these financial statements, the shareholder structure of Viasat Group S.p.A. is as follows:

VIASAT GROUP S.p.A. SHAREHOLDERS

	SHARES	HOLDING
DOMENICO PETRONE	1,500,000	5.00%
EXEFIN S.p.A.	28,500,000	95.00%
TOTAL	**30,000,000**	**100.00%**



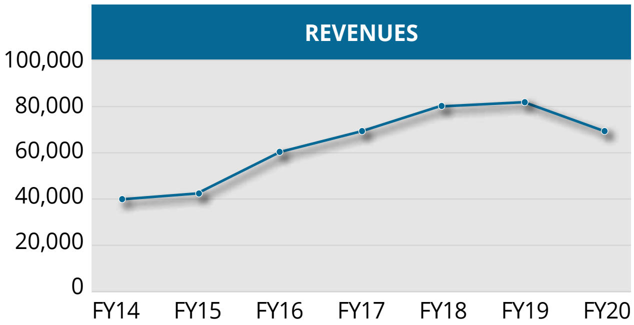
GROUP STRUCTURE

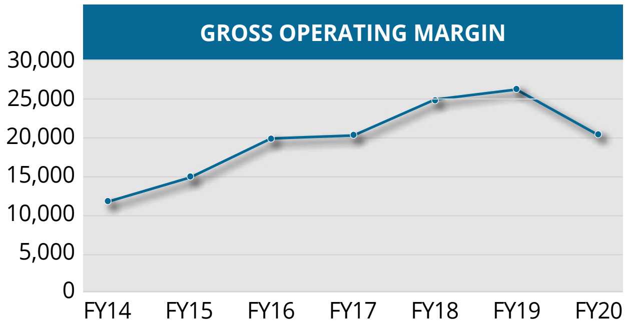


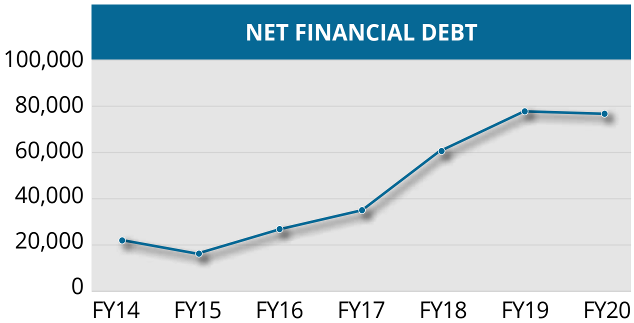
AVERAGE NUMBER OF PERSONNEL

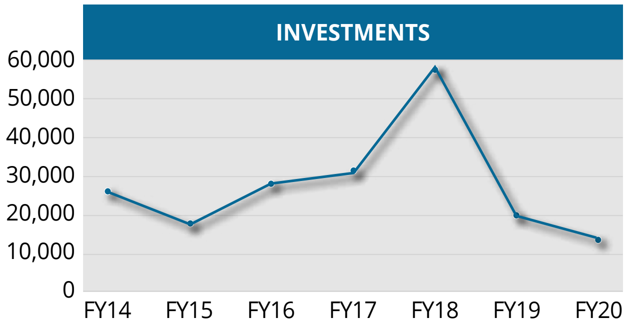
	2020	2019
Managers	84	86
Employees	593	524
Workers	174	94
Total	**851**	**704**

SUMMARY OF RESULTS OF THE GROUP









SUMMARY OF GROUP RESULTS

Economical Figures (thousands of euro)	**FY 2014**	**FY 2015**	**FY 2016**	**FY 2017**	**FY 2018**	**FY 2019**	**FY 2020**
Revenues	38,330	45,734	59,896	68,842	79,798	82,382	70,441
Gross Operating Margin	11,680	14,922	20,224	20,825	25,424	27,220	20,905
Result of the year	424	1,375	2,005	3,004	3,092	3,721	846
Main Balance Sheet Figures (thousands of euro)	**FY 2014**	**FY 2015**	**FY 2016**	**FY 2017**	**FY 2018**	**FY 2019**	**FY 2020**
Net invested capital	42,346	37,108	49,553	60,150	88,067	108,664	106,523
Net Financial Indebtedness	21,111	14,559	25,722	33,223	59,151	76,405	74,948
Net Financial Indebtedness IFRS 16 Adjusted	21,111	14,559	25,722	33,223	59,151	61,687	61,965
Shareholders' Equity	20,838	22,437	23,287	26,423	28,958	32,159	31,477
Personnel and Investment	**FY 2014**	**FY 2015**	**FY 2016**	**FY 2017**	**FY 2018**	**FY 2019**	**FY 2020**
Personnel at the end of the year (un)	342	379	523	655	777	777	869
Revenues per employee (thousands of euro)	138	149	121	116	114	119	85
Investment (thousands of euro)	25,693	15,775	27,611	31,794	56,607	19,379	14,191
Main KPI	**FY 2014**	**FY 2015**	**FY 2016**	**FY 2017**	**FY 2018**	**FY 2019**	**FY 2020**
GROM/Revenues (%)	30.47%	32.63%	34.06%	30.25%	31.86%	33.04%	29.68%
Operating Result/Revenues (%)	6.24%	5.71%	9.25%	7.15%	5.74%	6.44%	3.40%
Result of the year/Revenues (%)	1.11%	3.01%	3.35%	4.36%	3.87%	4.52%	1.20%
Investment/Revenues (%)	67.03%	34.49%	46.10%	46.18%	70.94%	23.52%	20.15%
Net Financial Indebtedness/Equity*	1.01	0.65	1.10	1.25	2.04	2.38	2.38
Net Financial Indebtedness/GROM*	1.81	0.98	1.26	1.59	2.33	2.81	3.59
ROI	14.81%	16.18%	20.31%	17.17%	15.81%	15.38%	11.88%
ROE	2.02%	6.35%	8.71%	12.11%	11.16%	12.18%	2.66%
EVA (thousands of euro)	6,859	8,329	11,866	13,357	14,347	18,407	8,934

*IFRS 16 compliant starting from 2019

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GROUP OVERVIEW

We are a Group that develop innovative technologies using passion and imagination to make the lives of people and the work of companies simpler, more sustainable and more secure.

Market pioneers, with over 45 years' experience, we are now among the main operators in Europe in telematic satellite solutions, Insurtech, fleet management, GreenTech, IoT and Big Data for the smart management and protection of people, vehicles and goods.

We operate in over 60 countries with a "glocal" approach, through 4 business units strongly oriented towards the future, technological innovation, sustainability and connected mobility: **Insurtech**, which is aimed at the insurance market, supporting insurance companies and fintech companies and insurance intermediaries in the collection and advanced analysis of information to optimise risk management and personalisation of the insurance offer to the customer; **Fleet**, which offers hi-tech services for the Transport and Logistics market, based on IoT technology, for the tracking, efficient management and protection of company fleets in the haulage, construction, assistance and maintenance sectors, as well as for entities and public administrations; **Smart Connect**, which takes care of people on the move to allow citizens, companies and public administrations, through a set of technological solutions and applications that take advantage of connectivity and Big Data, to remotely manage everyday life and the transport of people while improving safety, security and operational efficiency; **IoT Solutions**, which designs, develops and produces high-end and consumer electronics, hardware, firmware and software for smart devices and sensors, software platforms and IoT solutions for Waste Management and analytics services on the data processed, essential for increasing companies' performance.

We oversee all phases of the value chain: from research, innovation, design and development to production and marketing and sale of devices and service platforms.

The Group is a point of reference in the European market thanks to its ability to provide services throughout the world, with offices in 10 countries and over 869 employees as at 31 December 2020, and its considerable research, innovation, development and electronic production activities.

INSIGHT

- € 70.4 million in revenues in 2020
- Over € 3 million invested in development and innovation during the year
- Widespread commercial presence and assistance on the European market with over 2,100 installation centres (of which 1,700 Viasat Assistance centres and 100 TUV ISO9001 certified in Italy)

- Direct presence in 10 countries and commercial distribution in around 60 countries, through its own agents or local intermediaries
- 869 employees at Group level
- A European network of 10 owned Operations Centers: 2 in Italy with 150 operators (Turin and Rome), in addition to those in Romania (Bucharest), Poland (Warsaw), Spain (Madrid), Bulgaria (Sofia), Portugal (Lisbon), UK (London), Belgium (Brussels) and France (Montauban).
- More than 2.1 million devices produced and installed by VEM Solutions (2015-2020)
- 699,466 connected vehicles, through fleet management, insurance and car connect
- 14 million potentially connected people (scope of apps, wearable devices, workforce management)
- More than 1,600 towns in the areas connected with intelligent transport systems (Smart Cities)

HISTORY AND DESCRIPTION OF THE COMPANY

The Group, which has been in business since 1974 (date of establishment of Elem S.p.A., now VEM Solutions S.p.A.), began as a specialised operator in the production of high-tech electronic systems applied in particular to the automotive sectors. In the early 2000s, activities were diversified into the segment of satellite telematics, a field relatively unexplored up to that time.

The Group is involved in all stages of the value chain: from research, design and development to the production and sale of devices and the services that can be provided using these, which allow for strong vertical integration, with subsequent cost efficiency, product and service quality control, and the ability to promptly respond to market needs.

The Viasat Group's strategy is focused on the proposal of useful solutions to extend the offer, service profiles and business models for our Customers, through the introduction and use of advanced systems and applications. The context within which we operate is rapidly evolving. The market is facing a radical economic paradigm shift which will accelerate the divide between companies that are able to innovate and position themselves on the market with innovative products and services with increasingly lower costs. Companies that fail to grow, to group together, to reach a size and critical mass that will guarantee their development and prosperity, will inevitably, and quickly, be squeezed out of the market. It is now widely considered that the coming years will be the years of the IoT (Internet of Things) and of Big Data, but they will also increasingly be the years of knowledge and understanding.

In recent years, the market of electronic products in Europe and worldwide showed a trend - even more pronounced than in previous years - of concentration of the offer of services on a few subjects able to support their customers in at least a continental context. Since 2014, in line with this trend, the Viasat Group has implemented a process of expansion through acquisitions so as to position itself as one of the main players on the European market. The logic based on which the Group started to expand in markets other than its original market is summarised in the slogan “Think Global, Act Local”, with the aim to bring together on the hand global thinking, which takes into account the global dynamics of inter-relations between people, their cultures and their markets, and local action, which instead focuses on the historical specifics of the area in which operations will take place. This approach is able to generate value locally and to develop a business model oriented to end customer satisfaction and loyalty through the provision of a targeted product that includes a wide range of after-sales assistance and maintenance services.

With the aim of strategically positioning itself within the framework of technological and commercial development in a long-term perspective, the Group has given priority to the evolutionary generational change project that aims to enhance the skills and experience of its operational and managerial excellence, pursuing its own historical values and principles. In any case, the reference benchmark remains the great Italian brands, linked to families that for generations have proudly associated their history to a strong vocation for territoriality and sustainable progress.

The Group's true competitive advantage lies, in particular, in the ability to think outside the box, to swiftly recognise, design and implement new solutions to meet Customer needs and, even better, to understand the needs and shared characteristics of subjects in its catchment area that are not yet customers of the Group.

With this in mind, Viasat Group is organised into four main Strategic Business Units (SBUs). These units represent the organisational units which perform the various activities and which constitute the fundamental data analysis, not only in terms of an economic and financial nature, therefore extending beyond the national boundaries and the single legal entity logic.

Go to Viasat Group's history

OUR SERVICES

In Italy, Viasat Group delivers its services of assistance, protection and security directly via its two Operations Centres in Italy (Turin and Rome), with the help of around 150 operators, working 24 hours a day throughout the year. These are joined by 8 other owned Operations Centres in Europe: Bucharest (Romania), Brussels (Belgium), Madrid (Spain), Montauban (France), Warsaw (Poland), Sofia (Bulgaria), London (UK) and Lisbon (Portugal), that guarantee operational synergy and pan-European coverage. It also avails itself of the collaboration of two other outsourced Operations Centres in L'Aquila (Italy) and Stuttgart (Germany).

Fleet SBU

The Fleet Strategic Business Unit offers a wide range of technological solutions, data-driven and satellite infotelematics services, specifically designed for companies that manage fleets in the goods haulage and logistics, construction, assistance and maintenance and urban hygiene sectors, as well as for institutions and public administration, in Europe, the Middle East, Africa and South America.

More specifically, customers (fleet managers) purchase subscriptions from Viasat Group for the provision of services for the management, security and protection of vehicles, goods and drivers in order to optimise the operational and administrative processes for their own fleets. In this manner, companies can plan, organise and coordinate the vehicles in their fleets, with the goals of improving their efficiency, reducing costs and guaranteeing compliance with government regulations. The services provided range from positioning and visualising your vehicles on the map to the tracking of goods, trailers and containers; protection and security of drivers, vehicles, goods and company equipment on sites to the management of downloading data from the digital chrono-tacograph and the hours of driving and rest in compliance with regulations in force; from Work Force Management to the cold chain and consulting services for the recovery of duties.

In the area of Waste Management, the Group's technology and focus on sustainability has also resulted in the creation of the first platform designed for public and private institutions, environmental operators and manufacturing companies that intend to manage all the activities in the area of urban hygiene and industrial waste simply, accurately and in an innovative manner. From the operational management of environmental services and processes to the accurate measurement of the quantity of waste generated by users, from the accurate PAYT (Pay-As-You-Throw) quantity based billing method and the digital storage of data to the applications on the Smart City model to create a direct, trust-based relationship with citizens. It is an integrated, highly personalised offer of next-generation high-tech services, to simply and smartly manage vehicles and resources, constantly monitor your fleet, improve efficiency, service levels and security, while significantly reducing the operating costs of your business.

Insurtech SBU

The Insurtech Strategic Business Unit is a reliable, innovative partner for insurance companies, fintech businesses (that is, financial or leasing companies interested in combining their own financial and insurance products with systems and technologies able to offer value added services to their customers) and insurance brokers, providing technological and analysis solutions and services to implement new insurance models and offer customers added value services of assistance, protection and security on the move, at home, and in everyday life.

On board vehicles, Viasat's satellite infotelematics, IoT and data-driven solutions improve risk assessment, optimise the management of insurance cases and claims, improve the accuracy of accident reporting and customer relations. The result is a concrete improvement in the quality of services, a net optimisation of costs and cutting-edge diversification of the range of products and services for insurance companies, insurance brokers and end customers, who can thus count on greater assistance, protection and safety behind the wheel and, in particular for insurance companies, on personalised policies based on mileage, driving style and the assessment of actual risk.

Viasat Group offers insurance companies services and technological solutions that are included in an online policy in order to receive, against a significant discount on the insurance premium, a set of information on the insured party useful to reconstruct the dynamics of any accidents, with a view to preventing and combating insurance fraud (telematics appraisal), tracing the position of the vehicle to facilitate its finding, in the event of theft, through the Viasat 24H Operations Centre, profiling the behavior of the end customer in order to configure customised policies based on the number of kilometres traveled (PAYD - Pay as you drive policies) or on the driving style, rewarding those who are more careful at the wheel (PHYD - Pay how you drive policies) and, more generally, provide partner companies with processed data and information that can be used to improve operating processes.

Within the Insurtech SBU, the Group's services are delivered mainly through the owned and outsourced Operations Centres in possession of a licence from the town administrator for the exercise of activities within the meaning of Articles 134 of the Act consolidating the public safety laws (T.U.L.P.S.) and 256-bis of the regulation implementing the T.U.L.P.S., as regards the recovery of stolen vehicles or police intervention.

Smart Connect SBU

The Smart Connect Strategic Business Unit offers a range of technological solutions and applications for people on the move, that leverage Big Data and connectivity to assist individuals, companies and public administration to remotely manage everyday life and the transport of people, while improving security, protection and operational efficiency. Smart Connect offers a set of high-tech solutions for assistance, protection and security of individuals and diagnostics of vehicles: from positioning and medical assistance in real time to applications to stop the engine ignition, activate the horn and monitor the vehicle directly from your smartphone, to cloud-based portals for dealers and lease companies for monitoring, predictive maintenance and remote support to drivers.

Viasat's unique experience focused on the future of mobility has made it the ideal partner also for towns interested in implementing innovative Smart City systems, through systems of urban mobility, street monitoring, smart parking, air quality detection and many other flexible solutions designed to meet the needs of all types of public administration.

The Smart Connect SBU addresses its commercial proposal to end consumers, the retail channel, car, motorcycle and bicycle dealers, car rental companies, Financial Leasing companies, PA & Telco. Within the reference geographic markets, the Group offers solutions and services for security, assistance, diagnostics, and, more generally, remote management of vehicles (cars, motorcycles and bicycles) for individuals and businesses (dealers, car rental, lease companies), real estate (houses, industrial buildings, infrastructure), goods (business or personal), people on the move (wearable, workforce management), and towns (local public transport, road safety, parking, field management).

This SBU provides solutions for mobile people which, with the help of increasingly extensive connectivity, make the remote management of many aspects of everyday life easier, both in the public sector and for citizens, businesses and public and private buildings. Connectivity makes new operational processes possible, developing Big Data models that integrate different levels of data, always in aggregate and anonymised form, to be transformed, using the Group's applications, into information and then into business opportunities; undoubtedly important factors for the practical development of Smart Cities, where connected mobility will become increasingly shared, integrated, economical and sustainable.

IoT Solutions SBU

The IoT Solutions Strategic Business Unit develops and produces innovative IoT (Internet of Things) solutions, which aim for the spread of smart sensors, connectivity and the exchange of data and information to collect and manage data, processes it and create service abilitators to offer to the Group's SBUs and the market. As a result of our focus on Research & Development, supported through an investment of over € 3 million per year, the Group is able to create new hardware, firmware and software, next-generation mobile apps, high-end electronics in the FMCP industry, increasingly advanced satellite infotelematic positioning devices, smart sensors and service and analytics platforms.

The ability to collect and process extremely large amounts of data provides IoT Solutions with statistical information of very high value, accurately managed with the highest levels of privacy, security and protection. Thus, new services based on Big Data and analytics services have been created, which translate into new business opportunities for our customers, every day.

Within the IoT Solutions SBU, the Group carries out various activities for the design and development of hardware, firmware and software for end-to-end services, including with respect to mobile applications, and deals with the design and production of high-end electronics in the FMCP industry and infotelematics devices for satellite tracking, used by Group companies to deliver their services and also purchased by third parties. For the latter activity in particular, the various requirements of the Telematics Service Providers are analysed and the system is defined; the devices are then prototyped as well as industrialised, qualified, certified, produced and distributed.

The IoT Solutions SBU also offers R&D services, hardware and software engineering and production, and Big Data marketing and provides analytics services to telematics service providers (TSP), suppliers of real-time traffic information and other road information, producers of EMS (Electronic Manufacturing Systems), the automotive sector, public administrations and the defence industry. In order to expand our production capacity, in 2019 the acquisition was completed of the Cogema Group, a company with a long history in Italian industry, to give life to next-generation electronic manufacturing hub with large volumes, with governance and history deeply rooted in Italy. This alliance redesigns the Viasat Group's footprint from a competitive viewpoint, focusing on leveraging know-how, technology and operational flexibility with production plants in Bulgaria and China, as well as a production partnership in Tunisia.

The skills developed within this SBU as regards satellite-based infotelematics and IoT - are based on a long and consolidated experience in the design and production of hardware platforms (Telematic Black Boxes) for the provision of assistance, security, protection and location services based on satellite infotelematics technology (GPS, Glonass, Galileo). The satellite telematics systems, in addition to the requirements of the other SBUs of the Group, are implemented also for third-parties, mainly in the automotive, industrial and aeronautics sectors.

As regards the methods used by the Group for the handling of personal data, the Company has adopted security measures that provide the level of security required in relation to the risks envisaged by the legislation on the protection of personal data, resulting from the application of Regulation (EU) 2016/679 of 27 April 2016 ("General Data Protection Regulation" or "GDPR") and in compliance with ISO/IEC 27001 which sets forth the requirements for an ISMS (Information Security Management System).

The ViasatLine proprietary platform

The ViasatLine platform uses open source cloud technology, on the one hand maximising and complementing the Group's activities and on the other connecting devices manufactured by third parties, collecting and managing a large amount of data. More specifically, it serves as middleware between the various Viasat Group platforms. It also integrates vertical applications that ensure end-to-end communications in those countries where no Group company is located, specifically, for example, in Fleet management or Insurtech management. ViasatLine enables these platforms to receive the information (real-time raw data, alarms, etc.) coming from the on-board satellite devices, allowing them to transmit data, including with different types of communication methods, using mobile network connectivity. In this way, Viasat Group devices can be used by all interconnected platforms to process the data and information collected, developing the value-added services for Fleet, InsurTech, Smart Connect and Big Data monetisation. Connection with external platforms has been standardised and rendered independent from the device type, through the proprietary protocol TSP13 (Telematic Service Providers 2013), which enables the exchange of information and requests between Service Providers.

Furthermore, since 2016 Viasat Group has been a member of TAPA EMEA, an international association for the protection of transported goods which brings together global producers, suppliers of logistics services, express couriers, Police and Securities Forces, government agencies and other operators with the common objective of reducing losses in the international supply chain.

CORPORATE GOVERNANCE

Management and Coordination Activities

Viasat Group S.p.A. is not subject to management and coordination by other companies or entities. Pursuant to Article 2497 of the Italian Civil Code, the subsidiaries that have identified Viasat Group S.p.A. as the entity that performs activities of management and coordination are Viasat S.p.A. And Vem Solutions S.p.A. These activities consist in providing general strategic direction as well as financial guidelines, both at Group level and for the various business units. They translate into the development of common policies for human resource management, security, purchasing of production elements as well as all financial management and standardisation policies in preparing the periodic accounting documents and internal management reporting. The activities indicated above allow the Group to attain economies of scale by taking advantage of skills and specialised services of higher quality and allows the subsidiaries, as part of their operational independence, to focus their resources on managing the core business, thereby optimising Group resources.

Board of Directors

The Board of Directors is made up of a minimum of three and a maximum of twelve members, including individuals who are not Shareholders, in accordance with the provisions of Article 14 of the Articles of Association. The current Board of Directors consists of three members. The mandate of the Board of Directors resolved by the Shareholders' meeting held on 10 December 2020 is due to expire on the date of the Shareholders' meeting for the approval of the 2022 financial statements.

Powers belonging to the Administrative Body

Board of Directors

The Board of Directors has all powers for the ordinary and extraordinary management of the Company, with the express right to perform all activities that are deemed appropriate to achieve the corporate purpose, excluding only those that the law or the Articles of Association exclusively reserve for the Shareholders' meeting. In compliance with Article 19 of the Articles of Association, the President and the Vice President, and each Chief Executive Officer represent the Company to third parties and in judicial proceedings, separately. The Board of Directors and the appointed Chief Executive Officers have the power to appoint attorneys ad negotia, managers, special attorneys for specific acts or categories of acts, while determining their duties, powers and responsibilities, in compliance with the limitations set out by law.

The Board of Directors also has the power to appoint consulting committees, which lack any external significance, and point one or more general managers, determining their powers.

The Board of Directors is also responsible, within the limits set out by law, for resolutions concerning: (i) the set up or closing branches; (ii) moving the registered office, within the country; (iii) mergers and spin-offs in the cases set out in Articles 2505; 2505-bis and 2506-ter of the Italian Civil Code; (iv) reduction of capital in the event of withdrawal of a shareholder; and (v) aligning the Articles of Association to regulatory provisions.

President and members of the Board of Directors

The President and the Chief Executive Officers are the legal representatives of the company. The Board of Directors and the appointed Chief Executive Officers have, separately from each other, the power to appoint proxies ad negotia, managers, special attorneys for specific acts or categories of acts, determining their duties, powers and responsibilities, in compliance with the limitations set out by law.

The President has the power to appoint and revoke representatives and general or special proxy holders to which he/she may delegate some or all of his/her appointed powers.

Moreover, the President and the other Chief Executive Officers have the powers of ordinary and extraordinary administration, except for those specifically reserved for the Shareholders' Meeting or the Board of Directors, in accordance with the regulatory provisions or those of the Articles of Association and those relating to specific matters previously identified when granting the powers.

Board of Statutory Auditors

Pursuant to Article 20 of the Articles of Association, the Board of Statutory Auditors consists of three effective auditors and two alternate auditors. The Ordinary Shareholders' Meeting held on 28 June 2019 appointed three effective auditors and two alternate auditors for 2019, 2020 and 2021. All five of the appointed individuals are enrolled in the Auditors Register (Ministerial Decree of 12 March 1995 published in the Official Gazette No. 31 bis of 21 April 1995).

Organisational diagram

In order to improve the integration of companies acquired over time, Viasat Group has set up its organisation in two levels:

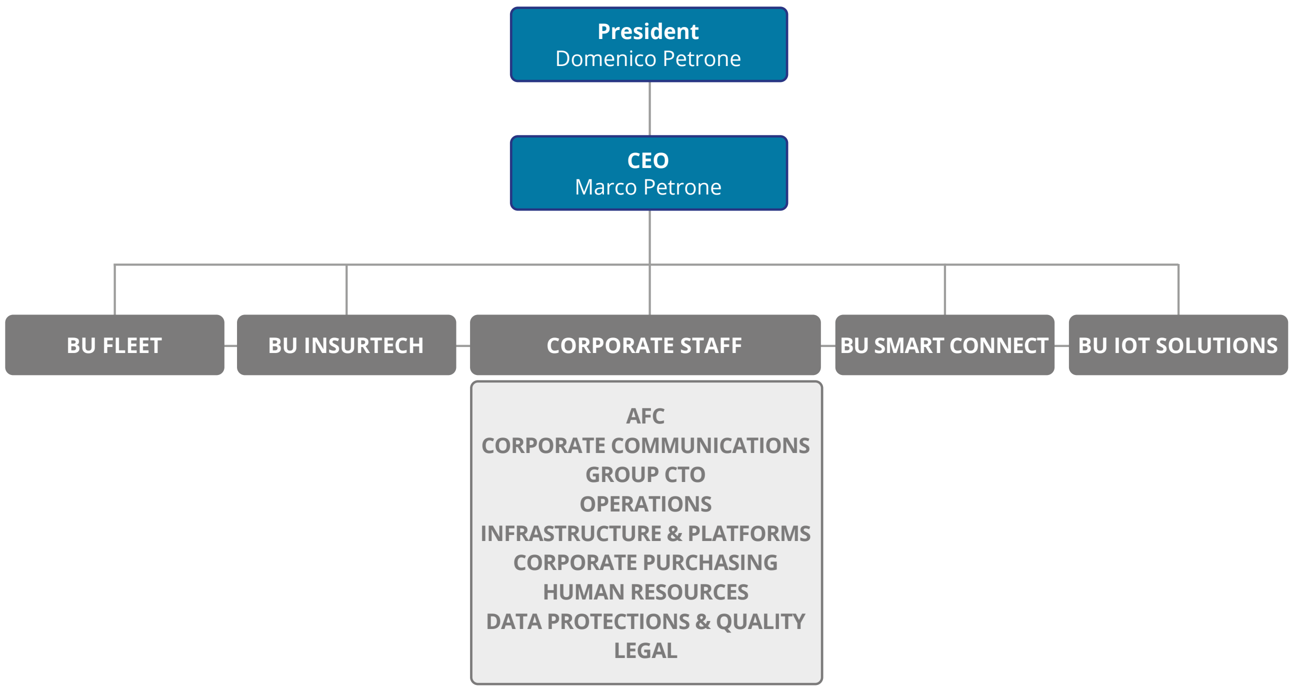
- **Corporate Roles:** the functions that ensure governance of key operational processes defining a common approach for all units. The central functions of the Corporate Staff, according to their different characteristics, support the activities of the Corporate SBUs and the territorial entities to encourage greater synergy and proactivity at Group level.
- **Business Unit Roles**: they are responsible for the execution of the business processes in the Business Unit. This structure is designed to streamline the mechanisms of organisational coordination and strengthen the economies of scale. It envisages roles with hierarchical (involves a regulatory and executory structure of resources) and operational (involves the transmission of information and advice, useful for carrying out operational work) structure.

In an emerging and highly competitive sector such as satellite-based info-telematics, it is paramount to maintain a high level of reputation by spreading a corporate culture focused on integrity. The conduct of people within the organisation, alongside the quality of their work, determines the trust that customers, suppliers and, more generally, all Stakeholders place in the Group.

The company's Code of Ethics clearly expresses the basic principles that must be complied with and observed in performing all Group activities: complying with the law, avoiding conflicts of interest, achieving company objectives correctly, maintaining interpersonal relations based on fairness and respect, ensuring a safe and healthy working environment and combating corruption, rejecting it in any context and in any form. In order to consolidate the implementation of these principles, the Viasat Group has started a process for the introduction of an Organisation and Control Model in compliance with Italian Leg. Decree 231/2001, which regulates the administrative liability of entities for certain offences committed in their interest or to their advantage, by persons holding top positions or persons subject to their management or supervision.

Although this process has not yet been completed, there have been no cases of corruption over the years within any of the Group's companies, nor has the Group been involved in legal actions for anti-competitive behaviour and monopoly practices or for the breach of antitrust laws. For the purpose of complying with the company's Code of Ethics and maintaining business integrity, it is essential to have a solid corporate governance and an organisational structure capable of ensuring strong control over all the activities carried out by Group personnel.

For this reason, the Viasat Group has four strategic divisions called “business units” as well as a team of experts called “Corporate Staff” that supports the Group's four Strategic Business Units, all reporting to the Chief Executive Officers and the Presidents of the Group, as graphically shown in the following organisation chart.



OUR VALUES AND ETHICAL PRINCIPLES

The past, present and future of Viasat Group has solid foundations based on experience in research and production within market segments for which it has played a leadership role for years.

However, ethical qualities and values should not be forgotten, which are no less relevant than technical or professional skills. All the members of the Group, from the Directors to employees, executives to labourers, are aware of the positive attitudes around which their daily working activities revolve. The Viasat Group is a business in which a problem is never considered as just a problem, but is seen as an opportunity, through which everyone does his/her utmost to overcome the obstacle, with commitment, enthusiasm and dedication. Every situation that initially seems negative can and must be considered a source of learning, an opportunity to improve the management and operating process.

Each time the Group confronts a new challenge, enormous amounts of energy are spent on carrying out the growth objectives with innovative operating plans, to bring about all possible improvements. This philosophy is also applied to sharing individual knowledge and experience across the various Group entities.

Finally, it should be emphasised that our research activities are not exclusively focused on technological efficiency: our goal is also to develop products and services that are pleasing and gratifying in terms of originality and visual appeal. It is for this reason that the Group is based on the loyalty of its human resources, many of whom have been with our Company for years and who are appreciated not only for their professionalism, but also their ability to transmit our values to new hires, which is the best guarantee of continuity in coming years.

The ethics principles forming the basis for the philosophy of the Group and of the persons who are part of it:

1. Principle of positive attitude

Fully aware that the real problem is not the problem itself but the method and speed with which it is approached, all employees commit to overcome obstacles with a positive attitude, enthusiasm, optimism and trust.

2. Principle of learning

Commitment to develop new ideas and new products, to research new markets and new customers, to continuously improve operating and management processes, to readily participate with rapid professional and technological growth and in the context of the core business.

3. Principle of pro-active doing

Commitment to carry out development activities with innovative operating plans, to bring about all possible improvements through the principle of learning.

4. Principle of teaching others to do

Commitment to transfer your knowledge and experience to other team members so that your knowledge and experience become a collective asset.

5. Principle of truth

Commitment to always pursue the truth, to not dedicate time and resources to pursuing deceptive, manipulated and false realities of braggarts and adventurers.

6. Principle of justice

Commitment to pursue what is just, rejecting lies, slander and envy; to acknowledge the abilities and value of others, ensuring that they are recognised and appreciated.

7. Principle of beauty

Commitment to develop products and services that are not only useful but also pleasing and gratifying in terms of originality and beauty.

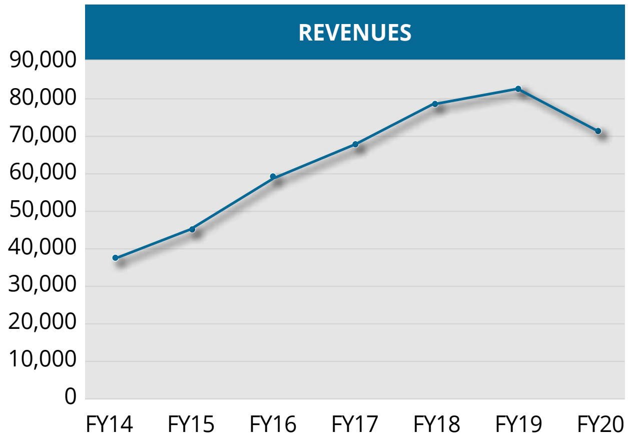
REVENUES AND PROFITABILITY

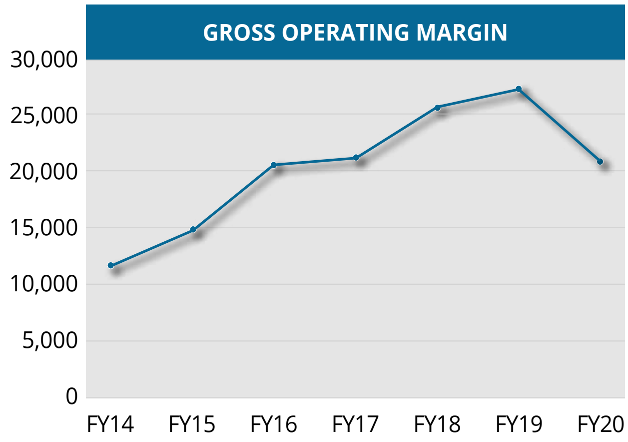
During the year, revenues recorded a decrease of € 11.9 million (-14.5%) compared to the previous year. The effect of the pandemic has involved all sectors and countries in which the Group is present, albeit in different ways, slowing down and sometimes totally blocking activities. However, it is necessary to highlight two aspects that affect the comparability of the data: the first, equal to € 1.4 million, relates to the change in the scope of consolidation due to the acquisition of the Cogema manufacturing Group in September 2020 (with a negative impact) on the EBITDA of € 527 thousand). The second is due to an adjustment relating to the purchase price allocation relating to the acquisition of the Spanish company Detector de Seguimiento y Transmision, S.A., which negatively impacted revenues and operating margin of € 1.9 million. This adjustment impacted the Smart Connect BU.

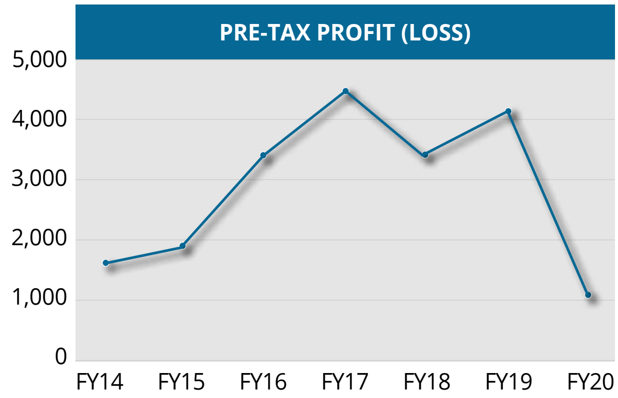
Manufacturing activity declined due to the lockdown and the difficulty in procuring materials, while the installation of devices following new subscription fees recorded significant slowdowns compared to the orders received, especially in the Fleet & Waste BU. The prevalence within the Group of business models that envisage recurring revenues for around 80% of the total, however, partly limited the contraction. The main contribution derives from the Fleet & Waste management Business Unit, which closed the year with a percentage of 40% of total revenues, confirming itself as the Group's top source. The decrease in margins with respect to the comparison period affected all the BUs and many of the geographical areas, but the initiatives implemented to contain the effects of COVID-19, especially with regard to personnel costs, contributed to the containment of impacts. Considering the adjustments that affect the comparability of the data described above, the impact on the reduction of the margin with respect to the comparison period would have been 14% compared to the 23% resulting from the comprehensive income statement.

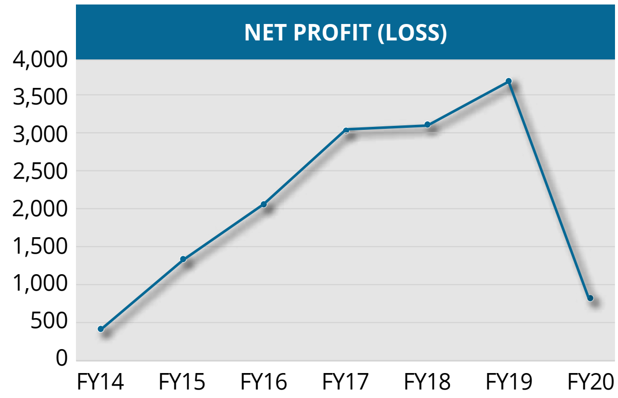
Historical data

(thousands of euro)	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Revenues	38,330	45,734	59,896	68,842	79,798	82,382	70,441
Gross Operating Margin	11,680	14,922	20,224	20,825	25,424	27,220	20,905
Pre-tax profit (loss)	1,623	1,853	3,472	4,427	3,461	4,198	1,118
Net profit (loss)	424	1,375	2,005	3,004	3,092	3,721	846





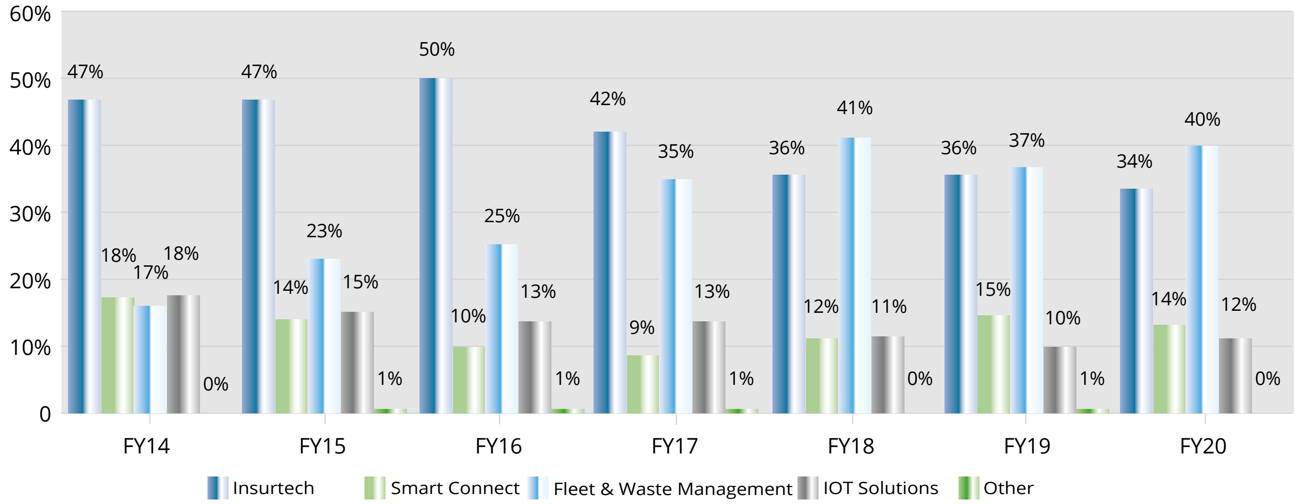




Revenues by Business Unit

Business (thousands of euro)	**FY 2014**	**FY 2015**	**FY 2016**	**FY 2017**	**FY 2018**	**FY 2019**	**FY 2020**
Insurtech	17,980	21,479	30,201	28,940	28,358	29,487	23,809
Smart Connect	6,761	6,413	5,845	6,310	9,182	12,753	9,904
Fleet & Waste Management	6,469	10,492	15,067	23,965	32,924	30,770	28,178
IOT Solutions	7,023	7,074	8,018	8,850	9,165	8,217	8,465
Other	97	275	764	776	169	1,155	85
Total	**38,330**	**45,734**	**59,896**	**68,842**	**79,798**	**82,382**	**70,441**

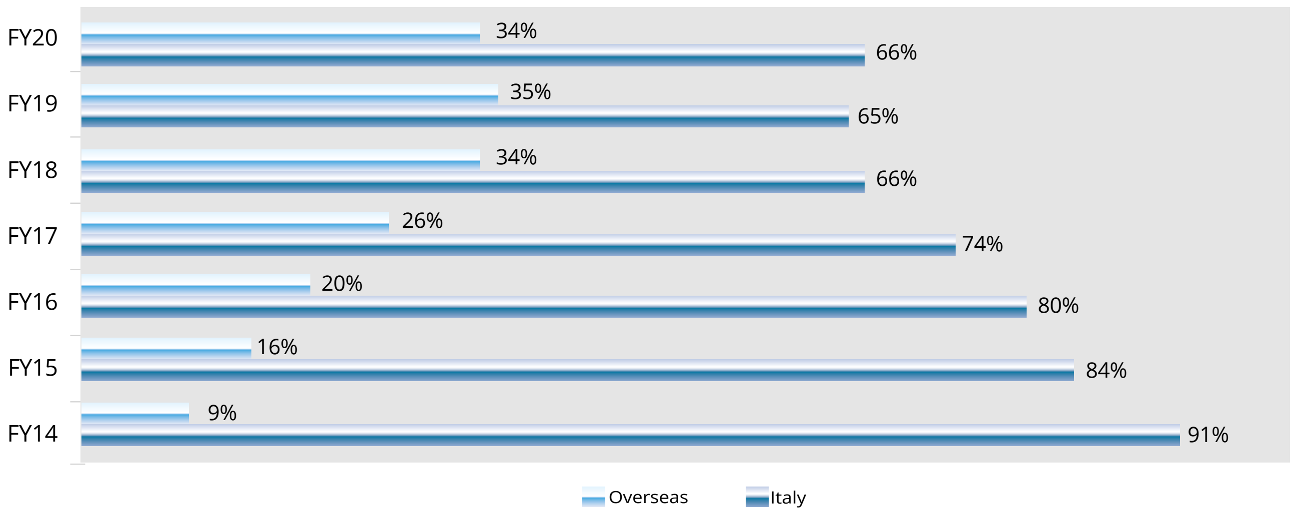
(the reduction in revenues of the Smart Connect BU is due for € 1.9 million to an adjustment relating to the purchase price allocation made following the acquisition of the Spanish company Detector de Seguimiento y Transmision, S.A.).



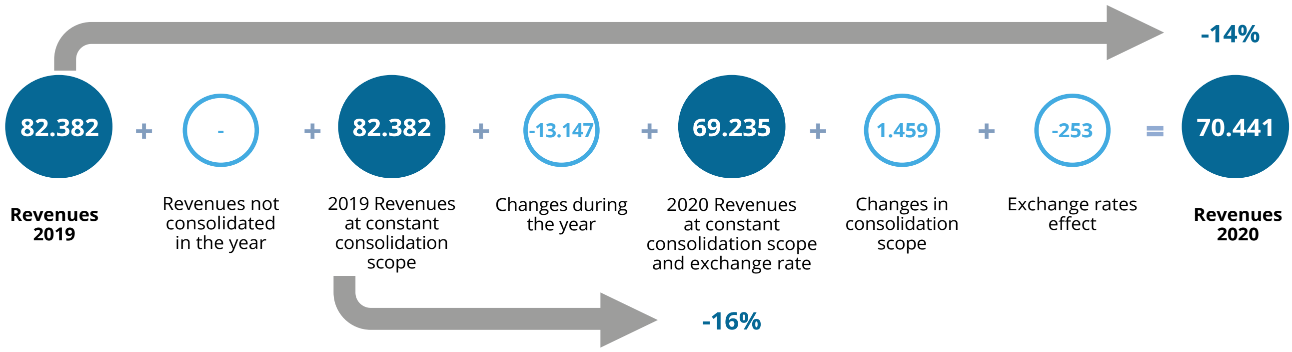
Revenues by geographic area

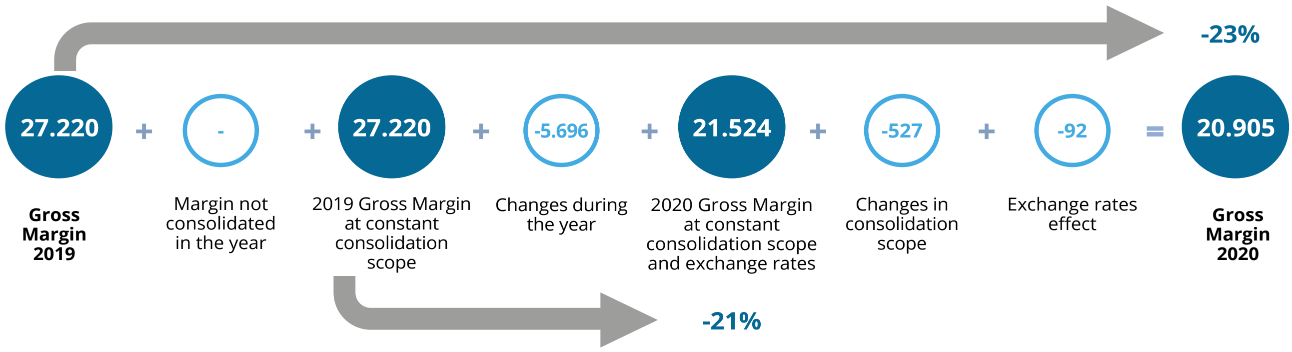
Revenues (thousands of euro)	**FY 2014**	**FY 2015**	**FY 2016**	**FY 2017**	**FY 2018**	**FY 2019**	**FY 2020**
Italy	34,903	38,235	47,910	51,008	52,317	53,456	46,576
France	-	-	40	100	3,658	3,763	3,954
UK	3,029	5,800	5,154	4,890	4,838	4,301	3,694
Spain	-	-	26	530	3,436	6,117	3,429
Poland	-	-	3,262	4,442	4,320	4,060	3,348
Belgium	-	-	1,486	2,778	3,246	3,332	2,847
Bulgaria	-	-	-	1,504	3,761	1,756	1,949
Other Europe	4	219	561	1,019	1,345	802	1,120
Portugal	-	-	-	14	398	1,058	1,119
Romania	-	215	547	538	629	786	919
Africa	245	755	590	849	839	900	901
America	-	-	56	807	602	591	515
Asia	149	510	262	363	409	1,461	69
Oceania	-	-	-	-	-	1	-
Total Revenues	**38,330**	**45,734**	**59,896**	**68,842**	**79,798**	**82,382**	**70,441**

(the reduction in revenues of Spain is due for € 1.9 million to an adjustment relating to the purchase price allocation made following the acquisition of the Spanish company Detector de Seguimiento y Transmision, S.A.).



Like-for-Like Revenues and Gross Operating Margin (EBITDA)





Profitability indicators

	FY 2014	FY 2015	FY 2016	FY 2017	FY2018	FY2019	FY2020
R.O.E	2.02%	6.35%	8.71%	12.11%	11.16%	12.18%	2.66%
R.O.I.	14.81%	16.18%	20.31%	17.17%	15.81%	15.38%	11.88%
R.O.A.	13.70%	16.71%	20.29%	17.38%	16.47%	15.31%	12.16%
R.O.S.	26.57%	26.47%	33.44%	29.49%	29.89%	32.57%	28.19%
E.V.A. *	6,859	8,329	11,866	13,357	14,347	18,407	8,934

* thousands of euros

Productivity indicators

	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Revenues per employee*	138	149	121	116	114	119	85
Personnel costs per employee*	40	41	33	33	35	38	30
Operating margin per employee*	36	41	40	34	35	39	25
Investment Rate	55.99%	28.90%	45.63%	45.56%	69.32%	17.01%	16.94%
Depreciation Rate**	10.62%	11.55%	12.26%	10.42%	9.96%	10.03%	10.38%
% Depreciation	55.66%	56.73%	60.70%	65.90%	71.18%	67.39%	79.71%
Turnover	0.54	0.61	0.60	0.58	0.53	0.47	0.42

* thousands of euros
** Ordinary depreciation rate (tangible fixed assets)

FINANCIAL DATA

Despite the effects of the pandemic underway, thanks to a business that is largely recurring in nature and the careful management of working capital, during the year the Group maintained a level of cash generation in order to guarantee the resources needed for operating activities and to finance investments.

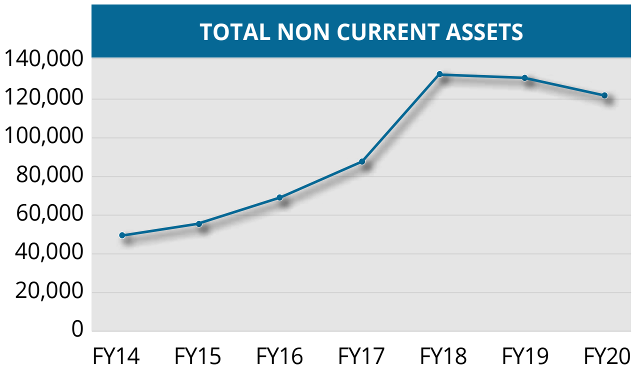
The reduction in non-current assets is mainly due to the reduction in the vehicle fleet loaned free-of-charge and to the reduction in the net book value of the assets that emerged at the time of the purchase price allocation following the acquisitions carried out over the years, while the decrease in current amounts is due to the lower value of cash and cash equivalents and trade receivables. The decrease in non-current liabilities is mainly due to the lower value of financial payables and those relating to M&A transactions carried out over the years, while that relating to current liabilities is due to financial items and trade payables. The effects of the change in the scope of consolidation do not have a significant impact on the total values of commercial and operating assets and liabilities, while they have a greater impact on the value of financial items. The deterioration of the working capital cycle is influenced by the significant increase in the number of days of inventory rotation mainly caused by the increase in the net value of the inventories of free-loan devices returned from the field following the change of intended use (from assets t inventories) as described in the dedicated notes.

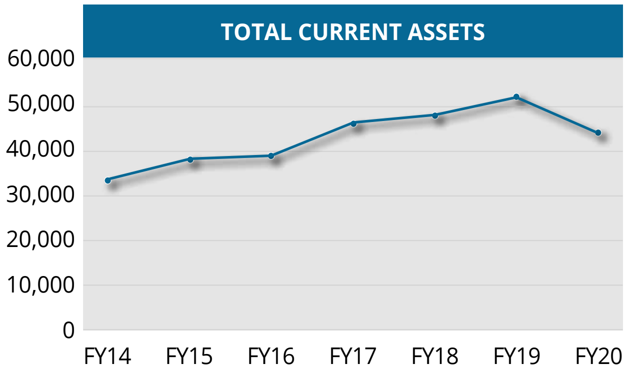
Net financial debt, substantially in line with the previous year, was affected by the effects of the acquisition for € 2 million (at the acquisition date the value was € 4 million).

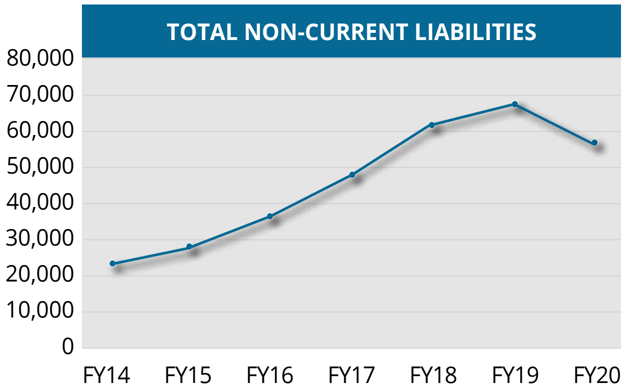
The reduced number of new activations, which resulted in lower investments in the production and distribution of devices loaned for use, and a significantly lower value of cash outflows for investment activities mainly linked to the acquisition transactions also contributed to the achievement of a free cash flow of € 8.4 million. The resources necessary for investment activities and the repayment of existing medium/long-term loans not covered by self-financing were obtained through the signing of new loan agreements and moratorium agreements as described in the dedicated Notes.

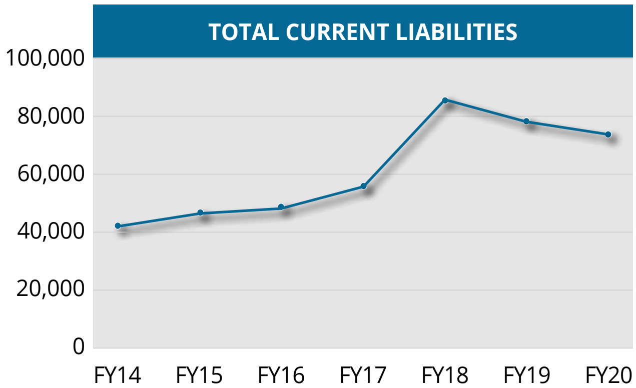
Historical data

(thousands of euro)	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Total Non Current Assets	50,888	53,973	67,989	85,431	127,388	127,301	120,093
Total current Assets	34,340	39,342	39,458	46,838	49,083	51,896	44,618
Total assets	**85,228**	**93,315**	**107,447**	**132,269**	**176,471**	**179,197**	**164,711**
Total Shareholders' Equity	20,838	22,437	23,287	26,423	28,958	32,159	31,477
Total non-current liabilities	23,332	27,245	36,076	47,910	60,619	67,978	57,506
Total current liabilities	41,058	43,633	48,084	57,936	86,895	79,060	75,728
Total liabilities and Shareholders' Equity	**85,228**	**93,315**	**107,447**	**132,269**	**176,471**	**179,197**	**164,711**



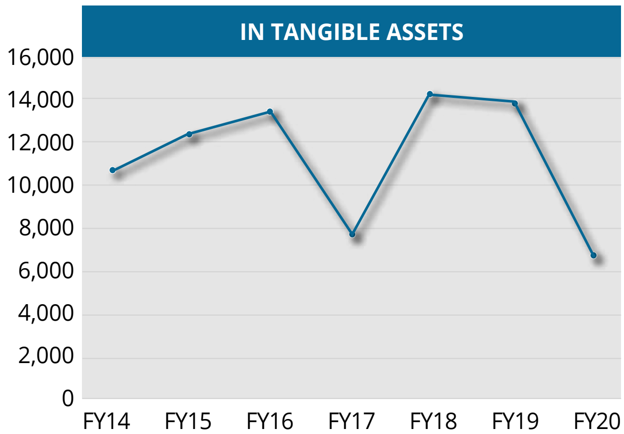


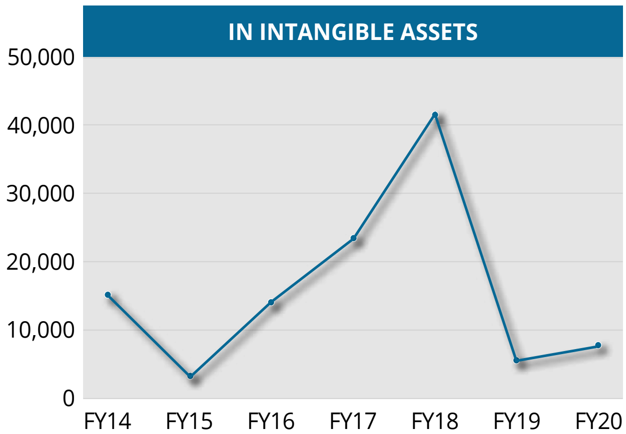




Investments

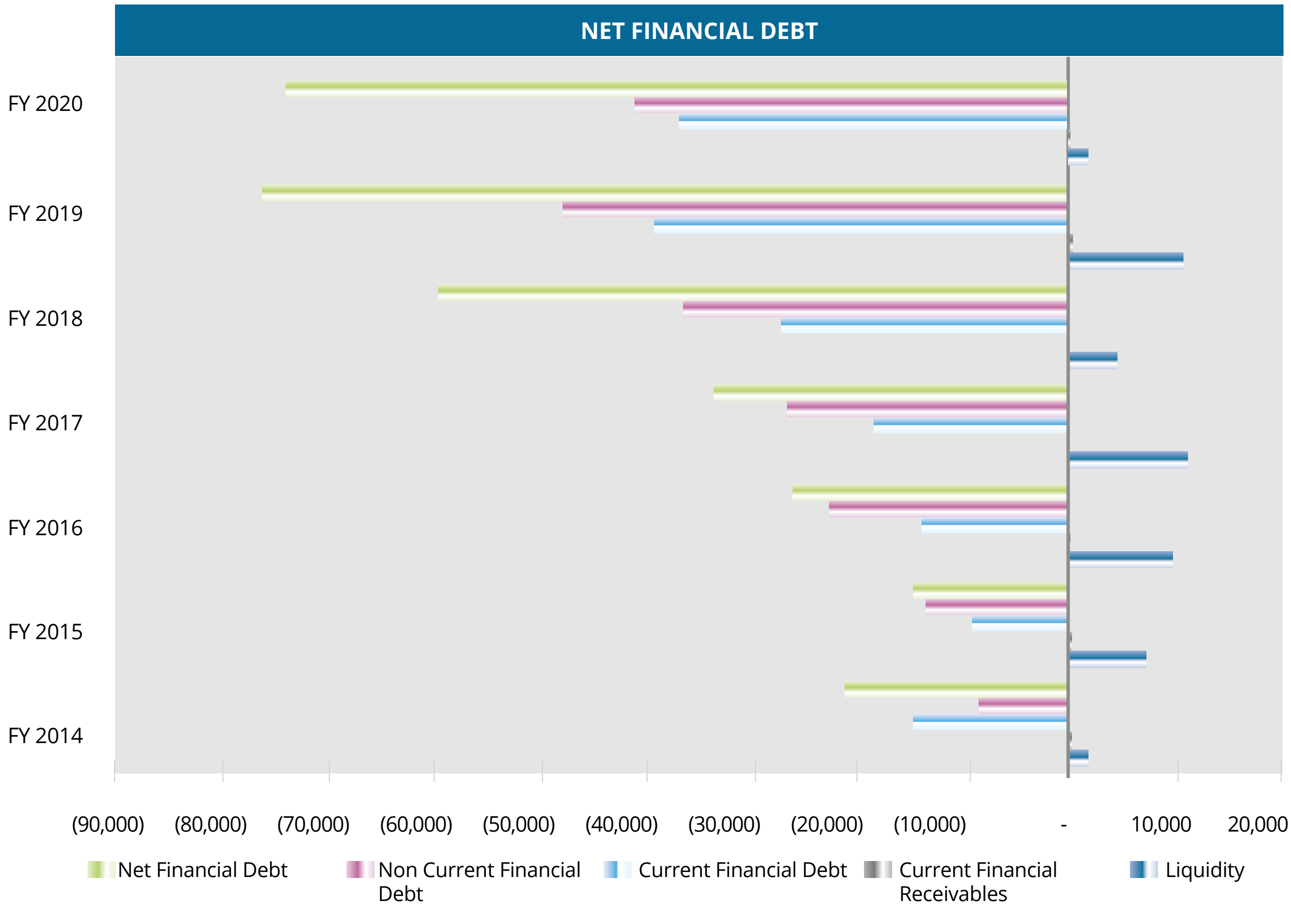
(thousands of euro)	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
in tangible assets	10,690	12,265	13,392	7,974	14,089	13,927	6,749
in intangible assets	15,003	3,510	14,219	23,820	42,517	5,453	7,442



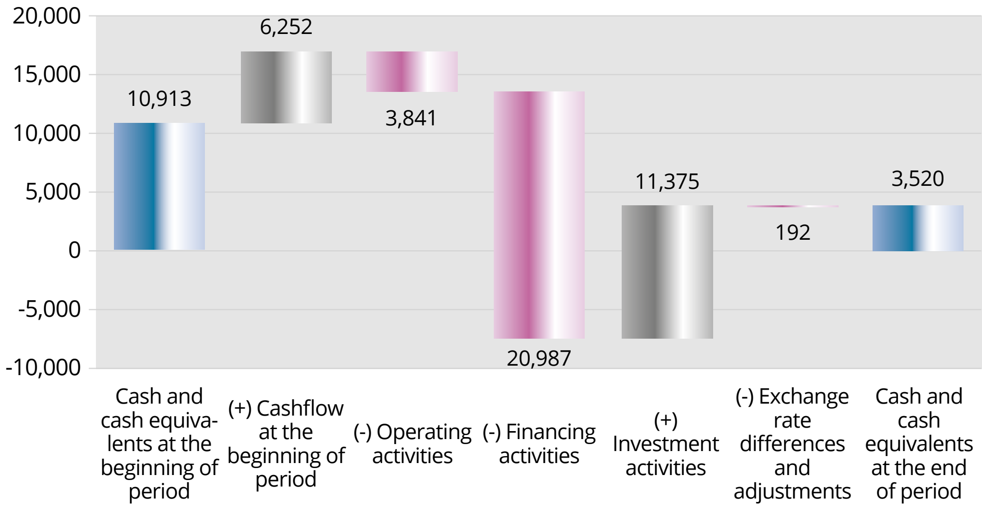


Net Financial Position

(thousands of euro)	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Liquidity	1,948	7,439	9,838	11,344	4,662	10,913	3,550
Current Financial Receivables	395	377	226	24	71	275	229
Current Financial Debt	(14,910)	(8,968)	(13,234)	(18,211)	(27,745)	(39,533)	(37,661)
Non Current Financial Debt	(8,544)	(13,407)	(22,552)	(26,380)	(36,138)	(48,060)	(41,067)
Net Financial Debt	**(21,111)**	**(14,559)**	**(25,722)**	**(33,223)**	**(59,151)**	**(76,405)**	**(74,948)**
IFRS 16 impact	-	-	-	-	-	14,718	12,983
Net Financial Debt without IFRS 16 impact	**(21,111)**	**(14,559)**	**(25,722)**	**(33,223)**	**(59,151)**	**(61,687)**	**(61,965)**



Changes in cash flows for the year



Change in net financial position

(thousands of euro)	FY 2020	FY 2019
INITIAL NET FINANCIAL ASSETS	**(76,405)**	**(59,150)**
Changes during the year:		
– from operating activities	17,168	21,009
– from investment activities	(8,790)	(20,164)
– from interest expense	(1,378)	(1,440)
– dividends paid to Shareholders	(4)	-
– exchange rate differences and adjustments	(140)	51
– IFRS 16 impact	1,735	(14,718)
– other changes	(7,134)	(1,993)
Total changes of the year	1,457	(17,254)
NET FINANCIAL ASSETS	**(74,948)**	**(76,405)**

Breakdown of net financial position

(thousands of euro)	FY 2020	FY 2019
Financial debt to banks and other financiers	(65,721)	(72,754)
Financial debt for leases	(13,007)	(14,839)
Other financial liabilities	-	-
Other financial assets	260	275
Liquidity	3,520	10,913
NET FINANCIAL ASSETS	**(74,948)**	**(76,405)**

Comparison between the change in net available funds and the cash flow statement

(thousands of euro)	Availability	Other financial asset	Gross financial Indebtedness	Net available funds
OPENING BALANCE	**10,913**	**275**	**(87,593)**	**(76,405)**
From operating activities	17,168	-	-	17,168
From investment activities	(8,790)	-	-	(8,790)
New Loans	12,257	-	(12,257)	-
Other Financing activities	-	-	-	-
Loans repayment	(23,826)	-	23,826	-
Interest expense	(1,378)	-	-	(1,378)
Dividend payment	(4)	-	-	(4)
From financial and operating leases	(2,672)	-	1,833	(840)
Other minor changes	(8)	(15)	(4,536)	(4,559)
Exchange rate differences	(140)	-	-	(140)
CLOSING BALANCE	**3,520**	**260**	**(78,727)**	**(74,948)**

Liquidity ratios

	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Availability Index	1.12	1.40	1.07	1.12	0.74	0.82	0.73
Liquidity Index	0.90	1.12	0.88	0.93	0.60	0.67	0.55
Availability margin*	3,763	11,272	2,389	5,001	(16,724)	(11,401)	(16,715)
Treasury margin*	(3,097)	3,361	(4,513)	(3,061)	(26,358)	(20,540)	(27,293)
Short-term asset intensity	74.83%	67.50%	65.08%	61.84%	58.73%	60.12%	66.58%
Days sales outstanding (d.s.o.)	175	136	107	104	105	102	109
Days inventory outstanding (d.i.o.)	221	211	218	209	236	390	490
Days payable outstanding (d.p.o.)	126	124	119	123	110	100	99
Working capital (days)	270	223	206	189	231	392	501

* thousands of euros

Financial soundness indicators

	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Debt ratio	4.09	4.16	4.57	5.00	6.09	5.57	5.23
Debt cover	1.81	0.98	1.26	1.59	2.32	2.81	3.58
Net gearing	1.01	0.65	1.10	1.25	2.04	2.38	2.38
Capitalisation level	0.89	1.00	0.66	0.60	0.46	0.44	0.48
Percentage of financial debt	0.15	0.01	0.03	0.05	0.13	0.14	0.19
Short-term bank loan intensity	0.32	0.16	0.22	0.26	0.34	0.44	0.49

WACC (Weighted Average Cost of Capital)

For the calculation of the weighted average cost of capital (WACC), or the cost that the business must incur to obtain financial resources from Shareholders or third-party financial institutions, the formula shown in the tables was used, with the weight between the cost of own capital and the cost of debt, with countries represented by company funds and financial payables.

The formula used is as follows:

***WACC*= Ke * E/(D+E) + (Kd * (1-t))* D/(D+E)**

Ke: Cost of capital

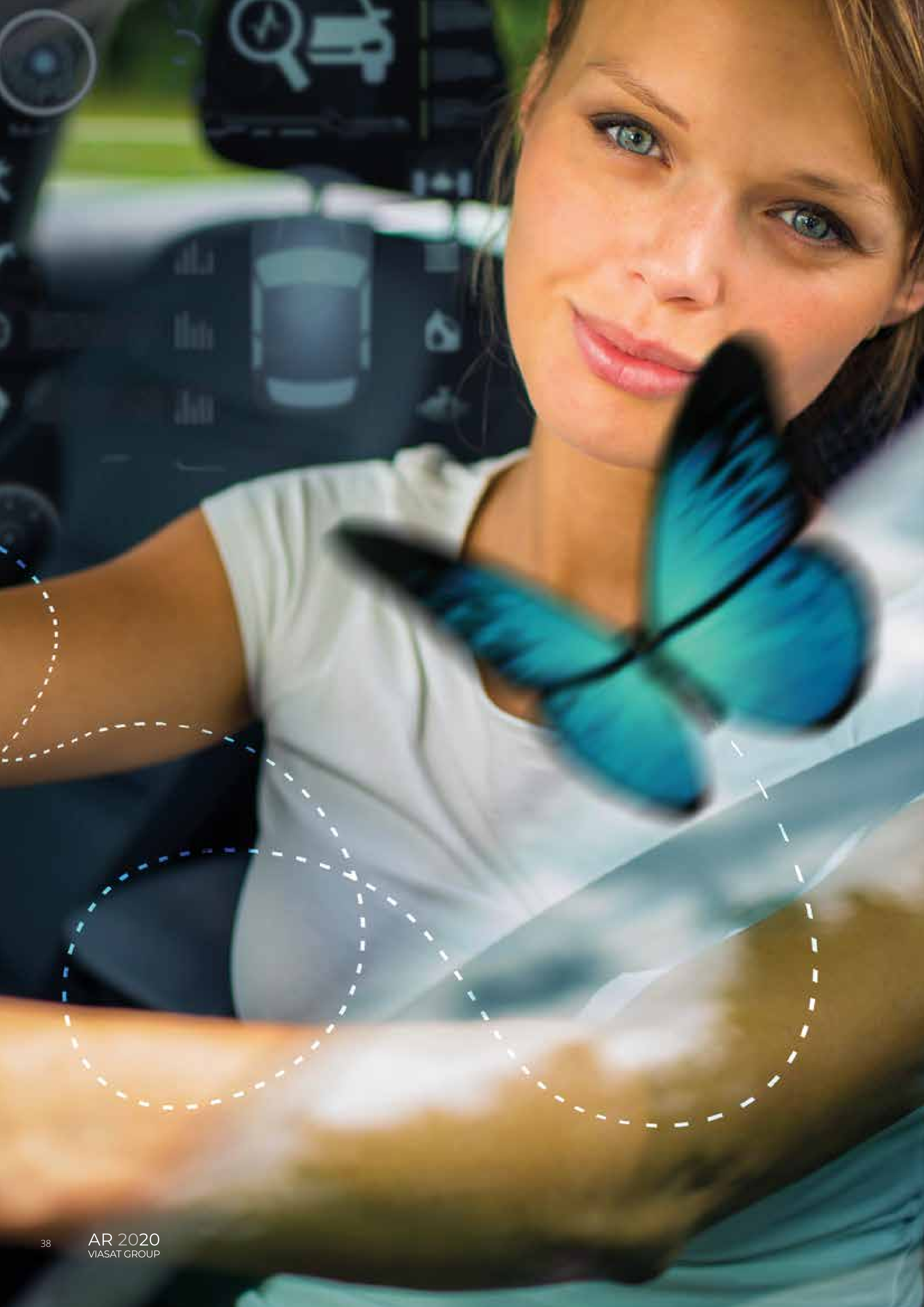
Kd: Net cost of debt

E: Shareholders' equity

D: Borrowed capital

t: Tax rate

	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Cost of capital	7.63%	8.77%	10.65%	7.82%	13.97%	12.81%	6.43%
Net cost of debt	2.17%	1.62%	1.09%	0.88%	0.76%	0.93%	1.08%
Portion of Shareholders' equity	*50.52%*	*50.00%*	*47.63%*	*44.91%*	*32.88%*	*29.60%*	*86.91%*
Portion of borrowed capital	*49.48%*	*50.00%*	*52.37%*	*55.09%*	*67.12%*	*70.40%*	*13.09%*
WACC	***5.08%***	***5.20%***	***5.65%***	***3.99%***	***5.10%***	***4.45%***	***5.73%***

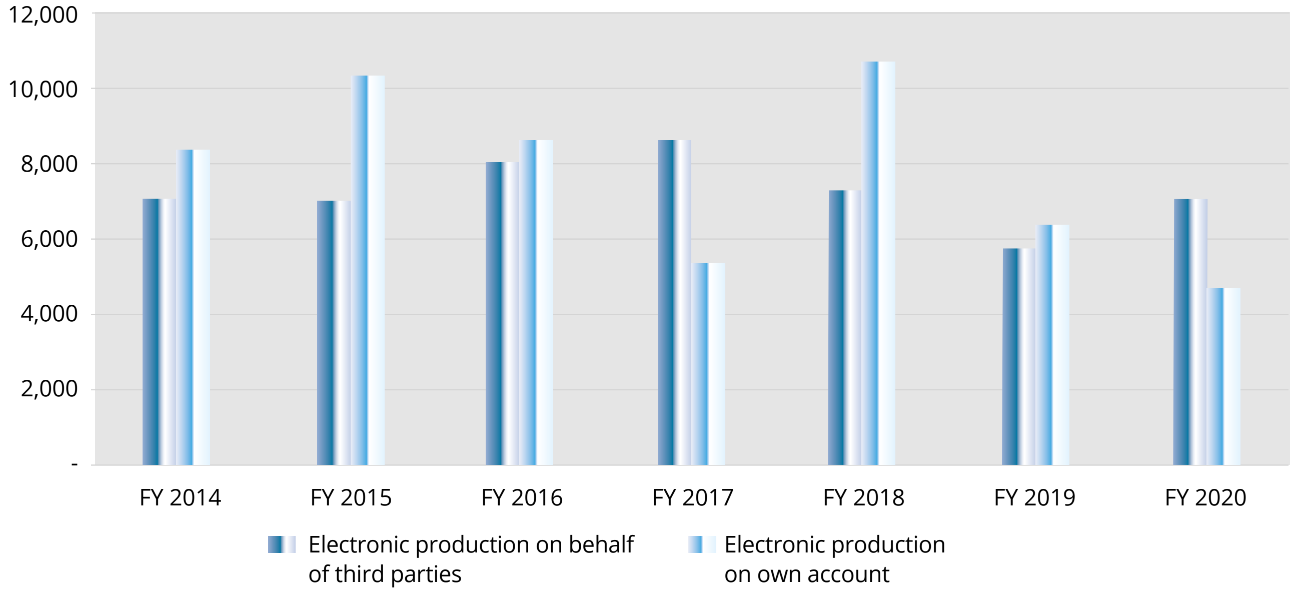


GROUP OPERATING COMPANIES

R&D and Manufacturing

Electronics production on own account and on behalf of third parties

(thousands of euro)	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Electronic production on behalf of third parties	7,023	7,085	8,037	8,628	7,168	5,961	7,109
Electronic production on own account	8,221	10,608	8,683	5,360	10,915	6,372	4,448



Company	Year	Currency	***Revenues**** (euro)	**EBITDA*** (euro)	***Net Profit (Loss)*** (euro)	**Workforce** (Units)	**Field of competence**	**Presence**
Vem Solutions S.p.A. (Adjusted)	2020	EUR	18.237.689	(743.422)	(2.767.138)	119	*Big Data Management IOT Solutions*	Belgium, Czech Republic, France, Germany, Israel, Italy, Netherland, Sweden, Taiwan, United States
	2019	EUR	22.092.801	(3.613.467)	(3.392.092)	134		

Company Description

Vem Solutions S.p.A. is the company, with 4 offices in Italy, that deals with R&D, Engineering and Manufacturing in the Viasat Group. Vem aims to design, develop and manufacture telematic devices and smart sensors equipped with IoT technologies, telematic platforms and services for the B2B world and Apps for smartphones and tablets. The company offers effective and innovative solutions for both Group and third parties, with a significant positioning on the target market. The first of October 2020 VEM acquired and merged by incorporation the company COGEMA SRL. This deal created an international electronics engineering and manufacturing hub to be able to compete in consumer electronics products, as well as in Hi-Tech products in consumer products, in Hi-Tech products in the professional sectors of automotive, industrial, avionics, defence and IoT home automation.

** IFRS GAAP*

			Revenues* (euro)	EBITDA* (euro)	Net Profit (Loss) (euro)	Workforce (Units)	Field of competence	Presence
Minipuls OOD (Adjusted)	2020	BGN	1.402.969	(56.467)	(147.829)	69	*Big Data Management Fleet Assistance IoT Solutions*	Bulgaria, Italy
	2020	EUR	717.338	(28.871)	(75.585)	69		
	2019	BGN	1.575.754	(328.256)	(426.782)	90		
	2019	EUR	805.683	(167.837)	(218.214)	90		

Company Description

A subsidiary of Vem Solutions S.p.A, Minipuls OOD has been operating in Plovdiv since 1994, assembling, manufacturing and testing electronic boards. The company is certified UNI EN ISO 9001-2000.

			Revenues* (euro)	EBITDA* (euro)	Net Profit (Loss) (euro)	Workforce (Units)	Field of competence	Presence
BLU TECH CO Ltd (Adjusted)	2020	CNY	7.669.459	286.980	(466.416)	29	*IoT Solutions*	China, Italy
	2020	EUR	970.609	36.319	(59.027)	29		
	2019	CNY	8.366.418	419.847	485.821	29		
	2019	EUR	1.058.812	53.134	61.483	29		

Company Description

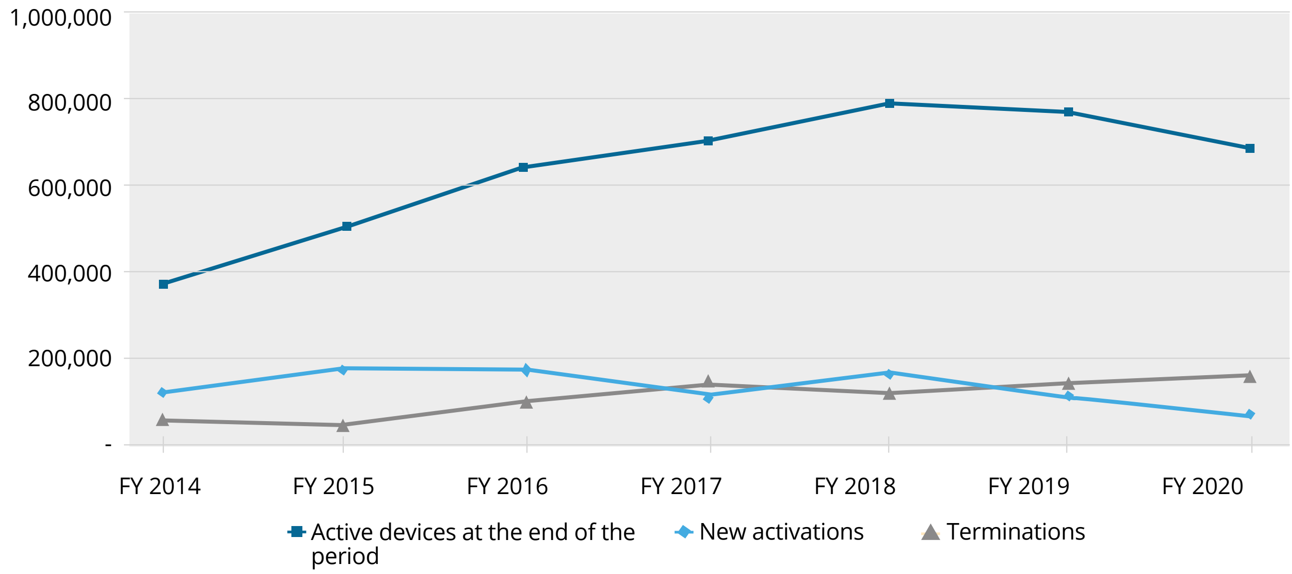
A subsidiary of Vem Solutions S.p.A, Blu Tech is a site dedicated to the production of custom electronic components. UL compliant, with an advanced purchasing office for the research and development of new areas of purchase for raw materials and a quality control area with the task of approving new suppliers and verifying their requirements with continuous controls on individual deliveries. Operational since 2006 UNI EN ISO 9001-2000 certified company (TÜV D certification body).

** IFRS GAAP*

Telematics Services

Viasat Group Satellite devices

(Units)	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Active devices at the end of the period	365,059	502,672	641,191	688,264	796,175	781,861	699,466
New activations	129,961	181,919	174,557	120,425	179,396	125,472	81,636
Terminations	51,014	45,846	91,703	128,953	117,520	139,786	164,032
Change of Consolidation Scope	35,190	1,540	55,665	55,601	46,035		
CAGR (Compound Annual Growth Rate)							
3 Year growth rate	24.12%	35.49%	36.72%	23.54%	16.57%	6.84%	0.54%



			Revenues* (euro)	**EBITDA*** (euro)	***Net Profit (Loss)*** (euro)	**Workforce** (Units)	**Field of competence**	**Presence**
Viasat S.p.A	2020	EUR	39.555.185	21.334.458	8.832.573	258	*Insurtech* *Big Data Management* *Smart Connect* *Fleet* *Waste Management* *Assistance* *IoT Solutions* *Workforce Management*	Germany, Italy, Romania, San Marino, Switzerland
	2019	EUR	47.307.574	24.122.870	7.846.836	249		

Company Description

Since 2002, the company has been part of the Viasat Group and is the leading player in the on-board telematics and satellite tracking sector, not only in terms of customer numbers but also in terms of the countries reached.
In addition, Viasat is a top player in Big Data management, thanks to thirty years of consolidated experience in the LBS (Local Based Services) market. After the merger (in 2019) of the companies Datamove, Anthea, Sherlock and Helian has expanded the spectrum of its offer with:

- Designing, implementing and managing software platforms dedicated to monitoring and certifying the services and activities carried out by companies operating in the environmental hygiene services sector;
- Waste management information systems;
- GPS tracking devices that help bikers to combat bicycle theft and facilitate the recovery;
- Solutions dedicated to environmental monitoring via WSN (wireless sensor network);
- Street Control, a mobile control and sanction system.

** IFRS GAAP*

			Revenues* (euro)	EBITDA* (euro)	Net Profit (Loss) (euro)	Workforce (Units)	Field of competence	Presence
Viasat Connect UK (ex- Enigma Vehicle Systems Ltd)	2020	GBP	3.573.845	1.355.387	755.346	31	Big Data Management Fleet IoT Solutions	Burundi, Cote d'Ivoire, Ireland, Kenya, Kuwait, Lebanon, Malawi, Mauritius, Nigeria United Kingdom
	2020	EUR	4.016.910	1.523.420	848.990	31		
	2019	GBP	4.173.310	1.527.286	916.032	36		
	2019	EUR	4.754.440	1.739.960	1.043.589	36		

Company Description

Viasat Connect UK (**Company Register 02708351**) is a leading player in the UK, ME and Africa. The company provides web-based telematics solutions that enable tracking and tracing of different types of vehicles, operating in the following business areas: fleet management, construction and agricultural vehicle tracking, utilities and waste management. Viasat Connect has a capillary presence abroad in more than 25 countries in emerging African markets and the Middle East.
For the security of people and goods, the company collaborates with local government institutions, such as the Metropolitan Police plants or the National Intelligence Unit for Agriculture (PANIU).
Warranty: Viasat Group confirms that the subsidiary company is exempt from the Audit Act in accordance with section 479A of the "Companies Act" for the accounting period ending on 31/12/2020

			Revenues* (euro)	EBITDA* (euro)	Net Profit (Loss) (euro)	Workforce (Units)	Field of competence	Presence
Viasat Monitoring Sp.Z.o.o	2020	PLN	15.645.126	4.003.204	484.633	85	Big Data Management Fleet Assistance IoT Solutions	Finland, Guinea, Israel, Netherlands, Poland, South Africa
	2020	EUR	3.521.298	901.014	109.078	85		
	2019	PLN	17.954.926	5.255.647	1.437.673	88		
	2019	EUR	4.177.878	1.222.921	334.528	88		

Company Description

Viasat Monitoring operates in Poland in the fleet market, which represents 95% of its turnover (the other part of the business is private and commercial building monitoring), with more than 19,000 vehicles connected to its proprietary platform. Two locations, Warsaw and Bytom (Katowice), 6 sales offices, 88 employees and a Security Operation Center operating 24x7x365.
The Polish market is one of the fastest growing markets in Europe in terms of business, where satellite telematics will play a major role.

			Revenues* (euro)	EBITDA* (euro)	Net Profit (Loss) (euro)	Workforce (Units)	Field of competence	Presence
Viasat Servicios Telematicos S.L	2020	EUR	5.330.666	1.304.996	(1.101.628)	64	Big Data Management Smart Connect IoT Solutions Insurtech	Andorra, Belgium, Morocco, Poland, Romania, Spain, United States
	2019	EUR	7.663.409	2.147.452	(681.795)	79		

Company Description

Viasat Servicios Telamàticos was founded in Madrid in 2012 with the aim of reproducing the Italian business model on Iberian territory, taking advantage of the synergies arising from belonging to the Viasat Group, in terms of commercial commercial, operational and technological know-how. Its main business is focused on the sale of assistance, protection and security services for goods and people, as well as Fleet Management System (FMS) services. In 2019 it incorporated the company Personalización y Seguridad Professional S.L also known as MobileFleet, which is based in Alcalá de Henares (Madrid). It is a company specialising in the supply of Telematics Services for fleets, with a solid network of dealers and extensive experience in the manufacture, development and management of solutions for Vehicle Security, M2M communication and GPS tracking. On 01/10/2020 it incorporated the company DETECTOR DE SEGUIMIENTO Y TRANSMISIÓN, S.A. and started using the commercial brand Viasat Telematics Spain.

** IFRS GAAP*

Company	Year	Currency	***Revenues**** (euro)	**EBITDA*** (euro)	***Net Profit (Loss)*** (euro)	**Workforce** (Units)	**Field of competence**	**Presence**
Viasat Systems S.r.L	2020	RON	4.904.209	224.200	(731.244)	22	*Insurtech Smart Connect Fleet Assistance*	Romania, Portugal
	2020	EUR	1.013.622	46.339	(151.137)	22		
	2019	RON	4.786.528	310.999	(452.921)	19		
	2019	EUR	1.008.678	65.538	(95.445)	19		

Company Description

Viasat Systems operates in the field of fleet management (fleet management, monitoring of construction and agricultural vehicles, utilities and waste management).
More recently, the company has expanded its range of services, starting to operate in the insurance market.
The company provides telematics services, developed by Viasat Group R&D, with a focus on the markets of Romania, Hungary, Bulgaria and Turkey.

Company	Year	Currency	***Revenues**** (euro)	**EBITDA*** (euro)	***Net Profit (Loss)*** (euro)	**Workforce** (Units)	**Field of competence**	**Presence**
BF Engineering S.A	2020	EUR	655.519	318.349	147.906	2	*Big Data Management Smart Connect Fleet Assistance IoT Solutions Workforce Management*	Austria, Belgium, Benin, Burundi, Cameroon, Cote d'Ivoire, Congo, France, Germany, Guinea, Israel, Italy, Luxembourg, Mali, Mauritania, Morocco, Netherlands, Poland, Portugal, Rwanda, Senegal, Slovakia, Switzerland, Chad, United Kingdom-
	2019	EUR	989.481	112.887	(112.665)	2		
Viasat Connect Belgium (ex-Emixis S.A)	2020	EUR	3.644.512	401.555	(545.732)	18		
	2019	EUR	3.504.750	7.873	(811.799)	19		

Company Description

Develops, manufactures and distributes technology to improve the management and security of people, vehicles and mobile assets. Using a combination of GPS, smartphone applications and cloud computing, the technology enables the verification of temperature-controlled supply chains, protecting vehicles against theft and unauthorised use, detect fuel theft, monitor the location and use of assets/trailers, and plan and track the activities (workforce management) of technicians, social workers and nurses through a smartphone.
Since 2020, it has been using the commercial brand Viasat Connect Belgium.

Company	Year	Currency	***Revenues**** (euro)	**EBITDA*** (euro)	***Net Profit (Loss)*** (euro)	**Workforce** (Units)	**Field of competence**	**Presence**
Team.Ind Solutions S.r.L	2020	EUR	1.001.215	(1.070.854)	(1.619.101)	9	*Fleet Workforce Management*	Bulgaria, Italy, Romania, Slovenia
	2019	EUR	1.516.911	(995.841)	(1.300.626)	12		

Company Description

Teamind Solution is a System Integrator focused on intelligent technological solutions for the world of mobility which automate the planning, management, monitoring and execution of vehicles and activities that automate the planning, management, monitoring and execution of activities of vehicles and employees, minimizing waste of resources and time. *Trasporto Semplice* is the solution proposed by Teamind that allows to automate the operational activities of transport companies with highly reliable integrated solutions and services.

** IFRS GAAP*

			Revenues* (euro)	**EBITDA*** (euro)	***Net Profit (Loss)*** (euro)	**Workforce** (Units)	**Field of competence**	**Presence**
Mobile Fleet Chile S.p.A	2020	CLP	402.965.456	178.687.696	132.888.996	4	*Smart Connect IoT Solutions*	Argentina, Belgium, Bolivia, Ecuador, Guatemala, Mexico,
	2020	EUR	446.183	197.852	147.141	4		
	2019	CLP	417.421.906	88.090.688	(3.282.642)	4		
	2019	EUR	530.468	111.947	(4.172)	4		

Company Description

The company provides telematics services to customers in the commercial distribution, security and transport sectors, including maritime transport, with a solution that collects all the required information about a ship through the use of a smartphone.

			Revenues* (euro)	**EBITDA*** (euro)	***Net Profit (Loss)*** (euro)	**Workforce** (Units)	**Field of competence**	**Presence**
Icom OOD	2020	BGN	4.748.085	1.184.886	(72.498)	59	*Big Data Management Fleet Assistance IoT Solutions*	Belgium, Bulgaria, Israel, Macedonia, Netherlands, Romania, United Kingdom
	2020	EUR	2.427.695	605.832	(37.068)	59		
	2019	BGN	5.679.839	1.456.638	432.911	65		
	2019	EUR	2.904.100	744.779	221.347	65		

Company Description

The company, acquired in December 2017 is one of the leading players in the French B2B telematics (fleet management and field staff management). The solutions offered are available in Software as a Service (SaaS) and are characterised by a high level of user-friendliness that ensures a quick start-up, despite the high level of features. The company, specialised in SME and ETI offers, is based in the Toulouse region where it develops its solutions and provides a customer service activity. In 2020, it changed its company name to Viasat Connect SaS.

			Revenues* (euro)	**EBITDA*** (euro)	***Net Profit (Loss)*** (euro)	**Workforce** (Units)	**Field of competence**	**Presence**
Viasat Connect SaS (ex-Tel & Tel SaS)	2020	EUR	3.891.311	1.343.985	397.160	33	*Fleet Management*	Belgium, Czech Republic, France, Mali, Malta, Morocco, Netherlands, Switzerland
	2019	EUR	3.723.069	1.015.944	425.304	32		

Company Description

The company, acquired in December 2017 is one of the leading players in the French B2B telematics (fleet management and field staff management). The solutions offered are available in Software as a Service (SaaS) and are characterised by a high level of user-friendliness that ensures a quick start-up, despite the high level of features. The company, specialised in SME and ETI offers, is based in the Toulouse region where it develops its solutions and provides a customer service activity. In 2020, it changed its company name to Viasat Connect SaS.

** IFRS GAAP*

			*Revenues** (euro)	EBITDA* (euro)	*Net Profit (Loss)* (euro)	Workforce (Units)	Field of competence	Presence
Trackit Consulting Lda	2020	EUR	1.113.328	175.764	(67.728)	20	*Fleet Management*	Romania, Portugal, Spain
	2019	EUR	1.057.303	252.402	66.298	19		

Company Description

Viasat Connect Portugal (trade name TRACKiT Consulting) is a Portuguese company located near Lisbon (Setúbal), whose core is composed of professionals with over 10 years of experience in fleet management solutions and consultancy services for fleet management. The internal autonomy, the ability to develop software solutions and the strong focus on the customer's needs make it a special partner for monitoring, safety and security in the world of transport, including cold chain transports and Ecodrive-related services.

** IFRS GAAP*

DEVELOPMENT AND INNOVATION

In recent years, the market of electronic products in Europe and worldwide has shown a trend - even more pronounced than in previous years - of concentration of the offer of services on a few subjects able to support their customers in at least a continental context. Market studies show a significant growth of all electronic applications related to road transport in its different applications. A market that is expanding and growing at such high rates is an important opportunity for the Viasat Group; however, the competitive context will be even more intense by the entry of new subjects in the market and therefore the ability to anticipate and meet customer requirements still has to grow.

The main driving force that has allowed the Viasat Group to create value over time and better compete on the market by providing high quality products and services is innovation. In a constantly changing business environment, real competitive advantage stems above all from the ability to think outside the box and quickly implement new solutions meeting customer requirements and, even better, to understand the needs and the shared points of potential customers, in order to expand the customer base and win new market shares. Starting from 2020, the year in which the last acquisition of the Cogema Group was completed, the Group's strategy focused on concentrating its efforts on exploiting all the potential synergies deriving from M&A transactions, with the objective of achieving a greater rationalisation and level of integration of activities and processes. The objective for the part relating to development and innovation activities will be to achieve a greater level of know-how sharing, of current and future technological solutions and of rationalisation of processes within the Group, including:

- the development of new satellite apparatuses and products, based on the concept defined by the marketing department, leading to the technical specifications on both the hardware and software levels;

- the development of tools and software applications dedicated to the Operations Centres and able to guarantee and efficient and effective supply of services offered by the Group;
- the development of software tools and applications for special products dedicated to business customers for whom satellite apparatuses are at times even personalised;
- the simplification and rationalisation of the project, product and market flow concerning both hardware and software, with the aim of optimising the creation of value for the Group companies;
- the promotion of continuous technological growth capable of projecting the Group towards the new challenges of IoT, Big Data and Fast Data.

The investments in research over the years have enabled the Viasat Group not only to constantly expand its offer, but also to offer its customers products and services that facilitate and support more sustainable economic practices or based on cooperation and development, especially in emerging areas.

In fact, in the field of telematics, data are not conceived as simple numbers, but are a new source of value for business, since setting up a virtuous circle that can create value for all the actors involved.

These solutions include, for example, waste management services for the management of solid waste: bins are provided with sensors that transmit data, such as their position and filling rate, which are then processed and turned into information about citizens' waste disposal habits. Based on the data collected, a predictive model is created that plans and optimises the journeys of the vehicles used by the company in charge of the service. It organises the routes and tracks rationally, saves time and reduces CO2 and combustion gas emissions into the atmosphere. An aware and thorough use of these technologies is able to reduce the operating costs of municipal companies which has an impact on the costs of collection and consequently leads to a lower expenditure for citizens because they would no longer be taxed only on a property basis but using a mixed method (based on property and on the specific amounts disposed of), following the principle of charging on the basis of waste produced.

The Group has understood the paradigm shift from a linear economy (production, use and disposal of resulting waste) to a circular model (production, use and reuse of the process final output as input for a new cycle), trying to offer its own contribution to the promotion of the concept of business sustainable development with a zero environmental impact, through the offer of the services described.

Another development area is road safety: thanks to the devices installed on the vehicles of people on the move, in fact, if an accident occurs, an automatic alarm can be sent to the authorities to ensure timely action by rescue services and to reduce the risk of death related to the event or, by pressing the anti-panic button (located on the vehicle, on the customer's remote control or through the Viasat appS mobile app) the user can be found and assisted in case of aggression or in any case of need. Specifically, if the button inside the vehicle is pressed or if the app is used, speaker-phone communication is activated that allows the Operations Centre to activate a silent-listening function inside the vehicle and speak with the customer. Otherwise, if contact is made through the transponder, the Operations Centre will telephone the end customer to determine if assistance is needed.

These technologies, as well as many other Viasat Group services, can contribute to improving the safety of people and the efficient transport of goods, thus creating jobs for thousands of technicians in the technological sector (Industry 4.0) and in the field of related services (security, logistics, transport, etc.), as well as obtaining the social benefits already described, and optimising and improving the efficiency of logistics and transport companies, with a long-lasting and positive structural impact.

We expect to see future scenarios that until recently were simply unimaginable, such as the Smart City, where the mobility of people will become rapid, economical, eco-sustainable and shared, as well as more effective distribution chains, where the goods transported will be constantly monitored (location, temperature, humidity, pressure, etc.). This will be a perfect habitat for Satellite Telematics which Viasat Group will try to be a part of in order to generate positive impacts on the community. It will promote a culture of innovation aimed at continuous technological growth capable of contributing, through its products and services, to the creation of shared social value, to the improvement of performance and to the minimisation of companies' and consumers' environmental impact.

HUMAN RESOURCES

The Group had 869 employees at the end of the year, up by 92 compared to the previous year, including the change in the scope of consolidation.

A fundamental element of the Group's international growth strategy is the enhancement of human capital whose objective, through a system that recognises qualifications, personal experience, technical skills and individual abilities, is to clearly and transparently define the roles and responsibilities of each worker so as to fully exploit their potential. The promotion of recognition and remuneration policies aimed at ensuring fairness and equal opportunities for all employees, developing the skills and talent of its people are regarded as key elements for competing successfully on the reference market and generating value over time. For this reason, internal and external training courses are essential because they allow the Group to increase the skills of its personnel and to facilitate, where necessary, interchange between different departments. Continuous learning skills represents the essential foundation to manage an environment that is constantly and rapidly changing and that requires all employees to positively respond and adapt to new organisational models and requirements in all spheres of competence. Training in the Group is managed by the Human Resources Department or by the appointed functions within the various areas, which prepare specific training plans and assign courses to employees on the basis of their professional classification, responsibilities and specific skills to be developed or maintained.

ENVIRONMENTAL RESPONSIBILITY

The Viasat Group has as its the ultimate goal the respect of mixed and delicate balances of the context in which it operates and is a part of, with the aim of doing business through the creation of lasting value over time. The attention to a smooth, forward-looking development and the ability to link future, long-term horizons with daily action, are objectives that companies must pursue if they wish to be successful.

Throughout all the production process phases, the Group inevitably generates a number of environmental impacts, from the consumption of natural resources, such as energy and water, to the production of waste. The attention it has always paid to environmental issues and to the challenges posed by climate change drives the Group to continually monitor the impacts that its activities generate on the environment, so as to be able to prevent or limit them. In order to achieve this goal, it is important to implement targeted actions such as, for example, the efficient use of natural resources, the replacement of polluting materials, responsible waste management, the optimisation of logistics flows and the sustainable management of its supply chain.

Specific attention is paid to reducing its energy requirements which represents the main environmental impact generated by the company. It arises mainly from the manufacturing of electronic products, from the supply of power to the network infrastructure, which includes network equipment and Data Centres requiring continuous power supply, and from the air conditioning systems which are essential for keeping the manufacturing machines and products within a constant thermal range.

With regard to the emissions of pollutants into the atmosphere, it should be noted that, as far as industrial processes are concerned, the points of emission come together in a centralised system equipped with a system of activated carbon filters that reduce organic substances. Therefore, only carbon dioxide (CO_2) is emitted in the atmosphere. These filters are periodically inspected and if necessary, they are regenerated by specialised and certified companies. The disposal of waste (hazardous, non-hazardous and assimilable to urban) is managed, in all countries where the Group operates, in full compliance with local regulations in force. When selecting raw materials, the Group also carefully assesses any health and safety impact they may lead to.

REPORT ON RISK FACTORS

The risk factors originated from the Group's activities are highlighted below. Financial risks are analysed quantitatively and qualitatively in a greater detail in a specific section as provided for by IFRS 7.

TABLE OF BUSINESS RISKS						
No.	**Sphere of danger**	**Description of risk**	**Probability of occurrence**	**Damage potential**	**Unit responsible**	**Measures**
1	**Strategic threat**					
1,1		Risks associated with competition	Possible	Critical	Commercial staff	Analysis of competitors' products and services and interaction with technology staff
1,2		Reputational risk	Possible	High	DPO	Maintenance of level of excellence of Group structure
2	**Operational threat**					
2,1		Risk associated with product liability	Very rare	Considerable	Technology staff	Risk outsourced to service industry
2,2		Cyber risks and data protection	Possible	Critical	BOD DPO	Active alignment with the GDPR
2,3		Risks associated with accidents pertaining to premises, goods and equipment	Very rare	Minimum	Legal Department	Risk outsourced to service industry
3	**Finance threat**					
3,1		Credit risk	Possible	Considerable	Finance Department	Adoption of credit management procedures
3,2		Liquidity risk	Possible	Critical	Finance Department	Careful working capital management, high quality of financial communication, prompt planning
3,3		Exchange rate risk	Frequent	Critical	Finance Department	Protection with derivative products of 50% of the requirement not protected by natural hedge
3,4		Interest rate risk	Rare	Minimum	Finance Department	Medium/long-term hedging with specific derivatives (IRS-CAP)
4	**Management and Collaborators**					
4,1		Risks associated with loss of know-how following redundancy of employees	Rare	Considerable	Strategic Committee	Staff incentive and loyalty policies
4,2		Human resource management (accidents/ injuries - labour disputes)	Possible	Critical	Strategic Committee	Risk outsourced to service industry
4,3		Risks associated with third party liability of management and audit bodies	Rare	Critical	Strategic Committee	Risk outsourced to service industry

Size of damage			
PROBABILITY OF OCCURRENCE		**DAMAGE POTENTIAL (less than Euro)**	
Frequent	weekly	Insignificant	5,000
Possible	monthly	Minimum	50,000
Rare	annually	Considerable	100,000
Very rare	every 5 years	Critical	250,000
Improbable	beyond 5 years	High	>250,000

Risks associated with competition

The level of competition in the Group's reference sector could potentially intensify if new companies entered the market with superior human and financial capital and more advanced technologies than the Group, or if car manufacturers make a strategic decision to install their own electronic systems as an alternative to those offered on the market. These two scenarios would have an impact on the Group's activities and its ability to consolidate its competitive position in the reference sector.

Actions. The Group has pursued and continues to pursue ongoing growth policies, because growth represents an extraordinary instrument for the diversification of risk and the ability to generate the resources to invest even more resources into innovation. As regards the risk that the Original Equipment Manufacturers (OEMs) could adopt their own systems, the Group has for some time diversified its business in the service market associated with these technologies, concentrating in particular in the automotive aftermarket sector, in which our country is one of the most important at European level. Furthermore, it continues to invest in the development of new solutions, so as to be able to effectively intercept the demand of advanced solutions for the OEM sector which favours the growth of sales in this sector only for innovative services.

Reputational risk

Over its long history, the Group has been successful in building a solid reputation, based on the firm conviction of applying genuine ethical principles to the way of doing business. As discussed in other sections of this report, the Group's reputation is certainly one of its most important assets. Our reputation represents wealth and capital accumulated over time as the company's ability to continually meet the expectations of the stakeholders. Contributing to this result, there are the different functions and numerous activities by means of which the company manifests externally: its technology skills, reliable manufacturing, comprehensive service, courtesy and training of our customer service personnel, financial communications and the solid economic and financial base are only some of our strengths. In the current age of highly developed communications, if a company is less than excellent in just one of the characteristics listed above, it could compromise what it spent forty years building.

Actions. The Group has the willingness to continue to implement all the processes that align the Group's skilled personnel to pursue the fundamental objective of developing and expanding the company's reputation.

Risk associated with product liability

Any defects in designing and producing the products manufactured could result in a liability from the product vis-à-vis third parties. In addition, if the products were defective or did not meet the technical specifications required by customers, the Group may need to recall those products from the market, also upon request by customers.

Actions. The monitoring processes and the product quality structures have been improved by adopting measures that have favoured a better efficiency in the management of product performance feedback, allowing corrective and improvement actions to be taken promptly where necessary. Furthermore, to defend itself against possible claims for damages, the Group stipulated a specific insurance policy.

Cyber risks and data protection

As part of the processing and storage of personal data of customers, suppliers, collaborators and employees of the Group, all the minimum technical and organisational measures required by Regulation (EU) 2016/679 and by the relevant law are adopted. The level of IT security is also guaranteed by compliance with the ISO/IEC 27001 standard which defines the requirements for a ISMS (Information Security Management System).

Actions. After the purely legal aspects had been clarified, the Group adopted consistent, preventive security measures that reduce to a minimum the risk of destruction or loss, including accidental, from unauthorised access or from unauthorised handling of personal data. All of the data described above is archived in the Group's operational and management databases. These archives are managed, just as the entire process described above, in a manner compliant with regulations regarding privacy and IT security, both in terms of protection from external access as well as tracking administrative access and, thereby, tracking authorised users and how the data is used.

Risks associated with accidents pertaining to premises, goods and equipment

Albeit none of the Group's premises are located in areas subject to particular risks, (environmental/natural, criminal risks, etc.), the strategy implemented by the management is careful not to disregard such risks that, albeit very rare, could be a risk for business continuity if not properly managed.

Actions. By monitoring the value present on premises, mainly represented by goods stored in them and by manufacturing machines, the legal department annually informs the broker the amounts to be insured. These valuables, together with coverage linked to the premises themselves, represent the main indicators for taking out the most appropriate policies useful for transferring this risk to the insurance market.

Credit risk

Credit risk represents the exposure to potential losses should commercial or financial counterparties fail to fulfil their obligations. This risk depends first of all on factors of a typically commercial-financial nature, such as the possibility that a counterparty becomes insolvent, and from factors that are more strictly of a technical-commercial, administrative or legal nature. The company decided to maintain the potential level of risk at "considerable", in light of the events of the pandemic occurring up to the time of approval of the financial statements by the Shareholders' meeting. Though most of our customers are sound and large in size, it is possible to imagine a slowdown in the collection of receivables due to the contingent situation. For the purpose of providing a correct representation of the fair value of the total trade receivables, these were stated in the financial statements net of the bad debt provision. The international structure of the Group incorporates a strong heterogeneity with regard to the risk involved, since the peculiarities of each country and each market have an important impact on the risk itself as well as on policies to prevent and reduce it.

Actions. The Group is focused on formulating ever more effective credit management strategies in order to minimise the portion of uncollectable receivables.

Liquidity risk

Liquidity risk represents the possibility that financial resources available to the Company are not sufficient to meet the various obligations under the established terms and timings, especially in this uncertain context due to the effects of COVID-19. Although we are aware of the Group's financial and economic strength, deriving mainly from the recurrence aspect of the company's core business, and from the strength of the main customers, the monitoring of future cash flows is considered a priority and is subject to constant verification on a weekly or monthly basis, depending on the aspects taken into consideration.

Actions. The Group has evolved to centralised liquidity management in order to ensure that resources are optimised. The equity and financial structure, also at the end of this year, is balanced and substantially in line with the previous year. Evaluations are underway regarding the instruments made available to the legislator through the "Liquidity Decree" and the related guarantees with the aim of exploiting the potential benefits.

Exchange rate risk

Exchange rate risk can be generally defined as the sum of the effects from changes in the cross exchange rates among the various currencies on the performance of the business in terms of financial operating results, market shares and cash flows. The Group's operating currency is the euro (EUR). Businesses that operate in foreign markets generate cash flows in foreign currencies that represent an exposure to exchange rate risk on future operations (operating exposure) or from the conversion of the book value of the foreign subsidiaries in the reporting currency of the parent company (accounting exposure).

The Group is subject to risk related to fluctuations in the exchange rates of foreign currencies because it operates on a global basis in which transactions are conducted in different currencies. The Group's exposure to exchange rate risk stems from procurement of raw materials outside the European Union and from transactions with third parties relating to acquisitions made during the financial year or payments of earn out relating to past transactions. The currencies mainly involved in these transactions are the US dollar (USD), the British pound (GBP) and the Polish zloty (PLN). To this must be added the exchange rate risk deriving from companies that have a functional currency other than the euro (British pound, Romanian leu, Polish zloty, Chilean peso, Bulgarian lev).

Actions. The company's objective is to ensure cash flow stability covering the risk deriving from external factors that cannot be controlled. Historically, the percentage of purchasing in foreign currencies was rather limited, both in terms of defending the production contribution margin as well as from the standpoint of the financial component. Dedicated financial instruments designed to mitigate the exchange risk are held to partially hedge the transactions planned

Interest rate risk

During the year the Group mainly used long-term debt instruments relegating short-term debt to an ancillary role.

Actions. For almost all instruments, specific cash flow hedging transactions were built, transforming the loan from floating rate to fixed rate.

Risks associated with loss of know-how following redundancy of employees

Albeit an intangible asset, human capital represents a key asset for the company's life, because know-how acquired by employees over the years is very important for business continuity.

Actions. The Group carried out an internal reorganisation more oriented towards value flows. All this was in order to favour a process of simpler, more immediate and effective circulation of information, imposing greater operational speed and flexibility in the multi-technological development stages of the different corporate processes, guaranteeing structural mitigation of this risk.

Human resource management (accidents/injuries - labour disputes)

Even if the Group has always implemented the most careful policies, undeniably there is the risk that employees, or third parties who are temporary guests of the company premises, may have accidents. It is likewise possible that, following the interruption of an employment relationship, a former employee may bring a legal action against the Group if he/she believes that his/her rights have been violated. Moreover, on approval of the financial statements for 2020, the company inevitably had to handle the period of the pandemic that has hit all of Europe and is expanding in all countries of the world. Therefore, while operating in full compliance with the regulations in force on protection from Sars-CoV-2 and observing the social distancing rules set out, the Group is aware of the potential risk of contagion among employees working inside its facilities. This context ensured that a "possible" risk of occurrence and a "critical" potential for damage were maintained.

Actions. In addition to the most careful policies aimed at reducing the risks potentially caused by the management of human resources, the Group has appropriate insurance coverage in order to transfer the residual risk to the insurance market. To handle and reduce to the minimum the risk deriving from the pandemic, the Group immediately implemented a social distancing protocol and entry/exit restrictions, in order to safeguard all company operators, both those whose physical presence at the company's facilities is necessary for them to correctly perform their work, and to facilitate, as per government regulations, remote working from employees' homes.

Risks associated with third party liability of management and audit bodies

Any director or member of the control bodies, albeit working with the utmost care and good faith, could violate any law unintentionally, especially when, as is the case in the Viasat Group, they work with laws that are not only Italian.

Actions. By borrowing in part what was reported in the previous analysed risk, also in this case the Group sensitises the awareness of its directors and auditors to operate in full compliance with laws and regulations. In any case, appropriate insurance coverage protecting the Group against residual eventualities were taken out with the aim of not wanting to leave out any residual risk.

OUTSTANDING LEGAL ACTIONS AGAINST THE GROUP

The following table shows that judicial proceedings initiated against Viasat Group companies are limited in number.

	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Disputes brought vis-à-vis the Group (total number)	15	20	17	14	22	26	31
Disputes brought vis-à-vis the Group (specific)	8	7	2	2	8	7	7
Disputes brought vis-à-vis the Group (concluded)	14	2	5	5	0	3	7

INTERCOMPANY AND RELATED PARTY TRANSACTIONS

Transactions between Group companies, as part of both vertical production integrations as well as regarding the rendering of services, are regulated at market conditions given the characteristics of the goods and services rendered.

The most significant transactions during the year between the Parent Company Viasat Group S.p.A. and its subsidiaries are described in the relative section of the financial statements.

Related party transactions are compliant with IAS 24 as well as the CONSOB communication of 28 July 2006, included later in this document.

SIGNIFICANT EVENTS FOLLOWING THE CLOSING DATE OF THE YEAR

During the first quarter of 2021, the arbitration was concluded for the determination of the purchase price of 40% of the company Team.ind S.r.l. against the exercise of the option by Viasat Group in July 2019.

STRATEGY, GROWTH AND OPERATING PERFORMANCE IN THE BUSINESS SEGMENTS

The effects of the pandemic, which put a strain on the real economy, unlike the financial crisis of 2007 which later turned into an economic crisis, did not have negative impacts on the financial world thanks to the interventions implemented by the governors of the Central Banks. Consequently, the entities with consistent fundamentals and business models able to guarantee continuity over time, such as the Viasat Group, have been and will be able to face the crisis by making the most of the financial resources and measures made available by the various legislators of the various countries and by the financial world. In recent years, the market of electronic products in Europe and worldwide showed a trend - even more pronounced than in previous years - of concentration of the offer of services on a few subjects able to support their customers in at least a continental context. This context prompted the Group to undertake, starting from 2014, an internationalization process through M&A transactions at European and national level, where opportunities related to corporate acquisitions were presented that offered innovative and synergistic technological solutions for the Group. Prioritising speed in the execution of transactions to the detriment of the exploitation of synergies and post-acquisition integration made it possible to acquire targets in the various countries compatible with the resources available by exploiting the greatest number of possible opportunities.

After years of acquisitions, the primary objective of the Group will be to concentrate its efforts on maximising the benefits deriving from the synergies not yet achieved between the various companies, by harmonising and applying synergy to commercial activities, technical solutions and economies of scale, with the ultimate goal of increasing overall margins through organic growth. In fact, in the last two years, only one acquisition transaction was completed.

The change in strategy, totally focused on the aspects linked to the business, led to a reorganisation of the functions within the Group, with a vision that privileges management by Business Unit over a corporate approach, and consequently the role of the BU manager with respect to the CEO, considering the legal entities as a vehicle through which the various forms of business are provided. The Group oversees the entire chain of value creation, from design and production of devices of their installation, the development of the electronic process, data management and the offer of services on all markets and segments. The maintenance of a high level of efficiency, considered a primary objective, will be pursued through the sharing of know-how at Group level and a significant use of resources in industrial research and development and training, with the aim of creating products and services capable of responding to the growing and diversified needs of current and future customers.

The general system is characterised by constantly changing political, legislative, cultural and economic conditions that have determined and will determine in the future new opportunities that the Group will have to seize in order to continue its growth path, without running the risk of wasting energy and resources in all new areas if application of satellite technology but selecting those deemed to have greater added value. In fact, considering that the end consumer, the Insurance Companies and the fleet managers, which constitute the main types of customers of the Group, have very specific needs and requirements, being able to interpret these specificities in the best possible way will require constant commitment and understanding of the specific issues. The Viasat Group, unique in the Italian scenario, plays a leading role in all three areas and this represents a strong point in the mitigation of risks also in comparison with competitors.

TREASURY SHARES

As at the closing of the financial statements on 31 December 2020, none of the Group companies holds treasury shares. Treasury shares were not purchased or sold during the year.

DIVIDEND POLICY

Similar to the year ended 31 December 2019, Viasat Group S.p.A. has not defined any dividend policy.

PROPOSAL TO APPROVE THE FINANCIAL STATEMENTS AND ALLOCATION OF THE NET INCOME OF THE YEAR

Dear Shareholders,

We submit for your review the financial statements as at 31 December 2020 and propose that the net profit of € 6,937,503 be allocated to the extraordinary reserve.

Venaria Reale. 31 March 2021

The Board of Directors

STATEMENT OF COMPREHENSIVE INCOME[1]	Notes	FY 2020	FY 2019
(thousands of euro)			
Revenues	1	70,441	82,382
Other income	2	2,037	1,592
Total Revenues		**72,479**	**83,975**
Materials consumption	3	(6,648)	(8,030)
Services	4	(16,146)	(18,253)
Operating rentals and leases	5	(324)	(455)
Personnel costs	6	(25,410)	(26,841)
Other operating costs	7	(3,046)	(3,176)
Total operating costs		**(51,574)**	**(56,755)**
Gross Operating Margin		**20,905**	**27,220**
Provisions, write-downs and other income (expenses) non-recurrent	8	(835)	(983)
Amortisation and depreciation	9	(17,673)	(20,932)
Operating result		**2,397**	**5,305**
Financial income	10	542	789
Financial charges	11	(1,821)	(1,656)
Net financial income (charges)		**(1,279)**	**(867)**
Financial income (charges) from equity investments	12	-	(240)
Pre-tax profit (loss)		**1,118**	**4,198**
Income taxes	13	(271)	(477)
Net results of operating activities		**847**	**3,721**
Results of assets disposed of and/or destined to be disposed of		-	-
Net profit (loss)		**847**	**3,721**

(1). In accordance with Consob Resolution No. 15519 dated 27 July 2006, the effects of the transactions with related parties on the statement of comprehensive income are highlighted in the specific table included in the following pages and are more fully explained.

STATEMENT OF COMPREHENSIVE INCOME[1]	Notes	FY 2020	FY 2019
(thousands of euro)			
OTHER COMPREHENSIVE INCOME			
Available-for-sale assets	14	(13)	12
Hedging instruments	15	(33)	(44)
Actuarial income / (loss)	16	150	(15)
Exchange rate differences due to valuation of available-for-sale assets			
Exchange rate differences due to translation differences for foreign companies	17	(777)	(476)
Deferred tax on revenues not transferred through income statement	18	(25)	10
Total other comprehensive income components		**(699)**	**(513)**
Comprehensive net income (loss)		**148**	**3,209**
of which subsequently reclassified in the income statement		(803)	(509)
of which subsequently not reclassified in the income statement		104	(3)
Net profit (loss) attributable to:	**19**		
net profit (loss) attributable to third parties		44	(1)
net profit (loss) attributable to the Group		803	3,723
Other components of comprehensive income attributable to			
net profit (loss) attributable to third parties		4	2
net profit (loss) attributable to the Group		(703)	(515)
Earning per share (Euro)	20		
From operating activities:			
Basic		0.00	0.11
Diluted		0.00	0.11

(1). In accordance with Consob Resolution No. 15519 dated 27 July 2006, the effects of the transactions with related parties on the statement of comprehensive income are highlighted in the specific table included in the following pages and are more fully explained.

STATEMENT OF EQUITY AND FINANCIAL POSITION[1]	Notes	FY 2020	FY 2019
(thousands of euro)			
Non-current assets			
Goodwill	21	48,854	46,997
Other intangile assets	22	31,455	33,758
Property, plant and equipment	23	30,365	35,100
Equity investments	24	5	5
Other financial assets	25	320	1,477
Tax assets	26	110	354
Deferred tax assets	27	8,978	9,600
Other receivables and miscellaneous non curret assets	28	5	12
Total non-current assets		**120,093**	**127,301**
Current assets			
Inventory	29	10,578	9,138
Trade receibvables	30	24,738	27,392
Other receivables and miscellaneous curret assets	31	1,494	1,381
Other current financial assets	32	289	300
Tax assets	33	3,999	2,772
Cash and cash equivalents	34	3,520	10,913
Total current assets		**44,618**	**51,896**
Available-for-sale assets		-	-
Total assets		**164,711**	**179,197**
Capital and reserves			
Share capital		1,500	1,500
Reserves		*18,254*	*20,568*
Unallocated profits		*11,747*	*10,121*
Shareholder's Equity pertaining to the Group		**31,502**	**32,189**
Shareholders' Equity attributable to the minority Shareholders/Minority interests		(25)	(30)
Total Shareholders' Equity	**35**	**31,477**	**32,159**

1). In accordance with Consob Resolution No. 15519 of 27 July 2006, the effects of transactions with related parties on the consolidated statement of equity and financial position are highlighted in the specific table included in the following pages and are more fully explained.

STATEMENT OF EQUITY AND FINANCIAL POSITION(1)	Notes	FY 2020	FY 2019
(thousands of euro)			
Non-current liabilities			
Payables to banks and other financiers	36	30,201	35,865
Finance lease liabilities	37	10,735	12,019
Other liabilities	38	5,950	8,647
Liabilities for pensions and employee severance indemnity	39	3,132	2,315
Deferred tax liabilities	40	6,954	8,460
Provisions for risks and charges	41	534	672
Total non-current liabilities		**57,506**	**67,978**
Current liabilities			
Payables to banks and other financiers	42	35,389	36,713
Finance lease liabilities	43	2,272	2,820
Trade payables	44	11,580	12,336
Tax liabilities	45	2,196	2,270
Other liabilities	46	24,292	24,921
Total current liabilities		**75,728**	**79,060**
Liabilities directly related to available-for-sale assets		-	-
Total liabilities		**133,234**	**147,038**
Total liabilities and Shareholders' Equity		**164,711**	**179.197**

1). In accordance with Consob Resolution No. 15519 of 27 July 2006, the effects of transactions with related parties on the consolidated statement of equity and financial position are highlighted in the specific table included in the following pages and are more fully explained.

CASH FLOW STATEMENT[1]	Notes	FY 2020	FY 2019
(thousands of euro)			
A) CASH FLOW FROM OPERATIONS			
Amounts collected from customers		88,060	102,613
Other amount collected		329	169
Total amounts collected from operations		**88,389**	**102,783**
Payments to suppliers*		(32,719)	(40,169)
Payments relating to staff*		(25,857)	(27,944)
Payments for taxes		(11,107)	(11,452)
Payments for banking services		(263)	(253)
Other payments		(1,276)	(1,955)
Total payments from operations		**(71,222)**	**(81,774)**
Total payments from operations relating to asset destined to be sold		**-**	**-**
Cash flow balance from operations	**47**	**17,167**	**21,009**
B) CASH FLOW FROM INVESTMENT ACTIVITIES			
Amounts collected from disposal of patents - licenses - trademarks - intellectual property rights		-	-
Amounts collected from disposal of land and buildings		802	-
Price from disposal of plant - machinery - equipment		-	-
Price from disposal of equity investments**		-	-
Amounts collected for interest income on bank deposits and other assets		1	8
Amounts collected for dividends		2	3
Price from disposal other assets		85	352
Total amounts collected from investment activities		**889**	**362**
Payments for acquisitions of disposal of patents - licenses - trademarks - intellectual property rights		(408)	(484)
Payments for development costs		(4,331)	(3,655)
Payments for the purchase of land and buildings		-	-
Payments for the purchase of plant - machinery - equipment		(354)	(644)
Payments for assets on free loan basis and leased		(3,343)	(6,232)
Payments for the purchase of equity investments***		(610)	(8,673)
Payments for the purchase of other assets		(633)	(839)
Total payments for investment activities		**(9,679)**	**(20,527)**
Cash flow balance from investment activities	**48**	**(8,790)**	**(20,164)**

* net of investments
** net of cash and cash equivalents disposed of
*** net of cash and cash equivalent acquired

1). In accordance with Consob Resolution No. 15519 of 27 July 2006, the effects of transactions with related parties on the consolidated cash flow statement are highlighted in the specific table included in the following pages and are more fully explained.

CASH FLOW STATEMENT[1]	Notes	FY 2020	FY 2019
(thousands of euro)			
C) CASH FLOW FROM FINANCING ACTIVITIES			
Amounts collected relating to the issue of equities		-	-
Other contributions from Shareholders		-	-
Increases in cash and cash equivalents for long-terms loans		11,530	32,292
Increases in cash and cash equivalents for short-terms loans		727	2,698
Amounts collected from other financing activities		230	115
Total amounts collected from financing activities		**12,487**	**35,105**
Repayment of medium/long term amounts due to banks		(23,627)	(25,556)
Repayment of short term amounts due to banks		(199)	(3)
Payments relating to financial leases		(2,672)	(1,627)
Interest payment		(1,378)	(1,440)
Dividend payment		(4)	-
Payments relating to other financial activities		(238)	(1,124)
Total cash outflows relating to financing activities		**(28,119)**	**(29,749)**
Cash flow balance from financing activities	**49**	**(15,631)**	**5,356**
Cash at the beginning of the period		**10,913**	**4,661**
Cash flow balance from operations		**17,167**	**21,009**
Cash flow balance from investment activities		**(8,790)**	**(20,164)**
Cash flow balance from financing activities		**(15,631)**	**5,356**
Adjustments		**(140)**	**51**
Cash at the end of the period		**3,520**	**10,913**

1). In accordance with Consob Resolution No. 15519 of 27 July 2006, the effects of transactions with related parties on the consolidated cash flow statement are highlighted in the specific table included in the following pages and are more fully explained.

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

(thousands of euro)	Share capital	Legal reserve	Cash Flow Hedge Reserve	Other reserves	Unalloca-ted profits	Group Profit of the year	Sharehol-der's Equi-ty pertai-ning to the Group	Profit of the year Minority	Reserves Minority	Sharehol-der's equity attributable to third par-ties/ minority interest	Total Sharehol-ders' Equity
Balance as at 31/12/2019	**1,500**	**300**	**(206)**	**20,474**	**6,398**	**3,723**	**32,189**	**(1)**	**(29)**	**(30)**	**32,159**
Net profit (loss) for the year	-	-	-	-	-	803	803	44	-	44	847
Available for sale assets*	-	-	-	(10)	-	-	(10)	-	-	-	(10)
Hedging instruments*	-	-	88	(114)	-	-	(25)	-	-	-	(25)
Actuarial profit / (loss)*	-	-	-	114	-	-	114	-	-	-	114
Exchange rate differences due to translation differences for foreign companies	-	-	-	(781)	-	-	(781)	-	4	4	(777)
Exchange rate differences due to valuation of available for sale assets	-	-	-	-	-	-	-	-	-	-	-
Comprehensive net income (losses)	**-**	**-**	**88**	**(791)**	**-**	**803**	**100**	**44**	**4**	**48**	**148**
Net Profit distribution	-	-	-	5,797	(2,074)	(3,723)	-	1	(1)	-	-
Dividends	-	-	-	-	-	-	-	-	-	-	-
Changes in Consolidation Scope	-	-	-	-	-	-	-	-	-	-	-
Other Movements	-	-	-	(7,408)	6,621	-	(787)	-	(43)	(43)	(829)
Balance as at 31/12/2020	**1,500**	**300**	**(118)**	**18,072**	**10,945**	**803**	**31,502**	**44**	**(69)**	**(25)**	**31,477**

* After the tax effect

CONSOLIDATED NET FINANCIAL INDEBTEDNESS

(thousands of euro)	FY 2020	FY 2019
A) Cash	(12)	(12)
B) Other cash equivalent	(3,508)	(10,901)
C) Securities held for trading	(31)	-
D) Liquidity (A) + (B) + (C)	**(3,550)**	**(10,913)**
E) Current financial receivables	**(229)**	**(275)**
F) Current bank payables	7,154	6,341
G) Current portion of non-current financial debt*	30,507	33,193
H) Other current financial payables	-	-
I) Current financial debt (F) + (G) + (H)	**37,661**	**39,533**
J) Net current financial debt (I) + (E) + (D)	**33,882**	**28,346**
K) Non-current bank payables	30,009	35,753
L) Bond issued	-	-
M) Other non-current payables	11,057	12,307
N) Non-current financial debt (K) + (L) + (M)	**41,067**	**48,060**
O) Net financial debt (J) + (N)	**74,948**	**76,405**

of which 28,235 thousands of euro short-term portion of ML-term loans as at 31.12.2020

	FY 2020	FY 2019
G) Current portion of non-current financial debt*	**30,507**	**33,193**
G.1) Financial debt for operating leasing IFRS16)	2,249	2,707
M) Other non-current payables	**11,057**	**12,307**
M.1) Financial debt for operating leasing IFRS16)	10,735	12,011
Net financial debt (J) + (N) without debts for operating leasing	**61,965**	**61,687**

The change in the scope of consolidation had an impact of € 2 million at 31 December 2020 (€ 4 million at the acquisition date of 30 September 2020)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME IN ACCORDANCE WITH CONSOB RESOLUTION NO. 15519 OF 27 JULY 2006

(thousands of euro)	FY 2020	of which related parties	%	FY 2019	of which related parties	%
Revenues	70,441	171	0.24%	82,382		
Other income	2,037	0	0.01%	1,592		
Total Revenues	**72,479**			**83,975**		
Materials consumption	(6,648)			(8,030)		
Services	(16,146)	(929)	5.75%	(18,253)	(1,728)	9.47%
Operating rentals and leases	(324)			(455)		
Personnel costs	(25,410)	(2,001)	7.87%	(26,841)	(2,239)	8.34%
Other operating costs	(3,046)			(3,176)		
Total operating costs	**(51,574)**			**(56,755)**		
Gross Operating Margin	**20,905**			**27,220**		
Provisions, write-downs and other income (expenses) non-recurrent	(835)			(983)		
Amortisation and depreciation	(17,673)	(340)	1.92%	(20,932)	(353)	1.69%
Operating result	**2,397**			**5,305**		
Financial income	542			789		
Financial charges	(1,821)	(115)	6.30%	(1,656)	(126)	7.60%
Net financial income (charges)	**(1,279)**			**(867)**		
Financial income (charges) from equity investments	-			(240)		
Pre-tax profit (loss)	**1,118**			**4,198**		
Income taxes	(271)			(477)		
Net results of operating activities	**847**			**3,721**		
Results of assets disposed of and/or destined to be disposed of						
Net profit (loss)	**847**			**3,721**		

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
IN ACCORDANCE WITH CONSOB RESOLUTION NO. 15519 OF 27 JULY 2006

(thousands of euro)	FY 2020	of which related parties	%	FY 2019	of which related parties	%
OTHER COMPREHENSIVE INCOME						
Available-for-sale assets	(13)			12		
Hedging instruments	(33)			(44)		
Actuarial income/(loss)	150			(15)		
Exchange rate differences due to valuation of available-for-sale assets						
Exchange rate differences due to translation differences for foreign companies	(777)			(476)		
Deferred tax on revenues not transferred through income statement	(25)			10		
Total other comprehensive income components	**(699)**			**(513)**		
Comprehensive net income (loss)	**148**			**3,209**		
of which subsequently reclassified in the income statement	(803)			(509)		
of which subsequently not reclassified in the income statement	104			(3)		

CONSOLIDATED STATEMENT OF EQUITY AND FINANCIAL POSITION
IN ACCORDANCE WITH CONSOB RESOLUTION NO. 15519 OF 27 JULY 2006

(thousands of euro)	FY 2020	of which related parties	%	FY 2019	of which related parties	%
Non-current assets						
Goodwill	48,854			46,997		
Other intangible assets	31,455			33,758		
Property, plant and equipment	30,365	2,945	9.70%	35,100	3,383	9.64%
Equity investments	5			5		
Other financial assets	320			1,477		
Tax assets	110			354		
Deferred tax assets	8,978			9,600		
Other receivables and miscellaneous non curret assets	5			12		
Total non-current assets	**120,093**			**127,301**		
Current assets						
Inventory	10,578			9,138		
Trade receivables	24,738	53	0.22%	27,392		
Other receivables and miscellaneous current assets	1,494			1,381		
Other current financial assets	289			300		
Tax assets	3,999			2,772		
Cash and cash equivalents	3,520			10,913		
Total current assets	**44,618**			**51,896**		
Available-for-sale assets						
Total assets	**164,711**			**179,197**		
Capital and reserves						
Share capital	1,500			1,500		
Reserves	18,254			20,568		
Unallocated profits	11,747			10,121		
Shareholder's Equity pertaining to the Group	**31,502**			**32,189**		
Shareholders' Equity attributable to the minority Shareholders/Minority interests	(25)			(30)		
Total Shareholders' Equity	**31,477**			**32,159**		

CONSOLIDATED STATEMENT OF EQUITY AND FINANCIAL POSITION IN ACCORDANCE WITH CONSOB RESOLUTION NO. 15519 OF 27 JULY 2006

(thousands of euro)	FY 2020	of which related parties	%	FY 2019	of which related parties	%
Non-current liabilities						
Payables to banks and other financiers	30,201			35,865		
Finance lease liabilities	10,735	2,753	25.64%	12,019	3,130	26.04%
Other liabilities	5,950	2,047	34.41%	8,647	4,148	47.97%
Liabilities for pensions and employee severance indemnity	3,132	38	1.22%	2,315	97	4.19%
Deferred tax liabilities	6,954			8,460		
Provisions for risks and charges	534			672		
Total non-current liabilities	**57,506**			**67,978**		
Current liabilities						
Payables to banks and other financiers	35,389	0	0.00%	36,713	9	0.02%
Finance lease liabilities	2,272	291	12.79%	2,820	308	10.92%
Trade payables	11,580	49	0.43%	12,336	112	0.91%
Tax liabilities	2,196			2,270		
Other liabilities	24,292	1,607	6.61%	24,921	774	3.11%
Total current liabilities	**75,728**			**79,060**		
Liabilities directly related to available-for-sale assets	-			-		
Total liabilities	**133,234**			**147,038**		
Total liabilities and Shareholders' Equity	**164,711**			**179,197**		

CONSOLIDATED CASH FLOW STATEMENT IN ACCORDANCE WITH CONSOB RESOLUTION NO. 15519 OF 27 JULY 2006

(thousands of euro)	FY 2020	of which related parties	%	FY 2019	of which related parties	%
A) CASH FLOW FROM OPERATIONS						
Amounts collected from customers	88,060	309	0.35%	102,613		
Other amount collected	329			169		
Total amounts collected from operations	**88,389**			**102,783**		
Payments to suppliers*	(32,719)	(473)	1.45%	(40,169)	(546)	1.36%
Payments relating to staff*	(25,857)	(1,388)	5.37%	(27,944)	(2,110)	7.55%
Payments for taxes	(11,107)			(11,452)		
Payments for banking services	(263)			(253)		
Other payments	(1,276)			(1,955)		
Total payments from operations	**(71,222)**			**(81,774)**		
Total payments from operations relating to asset destined to be sold						
Cash flow balance from operations	**17,167**			**21,009**		
B) CASH FLOW FROM INVESTMENT ACTIVITIES						
Amounts collected from disposal of patents - licenses - trademarks - intellectual property rights	-			-		
Amounts collected from disposal of land and buildings	802			-		
Price from disposal of plant - machinery - equipment	-			-		
Price from disposal of equity investments**	-			-		
Amounts collected for interest income on bank deposits and other assets	1			8		
Amounts collected for dividends	2			3		
Price from disposal other assets	85			352		
Total amounts collected from investment activities	**890**			**362**		
Payments for acquisitions of disposal of patents - licenses - trademarks - intellectual property rights	(408)			(484)		
Payments for development costs	(4,331)			(3,655)		
Payments for the purchase of land and buildings	-			-		
Payments for the purchase of plant - machinery - equipment	(354)			(644)		
Payments for assets on free loan basis and leased	(3,343)			(6,232)		
Payments for the purchase of equity investments***	(610)	(385)	63.11%	(8,673)	(5,842)	67.36%
Payments for the purchase of other assets	(633)			(839)		
Total payments for investment activities	**(9,679)**			**(20,527)**		
Cash flow balance from investment activities	**(8,789)**			**(20,164)**		

* net of investments
** net of cash and cash equivalents disposed of
*** net of cash and cash equivalent acquired

CONSOLIDATED CASH FLOW STATEMENT IN ACCORDANCE WITH CONSOB RESOLUTION NO. 15519 OF 27 JULY 2006

(thousands of euro)	FY 2020	of which related parties	%	FY 2019	of which related parties	%
C) CASH FLOW FROM FINANCING ACTIVITIES						
Amounts collected relating to the issue of equities	-			-		
Other contributions from Shareholders	-			-		
Increases in cash and cash equivalents for long-terms loans	11,530			32,292		
Increases in cash and cash equivalents for short-terms loans	727			2,698		
Amounts collected from other financing activities	230			115		
Total amounts collected from financing activities	**12,487**			**35,105**		
Repayment of medium/long term amounts due to banks	(23,627)			(25,556)		
Repayment of short term amounts due to banks	(199)			(3)		
Payments relating to financial leases	(2,672)	(98)	3.67%	(1,627)	(298)	18.30%
Interest payment	(1,378)	(15)	1.09%	(1,440)	(126)	8.74%
Dividend payment	(4)			-		
Payments relating to other financial activities	(238)	(8)	3.36%	(1,124)	(10)	0.89%
Total cash outflows relating to financing activities	**(28,118)**			**(29,749)**		
Cash flow balance from financing activities	**(15,631)**			**5,356**		
Cash at the beginning of the period	**10,913**			**4,661**		
Cash flow balance from operations	**17,167**			**21,009**		
Cash flow balance from investment activities	**(8,789)**			**(20,164)**		
Cash flow balance from financing activities	**(15,631)**			**5,356**		
Adjustments	**(140)**			**51**		
Cash at the end of the period	**3,520**			**10,913**		

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. BASIS OF ACCOUNTING

1.1 General principles

The 2020 consolidated financial statements were prepared in accordance with European Regulation no. 1606/2002, in accordance with the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and ratified by the European Union. IFRS encompasses all of the revised international accounting standards ("IAS") and all interpretations by the International Financial Reporting Interpretations Committee ("IFRIC").

The data in these financial statements are compared with those from the previous year, adjusted based on the standards. Figures in the consolidated financial statements are expressed in thousands of euro

1.2 Financial statements and tables

The consolidated financial statements consist of the accounting schedules (consolidated statement of comprehensive income, consolidated statement of equity and financial position, consolidated cash flow statement, consolidated statement of changes in Shareholders' equity and consolidated net financial indebtedness), accompanied by the explanatory notes and report on operations. The consolidated financial statements were drawn up on the basis of the draft financial statements as at 31 December 2020 prepared by the Board of Directors or, if available, the financial statements approved by the Shareholders' Meetings of the respective consolidated companies appropriately adjusted, where necessary, to align them to the classification criteria and the accounting standards adopted by the Group.

The accounting schedules are prepared in compliance with the minimum requirements provided by IAS 1 – *Presentation of the Financial Statements*.

The statement of comprehensive income was prepared according to the framework of costs grouped by type, consistent with the method used for internal Group reporting, highlighting the interim results relative to operating earnings and pre-tax profit. The consolidated financial statements have been prepared in compliance with the general criterion of a reliable and truthful presentation of the Group's economic and financial position, economic result and cash flows, in compliance with the general principles of business continuity, accruals, consistency of presentation, relevance and aggregation, prohibition of offsetting and comparability of information.

In order to provide a more meaningful presentation of normal operating performance, costs and revenues resulting from events or transactions that - based on type or size - are considered non-recurring are included separately, where possible and significant. These transactions may be attributed to the definition of significant, non-recurring events and transactions according to CONSOB Communication No. 6064293 of 28 July 2006, while differing from the definition of “atypical and/or unusual transactions” included in the same CONSOB Communication of 28 July 2006, according to which atypical and/or unusual transactions are those that, based on impact/size, nature of the counterparties, nature of the transaction, transfer price calculation method and timing of the event (near the year-end closing) may give rise to doubts regarding the accuracy/completeness of the information contained in the financial statements, conflicts of interest, safeguarding of company assets and protection of minority Shareholders.

The gross operating margin is calculated as the difference between net revenues and operating costs, excluding non-monetary costs for depreciation/amortisation and write-downs on current and non-current assets, net of any write-backs.

Operating earnings are calculated as the difference between net revenues and operating costs (including non-monetary costs for depreciation/amortisation and write-downs on current and non-current assets, net of any write-backs).

Non-income components were added to the net profit for the year (Other Comprehensive Income) distinguishing those that will not be subsequently reclassified under profit/loss for the year from those that will be subsequently reclassified under profit/loss for the year provided certain criteria are met. They were presented by separating the tax effect into a separate line of the statement.

The statement of equity and financial position was prepared according to the framework that highlights the breakdown of “current/non-current assets and liabilities”. An asset/liability is classified as current when it meets one of the following criteria:

- it is expected that it will be realised/extinguished or that it will be sold or utilised in the normal operating cycle
- it is held primarily for trading or
- it is expected that it will be realised/extinguished within 12 months of the balance sheet date
- in the absence of all of these conditions, the asset/liability is classified as non-current.

The cash flow statement has been drawn up by applying the direct method, via which the main categories of gross collections and payments are indicated. This method, recommended by accounting standard IAS 7 with respect to the indirect method, provides useful information in the estimation of the future cash flows not available with the use of the alternative method.

The cash flow statement reclassifies the incoming and outgoing cash flows during the period as follows:

- Operations
- Investment activities
- Financing activities

The Statement of Changes in Shareholders' Equity shows the changes to Shareholders' equity items related to the:

- breakdown of the comprehensive income into the income component (net profit) and the non-income component (other comprehensive income components).
- allocation of profit for the Parent Company, subsidiaries and third-party Shareholders;
- amounts related to transactions with Shareholders;

Finally, it should be noted that in order to comply with the instructions included in Consob Resolution No. 15519 of 27 July 2006 "Provisions related to financial statement schedules", in addition to the mandatory schedules, specific consolidated schedules were prepared showing significant figures for positions or transactions with related parties indicated separately from the respective line items.

1.3 Principles and scope of consolidation

The scope of consolidation includes the Parent Company Viasat Group S.p.A. and the companies it controls according to the provisions of IFRS 10 - *Consolidated Financial Statements*, or over which the company has at the same time the power over the investee, exposure or rights to variable returns from its involvement with the investee and the ability to use its power over the investee to affect the amount of the returns. The Group reassesses whether these conditions are fulfilled whenever facts and circumstances occur that might change one or more of the three indicated elements.

Subsidiaries are consolidated from the date on which control is effectively transferred to the Group and cease to be consolidated on the date on which control is transferred outside the Group. The assets, liabilities, income and expenses of the subsidiaries acquired or disposed of during the year are included in the consolidated financial statements from the date on which the Group obtained control or from that on which control ceases.

The book value of equity investments is offset with the corresponding portion of Shareholders' equity of the investee company, attributing to the individual asset and liability items their current value as at the date control was acquired. Any residual difference, if positive, is recognised in the non-current asset "goodwill"; if negative, it is charged to the statement of comprehensive income. The profit or loss for the financial year and other components of comprehensive income pertaining to minority interests are identified separately to those of the Group, even if the portion relating to the minority interests shows a negative result. The changes in the shareholdings held by the Group in subsidiaries that do not lead to a loss of control are stated as Shareholders' equity transactions. Should a company’s consolidation be undertaken in several stages with subsequent purchases of shares, each stage is evaluated separately using the cost and information relative to the fair value of assets, liabilities and potential liabilities at the date of each operation to determine the amount of the potential difference. When a subsequent share purchase leads to the control of a company, the interest previously held is expressed again on the basis of the fair value of assets, liabilities and identifiable potential liabilities, determined on the date control is acquired. Any potential consideration to be recognised is recorded by the acquirer at fair value on the date of acquisition. The change in fair value of the potential consideration classified as an asset or liability, as a financial instrument within the scope of IFRS 9, must be recognised through profit or loss or through other comprehensive income. In cases where the potential consideration does not fall within the scope of IFRS 9, it is measured in accordance with the appropriate IFRS. If the potential consideration is classified in Shareholders' equity, its value is not redetermined and its subsequent settlement is recorded in Shareholders' equity.

All significant transactions between Group companies, as well as the related balances, are eliminated as part of the consolidation, as well as unrealised gains and losses on intercompany transactions.

The list of subsidiaries included in the scope of consolidation and the associates accounted for using the equity method, including the information regarding their registered offices and the percentage of capital owned, is shown in the paragraph describing the scope of consolidation and its changes during the year.

There are foreign companies in the Group’s scope of consolidation that have a functional currency other than the euro: British pound, Romanian LEU, Zloty, Bulgarian Lev, Chilean Peso and Chinese Renminbi.

1.4 Business combinations

As provided by IFRS 3 – Business combinations, the acquisition of subsidiaries is accounted for under the “acquisition method”. The cost of the acquisition is calculated as the sum of fair values, at the date of transfer, of assets sold and liabilities incurred or assumed from the acquired company, as well as any financial instruments issued by the Group in exchange for control of the acquired company without the inclusion of costs attributable to the combination. The accessory charges to the transaction are as a rule recognised in the Statement of Comprehensive Income at the time they are incurred.

Assets, liabilities and potential liabilities identifiable as part of the acquired company that meet the conditions of IFRS 3 are recognised at their fair value as at the acquisition date.

The following items are an exception, valued according to their reference principles (deferred tax assets and liabilities, assets and liabilities for employee benefits, assets held for sale and discontinued operations).

The “acquisition method” provides for the recognition (i) of assets, liabilities and potential liabilities of the acquired company at their fair values as at the acquisition date including any identifiable intangible assets that are not already included in the financial statements of the acquired company, (ii) of minority shares of the acquired company in proportion to the relative shareholding in the fair values of said elements or based on their fair values, and (iii) of the Group’s portion of goodwill, calculated as the difference between the cost of the business combination and the shareholding at the net fair value of assets, liabilities and identifiable potential liabilities. The difference is allocated to cash-generating units identified within the Group.

If the difference is negative, it is charged directly to the statement of comprehensive income.

The identification of the fair value of the assets, liabilities and potential liabilities of the acquired company may take place provisionally by the end of the year in which the acquisition occurred, but must be completed within twelve months of the acquisition date.

If the initial values of the business combination are incomplete as at the closing date of the year end following the business combination, the Group presents in its consolidated financial statements the provisional values of the elements for which the recognition could be not completed. These provisional values are adjusted within twelve months from the acquisition date to take into account new information obtained on the facts and circumstances at the acquisition date that, if known, would have had effects on the value of assets and liabilities recognised at said date.

Minority interests are recognised on the basis of the fair value of the net assets acquired.

1.5 Equity investments in associates and joint ventures

An associate is a company over which the Group exercises significant influence. Significant influence means the power to participate in the financial and operating policy decisions of the investee without having control or joint control thereof.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. Joint control means the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

The considerations made in order to determine significant influence or joint control are similar to those necessary to determine control over subsidiaries.

The Group’s equity investments in associates and joint ventures are accounted for using the equity method.

Using the equity method, an equity investment in an associate or in a joint venture is initially recognised at cost. The book value of the equity investment is increased or decreased to recognise the share of the party participating in the profits and losses of the investee realised following the acquisition date. The goodwill pertaining to the associate or the joint venture is included in the book value of the equity investment, and is not subject to individual impairment testing.

The income statement reflects the Group's share of the profit (loss) for the year of the associate or the joint venture. Each changes in the other comprehensive income relating to these investees is presented as a part of the Group's statement of comprehensive income. Moreover, where an associate or joint venture recognises a change with direct allocation to Shareholders' equity, the Group recognises its share, where applicable, in the statement of changes in Shareholders' equity. Unrealised gains and losses deriving from transactions between the Group and associates or joint ventures are eliminated in proportion to the share in the associates or joint ventures.

The Group's aggregate share of the profit (loss) for the year of the associates and joint ventures is recognised in the income statement and represents the profit (loss) after taxes and the shares pertaining to other Shareholders of the associate or joint venture.

The financial statements of associates and joint ventures are drawn up at the same balance sheet date as the Group. Where necessary, the financial statements are adjusted to align them with the Group's accounting standards.

Following the application of the equity method, at each balance sheet date, the Group assesses whether there is objective evidence that the equity investments in associates or joint ventures are impaired. In that case, the Group calculates the amount of the loss as the difference between the recoverable value of the associate or joint venture and the book value in its financial statements, recognising that difference in the income statement.

When significant influence in an associate or joint control over a joint venture is lost, the Group measures and recognises the residual equity investment at fair value. The difference between the book value of the equity investment at the date of the loss of significant influence or joint control and the fair value of the residual equity investment and consideration received is recognised in the income statement.

1.6 Other equity investments

Investments in other companies are measured at fair value and gains and losses deriving from changes in the fair value are booked to other comprehensive income components.

1.7 Conversion of items in foreign currency

1.7.1 Translation of financial statements in currencies other than the functional currency

The financial statements of the Group's companies included in the consolidated financial statements are expressed using the currency in the primary market in which they operate (functional currency). The Group's consolidated financial statements are prepared in Euros, which is the functional currency of the Parent Company.

Translations of items in foreign currency are initially accounted for by Group companies in their functional currencies at the respective exchange rates. At the financial statements date, the assets and liabilities of the subsidiaries and associates whose functional currency is different from the Euro are converted in the currency used for the preparation of the Group's consolidate financial statements at the exchange rate applicable on that date. The items in the income statement are converted at the average exchange rate for the period (considered to be representative of the average exchange rates prevailing at the dates of the individual transactions). The differences deriving from the adjustment of the initial equity at the exchange rate applicable at the end of the period and the differences deriving from the different method used for the conversion of the year's result are recorded in a specific item of the Shareholders' equity (Reserve for foreign currency translation adjustments). The effects are shown under other comprehensive income components. In the event of subsequent disposal of consolidated foreign companies, the cumulative value of translation differences related to them is recognised in the income statement. The table below shows the exchange rates used for the translation of financial statements in currencies other than the Group's functional currency (euro):

Reference currency	Exchange rate as at 31.12.2020	Fy 2020 average exchange rate	Exchange rate as at 31.12.2019	Fy 2019 average exchange rate
New Romanian Leu (RON)	4.86830	4.83830	4.78300	4.74535
Polish Zloty (PLN)	4.55970	4.44300	4.25680	4.29762
UK Pound Sterling (GBP)	0.89903	0.88970	0.85080	0.87777
Chilean Peso (CLP)	872.52000	903.14000	844.86000	786.89322
Bulgarian New Lev (BGN)	1.95580	1.95580	1.95580	1.95580
Chinese Renminbi (CNY)	8.02250	7.90170	-	-

The effects deriving from misalignments of intercompany transactions are assigned to the item related to exchange rate differences (realised or unrealised).

Transactions in currencies other than the functional currency are initially translated into the functional currency using the exchange rate at the transaction date. At the balance sheet date, the monetary assets and liabilities that are not in the functional currency are converted to the functional currency at the exchange rate applicable on that date. The resulting exchange rate differences are recorded in the income statement.

The assets and liabilities not expressed in the functional currency, valued at cost, are converted at the exchange rate applicable on that date, while those valued at fair value are converted at the exchange rate applicable on the date that value was determined.

1.8 Goodwill

Goodwill deriving from business combinations is initially recognised at cost at the acquisition date represented by the excess of the total consideration paid and the amount recorded for minority interests with respect to the identifiable net assets acquired and the liabilities assumed by the Group. This value is not amortised but is subject to an impairment test at least once a year so as to check that there are no reductions in value. The method used for this valuation is the value in use. The discount rate (WACC) used was 7.73%, equal to that of the Group plus an additional 2% in that applied to Business Units and the number of years of calculation was 4, of which the last one represented by the terminal value, calculated by using a growth rate (g) equal to zero. Cash Generating Units are represented by Group Business Units.

After initial recognition, goodwill is stated at cost net of any impairment loss. In the event of transfers of control of the company previously acquired, the capital gain or loss will take into account the corresponding residual value of the goodwill previously recorded.

1.9 Other intangible assets

Intangible assets acquired or internally produced are recognised in assets in accordance with IAS 38 - Intangible assets - when it is likely that the assets will generate future economic benefits, when the cost of the asset can be reasonably assessed and the asset is controlled by the Group, or by the company that has the power to enjoy future benefits.

If these assets have a finite life, they are recognised at acquisition cost or production cost net of amortisation on a straight-line basis over their estimated useful life and net of any impairment. Other intangible assets obtained following acquisition of a business are recognised separately from goodwill, if their fair value can be reasonably assessed.

Development costs

Development costs for projects related to innovative technology applications designed to improve the satellite *services* offered by the operating companies are recorded under assets only if the use of the asset generates future economic benefits and when the cost of the asset can be determined reliably.

With regard to development activities generated internally, the compliance with the following conditions is assessed, along with the generic requirements: a) technical feasibility, b) intentionality in realising the intangible asset to use it or sell it, c) ability to use or sell the intangible asset, d) method for generating probable future economic benefits, e) availability of technical and financial resources and other types of resources to complete the development of the intangible asset, and f) ability to reliably assess the cost attributable to the intangible assets.

Capitalised development costs include only those expenses incurred that can be directly attributed to the development process and are amortised based on a systematic criteria over the estimated useful life of the product or the service from the time the project starts to generate future economic benefits. Costs incurred after the assets are acquired and the replacement cost of certain elements of assets recognised in this category are capitalised only if they increase the expected future economic benefit of the asset to which they refer. All other costs are recorded in the income statement, when they are incurred.

Software licenses

Purchased *software licenses* are capitalised and recorded as intangible fixed assets at the purchase price and amortised on a straight-line basis over the estimated useful life.

Costs associated with development and ordinary maintenance of the software that do not meet the requirements described above as well as research costs are fully recorded in the income statement when they are incurred.

Trademarks

As brands are an intangible asset with an indefinite useful life, they do not have limitations in terms of useful life from a legal, contractual, economic or competitive perspective. They are reviewed annually or, more frequently, each time there is indication that the asset may have suffered a loss in value, so as to identify any impairment. At the date of approval of the financial statements, the only trademark that had been capitalised was completely written down.

Patents

Patents are capitalised and recorded as intangible fixed assets at the cost incurred for acquisition and amortised on a straight-line basis over the estimated useful life.

Existing contracts

The *existing contracts* were identified by the appraisals supporting the purchase price allocations carried out as a result of the acquisitions made during the financial years. They are amortised with a decreasing value over the years in proportion to the economic effects that have an impact on the different financial years.

Customer Base

Consists of the purchase of customer packets amortised for a period of ten to fifteen years identified by the appraisals supporting the purchase price allocations carried out as a result of the acquisitions made during the financial years.

Unpatented technology

Consists of the purchase of expertise amortised for a period of five to ten years identified by the appraisals supporting the purchase price allocations carried out as a result of the acquisitions made during the financial years.

1.10 Property, plant and equipment

Property, plant, equipment and furnishings are recorded at purchase price or production cost, including accessory charges, net of accumulated depreciation and any write-downs for impairment. Subsequently to the initial entry, the cost criteria is maintained, depreciated on the basis of the useful life of the asset and net of any impairment, taking into consideration the residual value.

Gains and losses from the sale or disposal of assets are calculated as the difference between the sales revenue and the net book value of the asset and are booked to the income statement. If the replacement cost of certain elements of the asset is capitalised, the residual value of the replaced elements is booked to the income statement.

Depreciation is calculated using the straight-line method over the estimated useful life of the asset. The costs for ordinary maintenance activities are charged to the income statement when incurred.

Land is accounted for separately from buildings and is not depreciated as it is considered an asset with an indefinite useful life.

1.11 Leasehold improvements

Leasehold improvements are capitalised in the category of the asset to which they refer and are amortised according to their useful life. Maintenance and repair costs not leading to any significant and measurable increase in value or useful life of the asset in question are recorded in the year in which they are incurred.

1.12 Impairment

At each balance sheet date, the book value of the tangible and intangible fixed assets is reviewed for indications that these assets have suffered impairment. If such indications are present, the recoverable amount of the assets is estimated to determine the amount of the write-down. If it is not possible to estimate the recoverable value of an asset individually, an estimate of the recoverable value of the cash-generating unit to which the asset belongs is used. Intangible assets with an indefinite useful life, including goodwill, are checked annually for indications of impairment.

The recoverable amount is the greater between the fair value net of costs to sell and the usage value, defined on the basis of discounted future cash flows method. The value in use is the sum of cash flows expected from the use of the asset, or their sum in the case of several cash-generating units. To determine the expected cash flows, the unlevered discounted cash flow method is used, using a discount rate determined according to the WACC method (weighted average cost of capital) that reflects the current market valuations of the value of money and the specific risks of the activities.

If the recoverable amount of an asset (or a cash-generating unit) is estimated to be less than its book value, the asset value is decreased to its recoverable value.

If the reasons for a write-down cease to exist, the book value of the asset (or of the cash-generating unit), with the exception of goodwill, a write-back is performed to the new value resulting from the estimate of its recoverable value, but not more than the net book value had the asset not been written down previously. The value write-back is booked to the income statement.

1.13 Leased assets and operating rentals

IFRS 16 - *Leases* specifies how an IFRS reporter will recognise, measure, present and disclose lease agreements and requires lessees to recognise all leases based on a single accounting model similar to that used to recognise financial leases that were governed by IAS 17. The standard envisages two recognition exemptions for the lessee in relation to lease agreements where the underlying asset has a "low value" and short-term leases (such as leases with a lease term of 12 months or less). Upon lease commencement, a lessee recognises a lease liability for the payment of the rental fees envisaged by the lease contract and a right-of-use asset. The lessees have to recognise separately interest expenses on lease liabilities and the amortisation of the right-of-use asset. The lessees also have to re-measure the lease liability when certain events occur (such as, for example, the changes in the contractual conditions or the changes in future lease payments resulting from a change in an index or a rate used to determine those payments). Generally the lessee recognise the re-measurements of the lease liability as adjustments to the right-of-use asset. The Group defines the duration of the lease as the non-cancellable period of the lease to which the periods covered by the lease extension option must be added, if there is reasonable certainty of exercising this option, and the periods covered by the option to terminate the lease if there is a reasonable certainty not to exercise this option.

1.14 Financial instruments

Financial assets and liabilities are recognised when the contractual rights and obligations envisaged by the instruments become effective.

Their initial recognition takes into account the transaction costs directly attributable to the acquisition. Subsequent to initial recognition, financial instruments are measured at fair value, defined as the price that would be received for the sale of an asset or that would be paid for the transfer of a liability in a regular transaction between market participants at the valuation date. Derivative instruments are recognised in the financial statements and subsequently valued at fair value.

All assets and liabilities for which the fair value is measured or disclosed in the financial statements are classified within the fair value hierarchy, as described below, on the basis of the lowest level of input that is significant for the measurement of fair value in its entirety:

- Level 1 - Quoted prices (unadjusted) on active markets for identical assets or liabilities
- Level 2 - Measurement techniques for which the lowest significant level of input for the measurement of fair value is observable directly or indirectly
- Level 3 - Measurement techniques for which the lowest significant level of input for the measurement of fair value is not observable.

1.14.1 Financial assets

Financial instruments at fair value through other comprehensive income (FVOCI)

This category includes equities measured at fair value with an offsetting entry in other comprehensive income.

Trade and other receivables

Receivables are initially recognised at the nominal value (represented by the transaction's fair value) and are subsequently valued at amortised cost, net of write-downs for losses, which are recorded in the Statement of Comprehensive Income when there is objective evidence that the receivables have suffered impairment.

These write-downs are calculated as the difference between the receivables' book value and the current value of expected future cash flows discounted at the effective interest rate. For short-term trade receivables for which the time component is not relevant, the amortised cost valuation corresponds to the nominal value, net of write-downs for impairment. Receivables that have a maturity of more than one year and that are not interest-bearing, are discounted using the market rate. Financial assets held to maturity are recognised at cost, which is represented by the fair value of the initial amount paid in the transaction. These are represented by *Deposits held as collateral*, which do not meet the requirements to be classified as cash and cash equivalents.

Cash and cash equivalents

Cash and cash equivalents include cash, bank current accounts and demand deposits and other highly liquid short-term financial investments, that are easily converted into cash and are subject to an insignificant risk of changes in value. Cash and cash equivalents are valued at fair value, corresponding to their nominal value or at cost plus any accrued interest.

Cash equivalents are held to meet any short-term cash needs and not for investment purposes or any other purposes. For an investment to be considered similar to cash equivalents, it must be easily converted into cash and must be subject to an irrelevant level of risk for changes in value. Therefore, an investment is classified under cash and cash equivalents only when it matures within three months of the acquisition date.

Any deposits that are subject to restrictive conditions are included in cash and cash equivalents as they are representative of an investment of liquidity that is not subject to risks of changes in value even if the constraints hinder their full availability. Restrictive conditions on the availability of bank deposits are illustrated in the explanatory notes, if present.

Deposits subject to restrictive conditions are excluded from the balance of cash and cash equivalents and are presented as an investment of liquidity whose changes from the prior year are shown in the cash flow statement for the cash generated or absorbed in operations.

Derivative financial instruments

Derivative financial instruments are used as hedges, to reduce risks associated with exchange rate, interest rate or changes in market prices.

Derivative instruments are classified as hedges when the relationship between the derivative and the hedged asset is formally documented and the effectiveness of the hedge, verified periodically, is high. When hedging derivatives hedge the risk of changes to cash flow in the instruments hedged (cash flow hedges), the hedges made are designated against exposure to variability in cash flows attributable to the risks that at a later time may affect the income statement. These risks are generally associated with an asset or a liability recognised in the balance sheet. The effective portion of the changes in fair value of the part of the derivative contracts that have been designated as hedging instruments according to the requirements of IFRS 9 is recorded in other comprehensive income (cash flow hedge reserve). These amounts are reflected in the income statement consistent with the financial effects produced by the hedged asset. The ineffective portion of the change in fair value is recognised directly in the income statement.

1.14.2 Financial liabilities

Financial liabilities are classified, at the time of initial recording, under financial liabilities at the fair value recorded in the income statement, under financing and loans, or under derivatives designated as hedge instruments. All financial liabilities are initially recorded at fair value to which transaction costs directly attributable to them, in the case of mortgages, financing and loans, are added. The Group's financial liabilities include trade receivables and other debts, financing and loans, including overdrafts, guarantees given and derivative financial instruments, as well as liabilities for leased assets.

Trade and other payables

Trade payables and other payables are recognised based on the *amortised cost* method, which generally coincides with the nominal value for the payables' characteristics and maturities.

Payables to banks

They are recognised based on the amounts collected, net of the transaction costs and subsequently valued at *amortised cost*, using the *effective interest rate method*.

Non-current financial liabilities

These payables are recorded at *amortised cost* using the *effective interest rate method*.

1.14.3 Derecognition of financial assets and liabilities

Financial assets are removed from the financial statements when the right to receive liquidity has ceased, the Group has transferred the right to receive cash flows from the asset to a third party or has assumed the contractual obligation to pay them in full and without delay and (1) transferred substantially all risks and rewards of ownership of the financial asset, or (2) it did not transfer or substantially retain all the risks and benefits of the asset, but transferred control of it.

Financial liabilities are derecognised from the statement of equity and financial position when the specific contractual obligation is discharged (cancelled or redeemed).

1.15 Inventory

Inventories of raw materials, semi-finished goods and finished goods are valued at the lesser of cost and the net realisable value, with cost being calculated using average *weighted cost method*. Measurement of inventories includes direct material and labour costs and indirect costs, both variable and fixed. Provisions for write-downs are calculated for materials, finished goods, replacement parts and other supplies considered obsolete or with a slow rotation cycle, considering their future expected use and their realisable value. The realisable value represents the estimated sales price, net of all estimated costs for finishing the product and sales and distribution costs that will be incurred.

Products to be sold are valued at the lesser of the net book value and the fair value net of costs to sell.

1.16 Liabilities for pension benefits and severance indemnity

Defined benefit plans are formalised post-employment benefit programmes which constitute a future obligation for the Group, which is responsible for underwriting the actuarial and investment risks associated with the plan. According to IAS 19, the severance indemnity for employees of the Parent Company and subsidiaries having their registered office in Italy is classified as a cost employment benefit as part of a defined benefit plan for which the amount already accrued must be projected into the future to estimate the amount to be paid at the moment the employment relationship ends. This is then discounted using the projected unit credit method to make a reasonable estimate of the amount of the benefits each employee has accrued to date based on their employment in the current year and the past. The determination of the current value of the obligation is based on the use of actuarial techniques and assumptions. The parameters of a financial nature are based on the market estimates that are known as of the year end date with regard to the period in which the obligations will be discharged.

Actuarial profits (losses) are recorded in a Shareholders' equity reserve indicated under *other comprehensive income components*. There are no assets serving the plans.

1.17 Provisions for risks and charges

Provisions for risks and charges are costs and expenses that are definite and certain or it is probable that by the year end they are indefinite in terms of either the amount or date. The provisions are allocated only if there is a current obligation, resulting from a past event, that may be of a legal or contractual nature or as the result of statements or conduct on the part of the company that resulted in valid expectations for the individuals involved (implicit obligations). These provisions are recorded at the value representing the best estimate of the amount the company will have to pay to settle the obligation if the amount is significant and probable and the payment dates can be reliably estimated. The provision is recognised in the financial statements at the current value in the statement of comprehensive income under "Financial income/(charges)" for the charges resulting from the passage of time.

The Group allocates funds for estimated costs of repair work resulting from guarantees on products sold if the value is significant. Management establishes the value of this provision based on information on the nature and average cost of repair work to be performed under guarantees at the end of each year.

1.18 Revenues from contracts with customers

Sale of telematics products and services

Revenues from contracts with customers are recognised when the control of the goods or services is transferred to the customer for an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The Group acts on its own account ("principal") as typically it controls the goods or services before transferring them to the customer.

Revenues from the sale of devices are recognised at the moment in which the control of the asset is transferred to the customer (at a point in time), generally upon delivery of the goods. On the other hand, the provision of telematics services and the transfer of control to the customer occurs over time, and, therefore, the Group's obligation and the recording of revenue is recognised with the same time schedule.

The normal term of payment is 30 to 90 days from delivery of the goods or from the beginning of the provision of the service.

The Group assesses whether there are other pledges in the contract that are separate performance obligations to which a part of the transaction price must be assigned (e.g. Guarantees). In determining the transaction price for the sale of equipment, the Group considers the effects of variable consideration, the existence of significant financing components, non-cash consideration and the consideration payable to the customer (if present).

Variable consideration

In the event that the consideration includes a variable amount, the Group estimates the amount of such consideration to which it will be entitled in exchange for the transfer to the customer of the goods or services promised.

The recognition of revenues for services on some types of customer in which the transfer price is based on different price ranges depending on the elapsed time from the subscription of the same takes place on the basis of the calculation of the expected value (expected value method) adopting a portfolio approach.

Significant financing component

The Group exercises the option not to proceed with any changes concerning the financing component if it is expected, at the time of the signing of the contract, that the period between the transfer of goods or services to customers and the payment by the customer will be equal to or less than a year. If this period is greater than a year, the financing component is calculated using the rate that would be reflected by a separate financing transaction between the Group and the customer at the beginning of the contract and that would make it possible to discount the nominal amount of the consideration promised to the price that the customer would pay in cash.

Contract liabilities

A *contract liability* consists in the obligation relating to the transfer of goods or services to the customer for which the Group has received (or is entitled to receive) a payment from the same. In the event that the customer makes the payment before the Group transfers the good or service, the contract liability is recorded when the payment is made or is due. The liabilities are released and the revenue is recognised when the Group fulfils the contractual obligation.

Costs for obtaining or executing a contract

The *costs of obtaining* a contract consist of commissions incurred for the setting up of contracts. Since these are annual fees, the Group has opted for the option allowed by the accounting standard of allocating these amounts to the income statement since the amortisation period would have been equal to or less than a year. The costs incurred to fulfil the contract are recognised as assets under intangible assets and amortised for a period equal to the average life of the contracts to which they relate. They mainly consist of the costs of the devices sold to customers and any installation costs incurred for which it is not possible to recognise a separate contractual obligation and consequently to ascribe part of the revenue to it.

1.19 Operating costs

Operating costs include all the fixed and variable costs incurred during the performance of the company's core activities. Therefore, operating costs include the costs for the procurement of production materials and consumables, the service costs incurred for the provision of satellite tracking and protection services, in particular those inherent to traffic between the devices and the operations centres, transport services, costs relating to utilities, sundry consulting, commercial and advertising services, insurance, bank expenses and commission, operating leases and rentals that do not meet the requirements of IFRS 16, and all the costs that can be summarised under general expenses linked to the functioning and maintenance of the plants. These are joined by personnel costs, those for freelancers and the management and audit bodies.

1.20 Non-recurring revenues and expenses

Non-recurring revenues and expenses relate mainly to the adjustment of payables for earn-out payments on acquisitions made in previous years and to the adjustment of payables toward minority Shareholders recognised when valuing options for the purchase of the remaining shares. Non-recurring expenses also include all the costs attributable to acquisition transactions (actual or potential) incurred during the financial year, which are capitalised, where the requirements for doing so are met, in the separate financial statements.

1.21 Financial income and charges

Financial income and charges, stated on an accruals basis, are represented by interest income and expense both of a banking and other nature, exchange gains and losses and the discounting back of sundry items. The portion of dividends received from third parties of companies in which put & call option agreements were signed on the purchase of the remaining shares (thereby increasing the shareholding to 100%) is recognised under financial expenses.

1.22 Financial income and charges from equity investments

These include the results of transactions accounted for using the equity method.

1.23 Taxes

Taxes for the year include current and deferred taxes. Current tax assets and liabilities for the year are measured at the amount that is expected to be recovered or paid to the tax authorities. The rates and tax regulations used to calculate the amount are those issued, or substantially in force, at the reporting date in the countries where the Group operates and generates its taxable income. Any differences between the calculation of the taxes in the financial statements and the income tax returns or the amounts paid or allocated for tax disputes on direct taxes are shown in the item "Taxes of previous years".

Deferred tax assets and liabilities are the taxes that the Group expects to pay or recover on temporary differences between the book value of the balance sheet's assets and liabilities and the corresponding tax value used in calculating taxable income.

Any deferred tax assets, originating from temporary differences and/or prior tax losses, are recorded to the extent that is considered probable that there will be taxable income in the future for which the deductible temporary differences and/or prior tax losses can be used as an offset.

These assets and liabilities are recognised if the temporary differences are the result of goodwill or the initial recognition (not from business combination transactions) of other assets and liabilities in transactions that have no effect on either the accounting profit or the taxable profit. The book value of the deferred tax assets are reviewed at every balance sheet date and decreased to the extent that it is no longer probably that there will be sufficient future taxable income to allow all or a portion of these assets to be recovered.

Deferred taxes are calculated based on the tax rates that the Group expects to be in effect when the asset is realised or the liability is settled. They are recorded directly in the income statement, with the exception of the taxes relative to items charged directly to Shareholders' equity and represented in other components of the statement of comprehensive income. In such cases, the relative deferred taxes are also charged directly to Shareholders' equity and represented in a similar manner.

Deferred tax assets and liabilities are offset when there is a legal right to offset the current tax assets and liabilities and when it refers to taxes due to the same tax authority and the Group intends to liquidate the current tax assets and liabilities on a net basis.

1.24 Dividends

The Group recognises the liabilities relating to the payment of dividends when they are distributed, recording a contra-entry directly in Shareholders' equity.

1.25 Earnings per share

Earnings per share are calculated by dividing the Group's net profit (including non-income components) by the number of shares. There are no potential dilutive effects attributable to the holders of ordinary equity instruments of the Parent Company Viasat Group S.p.A.

2. USE OF ESTIMATES

In preparing the financial statements and the related explanatory notes, estimates and assumptions are made that have an effect on the values of the assets and liabilities, on the related disclosures on potential assets and liabilities and on the value of the revenues and costs reported on the closing date of the financial statements. These estimates and assumptions, checked periodically and duly by the Group, are based on elements known as of the date of presentation, on past experience and on other elements possibly considered relevant. The effects of each estimation change are recognised in the period the review takes place.

2.1 Recoverable value of non-current assets

Non-current assets include *property, plant and equipment, goodwill, other intangible assets* and *other financial assets*. The Group periodically reviews the book value of the non-current assets held and used and of the assets that must be disposed of, when events and circumstances require such a review. With regard to goodwill and intangible assets with an indefinite useful life, this analysis is carried out at least once a year and each time events and circumstances require as such. The analysis of the recoverability of the book value of non-current assets is generally carried out using the estimates of the cash flows expected from the use or the sale of the assets and suitable discount rates for the calculation of the present value. When the book value of a non-current asset has suffered a loss in value, the Group records a write-down equal to the surplus between the book value of the assets and its value recoverable by means of the use or the sale of the same, established with reference to the cash flows inherent in the most recent company plans. With reference to the cash flows considered within the sphere of the analysis carried out, the projections for future years have been discounted back prudently using a long-term growth rate of 0%.

2.2 Recoverability of deferred tax assets

Deferred tax assets are recognised for all unused tax losses, to the extent that taxable income is likely in the future, which is such as to allow the use of the losses. Deferred tax liabilities for taxes on retained earnings of subsidiaries are not recognised to the extent that it is probable that they will not be distributed in the foreseeable future or in the event that they are deemed not to be significant. Estimates must therefore be performed in order to determine the amount of the tax assets that may be recognised and the tax liabilities that may not be recognised based on the level of future taxable profits and on the timing of their occurrence. The differences between the actual results and the assumptions made, or future changes to such assumptions, may require future adjustments to the income taxes and costs already recorded.

2.3 Accumulated depreciation - inventory

The inventory write-down provision reflects the estimate regarding the losses in value expected by the Group, considering the market trend and the possibility of use of the existing inventories. Periodically during the year, the accumulated depreciation is adjusted in cases when the raw materials purchased are no longer considered usable in the production processes or the finished products no longer placeable on the market or adjusted in the cases where certain provisions made previously are no longer deemed suitable in the presence of a change in the conditions that led to the provision.

2.4 Bad debt provision

The *bad debt provision* reflects the estimate of the portion of receivables currently deemed non-recoverable based on the valuations and estimates made, in accordance with accounting standard IFRS 9. These estimates and valuations are different depending on the various types into which it is divided (users, companies, companies under public control or investee companies).

2.5 Potential liabilities

The Group establishes a liability for current disputes and legal proceedings when it is considered probable that a financial outlay will have to be made and when the amount of the losses that will derive from such can be reliably estimated. The disputes and litigation derive from complex legal issues that are subject to a different level of uncertainty, including the facts and circumstances inherent in each of the same. If a financial outlay becomes possible but the amount is still not certain, this fact is presented in the explanatory notes to the consolidated financial statements. In order to maintain the situation of the various outstanding positions as up-to-date as possible, an assessment is carried during the year out on the state of current proceedings by contacting the legal advisors and counsel who have been entrusted with the disputes and litigation, and consequently adjusting the status of the liability.

3. CHANGES IN ACCOUNTING ESTIMATES

Pursuant to IAS 8, changes in accounting estimates are recorded prospectively in the statement of comprehensive income beginning in the year in which the changes are adopted, indicating the nature and amount of the change or pointing out the inability to make an estimate.

4. NEW ACCOUNTING STANDARDS, AMENDMENTS AND INTERPRETATIONS

4.1 New accounting standards, interpretations and amendments adopted by the Group

The impact and the nature of the changes as a result of the adoption of these new accounting standards are described below.

Amendments to IFRS 3: Definition of a business

The amendments to IFRS 3 clarify that to be considered a business, an integrated set of activities and assets must include at least one input and an underlying process that together significantly contribute to the ability to create an output. Furthermore, it was clarified that a business can exist without including all the inputs and processes necessary to create an output.

Amendments to IFRS 7, IFRS 9 and IAS 39: Reform of the interest rate benchmark

The amendments to IFRS 9 and IAS 39 provide a number of practical expedients that apply to hedging relationships that are directly impacted by the reform of the reference interest rates. A hedging relationship that is impacted by the reform is subject to uncertainties regarding the timing and amount of cash flows based on the reference rate with reference to the hedged instrument.

Amendments to IAS 1 and IAS 8 - definition of material

The amendments provide a new definition of materiality, which states that information is relevant if it is reasonable to assume that its omission, misstatement or concealment could influence the decisions that readers make on the basis of these financial statements, which provide financial information. about the specific entity preparing the financial statements. The materiality depends on the nature or extent of the information. An entity assesses whether the information, An entity assesses whether the information, individually or in combination with other information, is material in the context of the financial statements, taken as a whole. The information is hidden if it is communicated in such a way as to have, for the main users of the financial statements, an effect similar to that of the omission or incorrect indication of the same information.

Conceptual Framework for Financial Reporting issued on 29 March 2018

The Conceptual Framework does not represent a standard and none of the concepts contained in it takes precedence over the concepts or requirements of a standard. The purpose of the Conceptual Framework is to support the IASB in the development of standards, to help the writers develop homogeneous accounting policies, where there are no applicable standards in the specific circumstances, and to help all parties involved to understand and interpret the standards. The revised version of the Conceptual Framework includes some new concepts, provides updated definitions and updated recognition criteria for assets and liabilities and clarifies some important concepts.

4.2 Standards issued but not yet in force

The standards and interpretations that had already been issued, but not yet effective, up to the date of issuance of the consolidated financial statements of the Group are listed below. The Group intends to adopt these standards when they come into effect.

- Amendments to IFRS 3 - *Business Combinations* as from 1 January 2022
- Amendments to IAS 16 - *Property, Plant and Equipment* as of 1 January 2022
- Amendments to IAS 37 - *Provisions, Contingent Liabilities and Contingent Assets* as of 1 January 2022
- Annual Improvements 2018 - 2020
- Amendments to IAS 1 - *Presentation of Financial statements* as from 1 January 2023 (not yet endorsed)

The possible impacts on the consolidated financial statements of the Group deriving from the new standards/interpretations are currently being evaluated.

SCOPE OF CONSOLIDATION

The consolidated financial schedules are prepared based on the values as at 31 December 2020, developed by the respective consolidated companies, adjusted as necessary in order to align the same in terms of classification criteria and the Group's accounting standards, which are compliant with IFRS. The scope of consolidation as at 31 December 2020 is as follows:

GROUP SCOPE OF CONSOLIDATION

Name/Company name	% holding	Registered offices	Address	Country	Currency	Consolidation method
Parent Company:						
VIASAT GROUP S.p.A.		Venaria Reale (TO)	Via Aosta 23	Italy	Euro	
Direct subsidiary companies:						
VEM SOLUTIONS S.p.A.	100.00%	Venaria Reale (TO)	Via Aosta 23	Italy	Euro	Line-by-line
VIASAT S.p.A.	100.00%	Roma	Via Tiburtina 1180	Italy	Euro	Line-by-line
TEAM.IND SOLUTIONS S.r.l.	60.00%	Noventa Padovana (PD)	Viale della Navigazione Interna n. 82/I	Italy	Euro	Line-by-line
VIASAT CONNECT SaS	51.00%	Montauban	Impasse di Lisbonne 140	France	Euro	Line-by-line
VIASAT CONNECT LTD (Company number 02708351)	100.00%	Southend On Sea	Unit 11 Britannia Business Park - Comet Way	United Kingdom	Pound Sterling	Line-by-line
VIASAT SERVICIOS TELEMATICOS S.L.	100.00%	Madrid	Paseo de la castellana. 164-166	Spain	Euro	Line-by-line
TRACKIT CONSULTING LDA	60.00%	Setubal	Avenida Bento Gonçalves 22-B	Portugal	Euro	Line-by-line
VIASAT MONITORING SP.Z O.O	100.00%	Warsaw	ul. Puławska 359 02-801	Poland	Zloty	Line-by-line
TRACKSYS SA	100.00%	Bruxelles	3, Rue du Bassin Collecteur	Belgium	Euro	Line-by-line
VIASAT SYSTEMS SRL	100.00%	Bucarest	Strada Doctor Nicolae Turnescu 11	Romania	Romanian LEU	Line-by-line
ICOM OOD	60.00%	Plovdiv	Vasil Levski street 150	Bulgaria	Bulgarian New Lev	Line-by-line
Indirectly held companies:						
MOBILE FLEET CHILE S.p.A.	70.00%	Las Condes (Santiago)	Avda,Apoquindo 4700	Chile	Chilean Peso	Line-by-line
BF ENGINEERING SA	100.00%	Bruxelles	3, Rue du Bassin Collecteur	Belgium	Euro	Line-by-line
VIASAT CONNECT SA	100.00%	Bruxelles	3, Rue du Bassin Collecteur	Belgium	Euro	Line-by-line
MINIPULS OOD	100.00%	Plovdiv	Via Asenovgradsko shose n° 1	Bulgaria	Bulgarian New Lev	Line-by-line
BLU TECH CO LTD	100.00%	China	No.1 XiCun Road. XiaoHu Industrial Park, Huangtu Town, JiangYin, JiangSu Prov.	China	Renminbi cinese	Line-by-line

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The operations that have had an impact on the scope of consolidation are listed below:

- On 30 September 2020, Vem Solutions S.p.A., already holder of a 15% interest, acquired the remaining 85% of the share capital of Cogema S.r.l. and indirectly 100% of its subsidiaries (Minipuls OOD and Blu Tech CO Ltd). At the same time, Cogema S.r.l. was merged by incorporation into Vem Solutions S.p.A.
- On 1 October 2020, the merger by incorporation of Personalización y Seguridad Profesional into Viasat Servicios Telematicos was completed. The effects are to be considered retroactive starting from 01/01/2020.

For all the operations described, excluding Mobile Fleet Chile S.p.A., whose shareholding is not equal to 100%, put and call options were subscribed by the counterparties on the residual minority interests. Therefore the percentage of consolidation does not coincide with the percentage that was actually acquired.

NOTES ON ITEMS IN THE CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

1. Revenues

Revenues for 2020 and 2019 are broken down by category of activity in the table below:

Revenues	FY 2020	FY 2019	Change absolute	%
Sales of electronic chips	6,103	5,515	588	10.7%
Processing contracted by third parties	762	482	279	58.0%
Sales of subscriptions	51,975	59,780	(7,805)	(13.1%)
Sales of products	4,240	7,213	(2,973)	(41.2%)
Ancillary services to customers	3,302	3,173	129	4.1%
Design services	655	525	130	24.8%
Penalties and compensations	1,986	3,500	(1,515)	(43.3%)
Other revenue	1,420	2,195	(775)	(35.3%)
Total Revenues	**70,441**	**82,383**	**(11,941)**	**(14.5%)**

The reduction in Group revenues, equal to 14.5% compared to the previous year, is mainly influenced by the effects of Covid-19, which caused a general contraction in activities starting from March of the year in question. This decrease affected both manufacturing activities and those relating to services provided, albeit in different ways depending on the reference sectors. In fact, the slowdown (and in some cases the temporary block) of work activities has influenced not only the internal production activities but also those with installers and suppliers of various kinds, not allowing in some cases to proceed with the fulfilment of orders and requests of installations by customers (especially as regards the Fleet & Waste Management BU). These effects are in any case mitigated by types of Group business that guarantee recurring revenues for around 80% of the total.

For further details, please refer to the dedicated section of the report on operations. For the comparison with the corresponding period, it is necessary to take into account the effects of the change in the scope of consolidation due to the acquisition of the Cogema manufacturing Group (starting from 1 October 2020) for a total value of € 1.46 million and the negative effects deriving from the adjustment relating to the purchase price allocation pertaining to the acquisition of the Spanish company Detector de Seguimiento y Transmision, S.A., which negatively impacted revenues by € 1.88 million.

2. Other income

The breakdown of *other income* for 2020 and 2019 is provided below:

Other income	FY 2020	FY 2019	Change absolute	%
Contingent assets	946	290	656	226.3%
Other income	221	1,119	(898)	(80.3%)
Grants	191	1	190	28791.9%
Capital gains	678	183	496	271.1%
Total Other Income	**2,037**	**1,592**	**444**	**27.9%**

The most significant change in the note relates to *contingent assets*, the value of which is attributable to Viasat S.p.A for € 780 thousand (€ 332 thousand relating to the partial adjustment of a previous debt made following the transaction with a counterparty). Capital gains include € 651 thousand related to the sale of a property, while contributions are mainly attributable to the British company Viasat Connect Ltd and to the Portuguese company Trackit Consulting Lda and refer to grants for operating expenses made available by local legislators to offset the effects of Covid-19.

3. Materials consumption

Materials consumption for 2020 and 2019 is broken down as follows:

Materials consumption	FY 2020	FY 2019	Change absolute	%
Purchased of materials and finished goods	(7,263)	(8,644)	1,380	(16.0%)
Consumables	(943)	(1,084)	141	(13.0%)
Change in inventory	671	(596)	1,267	(212.5%)
Change in development activities in process	(111)	19	(129)	(693.1%)
Capitalization of internal costs	998	2,276	(1,277)	(56.1%)
Total Materials consumption	**(6,648)**	**(8,030)**	**1,382**	**(17.2%)**

The substantial reduction in the purchase costs of materials is attributable to what has already been pointed out in note 1 regarding the contraction in manufacturing. The decrease in purchases is in fact due to the lower production volumes of Vem Solutions S.p.A. both as regards the activities carried out with third parties and with the Group.

The lower number of installations carried out also contributed to a lower value of internal cost capitalisation activities, mainly relating to the cost component of the assets transferred under free loan. The values of the note were partly offset by the change in the scope of consolidation following the acquisition of the Cogema manufacturing Group. The change in inventories is influenced by the return of equipment from the field, loaned free-of-charge, as a result of non-renewal of the contract by the customer, which underwent a change of intended use (passing from assets to inventory) with a consequent negative impact on the income statement for a similar amount on the item *purchases of materials and finished products*.

4. Services

Costs for services for 2020 and 2019 are broken down as follows:

Services	FY 2020	FY 2019	Change absolute	%
Telecommunications services	(3,840)	(4,409)	569	(12.9%)
Administration and control bodies	(1,122)	(1,457)	336	(23.0%)
Outsourced operations centres	(102)	(129)	27	(20.9%)
Installers services	(2,237)	(2,001)	(237)	11.8%
Consulting services	(2,864)	(3,217)	353	(11.0%)
Commercial and advertising services	(1,967)	(1,968)	1	(0.0%)
Banking expenses and commissions	(327)	(370)	43	(11.5%)
Utilities and maintenance	(983)	(1,272)	289	(22.7%)
Transport Services	(533)	(470)	(63)	13.4%
Other services	(3,409)	(3,529)	120	(3.4%)
Capitalization of internal costs	1,238	569	669	117.4%
Total Services	**(16,146)**	**(18,253)**	**2,106**	**(11.5%)**

The changes in values directly highlight the effects of the contraction in activities as a result of Covid-19, such as for example, the items relating to utilities and maintenance, while others are the result of the cost optimisation activities undertaken to deal with the decrease in business volumes and customer orders described in the previous notes. In fact, various task forces were set up with objectives aimed at optimising and streamlining direct and structural costs at Group level.

The most significant reduction is represented by the cost of telecommunication services consisting mainly of *machine-to-machine* traffic of satellite devices with the Group's operations centres. This reduction is mainly due to the decrease in the vehicle fleet and to the optimisation of costs in the management of contracts at Group level.

The costs relating to the administration and control bodies decreased due to the reduction in the remuneration of the directors, especially of the holding company Viasat Group S.p.A., while the considerable reduction in the item consultancy is attributable for € 395 thousand to the Belgian subsidiary Emixis SA as a result of a decrease in services and the absorption of some of the external consultants who joined the Group as employees.

The capitalisations of internal costs are mainly attributable to the development activities on projects in progress or completed during the year and to the costs relating to the new company CRM project in accordance with the provisions of IAS 38.

5. Operating rentals and leases

The breakdown of the item *operating rentals and leases* for 2020 and 2019 is provided in the table below:

Operating rentals and leases	**FY 2020**	**FY 2019**	**Change absolute**	**%**
Leases	(71)	(156)	85	(54.3%)
Operating rentals	(252)	(300)	48	(15.9%)
Capitalization of internal costs	-	1	(1)	(100.0%)
Total Operating rentals and leases	**(324)**	**(455)**	**131**	**(28.9%)**

The reduction in the item is mainly due to the optimisation of the management of the Group's offices.

6. Personnel costs

Personnel costs for 2020 and 2019 are broken down as follows:

Personnel costs	**FY 2020**	**FY 2019**	**Change absolute**	**%**
Wages and salaries	(21,803)	(22,931)	1,128	(4.9%)
Social security contributions	(5,759)	(6,164)	404	(6.6%)
Employee severance indemnity and other funds	(1,156)	(1,142)	(14)	1.2%
Other staff costs	(713)	(726)	13	(1.8%)
Capitalization of internal costs	4,020	4,121	(101)	(2.4%)
Total Personnel costs	**(25,410)**	**(26,841)**	**1,431**	**(5.3%)**

The reduction is mainly due to the effects of Covid-19 in which, at Group level, social safety nets and other forms of support to protect workers in each country were activated to contain the costs of inactive personnel. If, on the one hand, some work activities were maintained through the adoption of *smart-working*, on the other hand extraordinary measures were used to deal with the drop in business volumes and the effects of the lockdown that prevented the performance of certain activities for which presence in the company buildings is required. The process of streamlining and rationalising company processes, which is still in progress, also resulted in greater added value in the activities carried out by personnel and consequently lower costs. The capitalisations of internal costs are decreasing for the part relating to the costs for the production of the devices transferred under free loan, while those relating to personnel employed in development activities are up compared to the previous period. The cost reduction effect was partially offset by the change in the scope of consolidation due to the acquisition of the Cogema Group, whose values were included starting from the last quarter of the year.

The table below shows average headcount for the year of the two comparison periods: The increase of 115 units is affected by the change in the scope of consolidation.

(Unit)	2020	2019
Average number of personnel	**851**	**704**
Executives and Middle managers	84	86
White-collars	593	524
Blue-collars and Specialised staff	174	94

7. Other operating cost

The breakdown of *other operating costs* for 2020 and 2019 is provided below:

Other operating costs	**FY 2020**	**FY 2019**	**Change absolute**	**%**
Contingent liabilities	(475)	(418)	(57)	13.6%
Travel expenses	(477)	(989)	512	(51.8%)
Taxes	(248)	(226)	(22)	9.8%
Other operating expenses	(1,845)	(1,553)	(293)	18.8%
Capitalization of internal costs	-	10	(10)	(100.0%)
Total Other operating costs	**(3,046)**	**(3,176)**	**130**	**(4.1%)**

The reduction in travel expenses is directly attributable to the effects of the *lockdown*, while the increase in sundry operating expenses includes the increase in some subscription fees such as licenses for cloud services or annual licenses of the new CRM adopted by the Group for which the implementation project is in progress.

8. Provisions, write-downs and other non-recurring revenues (costs)

The item *provisions, write-downs and other non-recurring revenues (costs)* for 2020 and 2019 is broken down below:

Provisions, write-downs and other income (expenses) non-recurrent	**FY 2020**	**FY 2019**	**Change absolute**	**%**
Provisions for risks	(3,166)	(4,768)	1,602	(33.6%)
Oher provisions	-	(218)	218	(100.0%)
Use funds	116	242	(127)	(52.3%)
Write-downs	(877)	(1,188)	311	(26.2%)
Release of provisions	1,465	1,892	(426)	(22.5%)
Other non-recurring revenues	3,616	7,909	(4,293)	(54.3%)
Non-recurring costs	(1,989)	(4,852)	2,863	(59.0%)
Total Provisions, write-downs and other income (expenses) non-recurrent	**(835)**	**(983)**	**149**	**(15.1%)**

The *allocation to the provision for risks* consists of € 1,294 thousand of allocations to the bad debt provision, € 1,715 thousand for inventory write-downs and € 156 thousand for other provisions. Provisions relating to inventories mainly derive from the change in use of the assets loaned free-of-charge that returned from the field to a special warehouse, valued at the net book value of the equipment at the time of return pending the assessment of possible reuse or scrapping. The value is attributable for € 1,572 thousand to Viasat S.p.A.. The item *write-downs* mainly consists of the write-down of trade receivables while the releases of provisions mainly relate to assets held by Viasat S.p.A. which have been re-purposed against a write-down carried out during previous years.

The *other non-recurring revenues* of € 3,616 thousand derive almost entirely from the differentials between the final values of the period with respect to the payables recorded relating to earn-outs and put and call options for the purchase of minority interests and from the estimates of still outstanding liabilities made at the end of the financial year.

Non-recurring costs are attributable to costs related to the acquisition and restructuring of the Group incurred by the holding company, from an extraordinary technical-commercial transaction that began in 2019 and ended in 2020 and from the adjustment of payables relating to earn out and put and call options for the purchase of minority interests. As described in the paragraph of the report on operations dedicated to events after the end of the year, in March 2021 the payment was made for the exercise of the option for the purchase of 40% of the shares of the company Team.ind S.r.l. recognising the differential of € 525 thousand under non-recurring costs.

9. Amortisation and depreciation

The item *amortisation and depreciation* for 2020 and 2019 is broken down as follows:

Amortisation and depreciation	**FY 2020**	**FY 2019**	**Change absolute**	**%**
Depreciation tangible goods	(9,955)	(11,923)	1,968	(16.5%)
Amortisation intangible goods	(7,765)	(9,152)	1,387	(15.2%)
Capitalisation	47	143	(97)	(67.4%)
Total Amortisation and depreciation	**(17,673)**	**(20,932)**	**3,259**	**(15.6%)**

As shown in the tables of changes in note 22 and 23, the value of amortisation of intangible fixed assets is mainly attributable to development costs and to assets deriving from the Purchase Price Allocation (customer base, existing contracts and know-how), whereas those of tangible fixed assets to the impacts of the new IFRS 16 - *Leases* accounting standard and to assets loaned free-of-charge. The reduction with respect to the comparison period is due to the lower value of the depreciation transferred under free loan due to a reduction in the vehicle fleet and to the total value of the new activations in terms of costs of the devices and related accessory costs lower than those for which the depreciation period has ended.

10. Financial income

The item *financial income* for 2020 and 2019 is broken down as follows:

Financial income	**FY 2020**	**FY 2019**	**Change absolute**	**%**
Banking interest income	1	7	(7)	(91.6%)
Exchange gains	274	742	(468)	(63.0%)
Dividends	2	3	(1)	(44.4%)
Other financial income	265	37	229	620.5%
Total Financial income	**542**	**789**	**(247)**	**(31.3%)**

The reduction in the item with respect to the previous period is mainly due to the effects on the fluctuations in exchange rates at the end of the period of the company Viasat Telematics Ltd, merged by incorporation in the first half of 2019, and of the holding company Viasat Group S.p.A. (acquiring company).

11. Financial charges

The item *financial charges* is shown below for 2020 and 2019:

Financial charges	FY 2020	FY 2019	Change absolute	%
Banking interest expense	(947)	(919)	(29)	3.1%
Exchange losses	(211)	(252)	41	(16.3%)
Other financial expense	(663)	(485)	(177)	36.6%
Total Financial charges	**(1,821)**	**(1,656)**	**(165)**	**10.0%**

The main item of the note is represented by bank interest expense, of which € 568 thousand is attributable to the Holding Viasat Group S.p.A. and to Viasat S.p.A. for € 324 thousand and relates mainly to the medium/long-term loans in place in the two companies and to the use of short-term credit facilities. During the year, bank loans restructuring transactions were implemented through the signing of the moratorium agreements described in note 36.

Other financial expenses mainly include the effects deriving from the adoption of IFRS 16 and the default interest of € 103 thousand linked to the closing of a transaction with a supplier on a previous payable which generated a contingent asset as reported in note 2.

Additional details are provided in the section on interest rate risk in additional information on financial instruments and risk management policies required by IFRS 7.

The effect of the acquisition made during the year did not have a significant influence.

12. Financial income (charges) from equity investments

The item *financial income (charges) from equity investments* for 2020 and 2019 is detailed below:

Financial income (charges) from equity investments	FY 2020	FY 2019	Change absolute	%
Financial income (charges) from equity investments	-	(240)	240	(100.0%)
Total Financial income (charges) from equity investments	**-**	**(240)**	**240**	**(100.0%)**

The balance represents the result of the consolidation with the equity method of the equity investment in Cogema S.r.l., whose 85% residual holding was acquired on 30 September 2020.

13. Income taxes

The item *income taxes* for 2020 and 2019 is detailed below:

Income taxes	FY 2020	FY 2019	Change absolute	%
Current corporate taxes	(2,894)	(3,241)	347	(10.7%)
Deferred taxes	571	785	(214)	(27.3%)
Income from tax consolidation	1,251	2,210	(959)	(43.4%)
Taxes from previous years	801	(230)	1,031	(447.9%)
Total Income taxes	**(271)**	**(477)**	**205**	**(43.0%)**

The Group adopts for several Italian companies the national tax consolidation system in accordance with the provisions of the Consolidated Income Tax Act (TUIR, Decree of the President of the Republic No. 917 of 22 December 1986). Hence, the consolidated taxable base was calculated by applying the tax rate to a taxable base obtained by the algebraic sum of the taxable income of the Parent Company and the entities it controls. The statement of reconciliation of the taxable rate is presented below:

(thousands of euro)	FY 2020	% rate	FY 2019	% rate
Pre-tax profit	1,118		4,198	
IRES (company earnings' tax) rate		24.00%		24.00%
Theoretical *IRES*	**268**		**1,008**	
Tax differences:				
Tax effect of costs not deductible for *IRES* purposes	835		2,162	
Tax effect of income not taxable for *IRES* purposes(	(3,789)		(5,287)	
Net effect of tax changes for *IRES* purposes	**(2,954)**		**(3,126)**	
Net tax effect on foreign subsidiaries	(61)		(96)	
Previous years' taxes	(801)		230	
Tax effect of timing differences	(571)		(785)	
Other differences	3,820		2,557	
Current and deferred taxes excluding IRAP	**(299)**		**(212)**	
IRAP	570		689	
Effective taxes recorded in income statement	**271**		**477**	

The following tables provide the list of Group companies that are included in the tax consolidation and the detail on the use of tax losses:

Group companies pertaining to Tax Consolidation as at 31 December 2020

Viasat Group S.p.A. (consolidating company)

Viasat S.p.A. (consolidated company)

Vem Solutions S.p.A. (consolidated company)

(thousands of euro)	
Tax benefit as at 31 Dec. 2019	**2,210**
Remaining credit to tax authorities including advances paid	845
Prepaid tax for tax losses not used	167
Tax benefit as at 31 Dec. 2020	**1,251**
Remaining credit to tax authorities including advances paid	845
Prepaid tax for tax losses not used	262

OTHER COMPREHENSIVE INCOME COMPONENTS

Revised IAS 1 resulted in a change to the schedule of the income statement used in previous years with the addition of non-income components that are useful for calculating the Group's comprehensive income. In the items analyzed, the values were shown separately showing the effect before taxes and the related tax, grouping together all the components presented depending on whether or not they can be subsequently reclassified to the income statement.

14. Available-for-sale assets

The breakdown of the item *available-for-sale assets* for 2020 and 2019 is detailed below:

Available-for-sale assets	**FY 2020**	**FY 2019**	**Change absolute**	**%**
Available-for-sale assets	(13)	12	(26)	(208.6%)
Total Available-for-sale assets	**(13)**	**12**	**(26)**	**(208.6%)**

The item, comprising the change in value of an equity investment held in a listed company, does not show significant deviations in absolute value with respect to the prior year.

15. Hedging instruments

The breakdown of the item *hedging instruments* for 2020 and 2019 is detailed below:

Hedging instruments	**FY 2020**	**FY 2019**	**Change absolute**	**%**
Hedging instruments	(33)	(44)	10	(23.4%)
Total Hedging instruments	**(33)**	**(44)**	**10**	**(23.4%)**

The item comprises the change in fair value of the cash flow hedging instruments.

16. Actuarial profits/(losses)

The breakdown of the item *actuarial profits/(losses)* for 2020 and 2019 is detailed below:

Actuarial profits/(losses)	FY 2020	FY 2019	Change absolute	%
Actuarial profits/(losses)	150	(15)	165	(1103.5%)
Total Actuarial profits/(losses)	**150**	**(15)**	**165**	**(1103.5%)**

The item is made up of the value of the actuarial profits and losses deriving from the valuation of the employee severance indemnity on the basis of that envisaged by IAS 19. The effects resulting from this valuation will not be reflected in the income statement; therefore, they were shown as a separate item, net of tax effect, in the statement of comprehensive income.

17. Exchange rate differences from conversion of foreign operations

The breakdown of the item *exchange rate differences from conversion of foreign operations* for 2020 and 2019 is detailed below:

Exchange rate differences from conversion of foreign operations	FY 2020	FY 2019	Change absolute	%
Exchange rate differences from conversion of foreign operations	(777)	(476)	(301)	63.3%
Total Exchange rate differences from conversion of foreign operations	**(777)**	**(476)**	**(301)**	**63.3%**

The amount is equal to the translation reserve deriving from the conversion of the financial statements as at 31 December 2020 of the companies that have a currency different from the functional currency (Euro).

18. Deferred tax on revenues not transferred through income statement

The breakdown of the item *deferred tax on revenues not transferred through the income statement* for 2020 and 2019 is detailed below:

Deferred taxes on revenues not transferred through income statement	FY 2020	FY 2019	Change absolute	%
Deferred taxes on revenues not transferred through income statement	(25)	10	(34)	(358.2%)
Total Deferred taxes on revenues not transferred through income statement	**(25)**	**10**	**(34)**	**(358.2%)**

Deferred taxes on revenues not transferred through the income statement represent the tax effect of the items described in the previous notes.

19. Breakdown of the Net Result

The table below shows the *breakdown of the net profit (loss)*, of *other comprehensive income components* and the *comprehensive income* attributable to the Group and to third parties:

(thousands of euro)	FY 2020	FY 2019	Change absolute	%
Net profit (loss)	**847**	**3,721**	**(2,875)**	**(77.25%)**
Net profit (loss) attributable to Parent Company	803	3,723	(2,920)	(78.44%)
Net profit (loss) attributable to third parties	44	(1)	45	(3628.54%)
Other componentsof comprehensive income	**(699)**	**(513)**	**(186)**	**36.33%**
Net profit (loss) attributable to Parent Company	(703)	(515)	(188)	36.57%
Net profit (loss) attributable to third parties	4	2	2	100.16%
Comprehensive income	**148**	**3,209**	**(3,061)**	**(95.40%)**
Net profit (loss) attributable to Parent Company	100	3,208	(3,108)	(96.89%)
Net profit (loss) attributable to third parties	48	1	47	6969.96%

20. Earnings per share

The value of *earnings per share* as at 31 December 2020 is provided below, with comparable figures for the previous year, calculated on the comprehensive net income:

	FY 2020	FY 2019
Net profit attributable to the Group (thousands of euro)	100	3,208
Number of ordinary shares at beginning of year	30,000,000	30,000,000
Shares issued during the year	-	-
Number of ordinary shares at end of year	30,000,000	30,000,000
Earnings per share (euro)	0.00	0.11
Diluted earnings per share (euro)	0.00	0.11

NOTES ON ITEMS IN THE CONSOLIDATED STATEMENT OF EQUITY AND FINANCIAL POSITION

21. Goodwill

The value of *goodwill* for 2020 and 2019 is provided below:

Goodwill	FY 2020	FY 2019	Change absolute	%
Goodwill	48,854	46,997	1,857	4.0%
Total Goodwill	**48,854**	**46,997**	**1,857**	**4.0%**

The changes in the item *goodwill* are illustrated in the tables below, specifying the Business Units referred to:

Goodwill by BU (thousands of euro)	FY 2020	FY 2019
Insurtech	2,183	2,183
Fleet & Waste Management	23,339	23,743
Smart Connect	21,071	21,071
IoT Solutions	2,261	-
Total	**48,854**	**46,997**

Changes on Goodwill (thousands of euro)	FY 2020	FY 2019	Exchange rates variation	Change in consolidation scope
Fleet & Waste Management	23,339	23,743	(404)	
Insurtech	2,183	2,183		
IoT Solutions	2,261	-		2,261
Smartconnect	21,071	21,071		
Total	**48,854**	**46,997**	**(404)**	**2,261**

With regard to the goodwill generated by the acquisition of the Cogema Group (equal to € 2,261 thousand), the option envisaged by IFRS 3 was used to change the initial asset allocation in the 12 months following the date of the transaction. Therefore, a specific appraisal will be carried out that estimates their value based on the purchase price allocation of the assets and liabilities measured at fair value.

According to the matters envisaged by international accounting standard IAS 36, a specific impairment test was carried out during the year and the values recorded in the financial statements are consistent with this test. The cash generating units used for the calculation of the test are represented by their Business Units, whereas the discount rate (WACC) used was 7.73%, equal to that of the Group plus an additional 2% in that applied to Business Units and the number of years of calculation was 4, of which the last one represented by the terminal value, calculated by using a growth rate (*g*) equal to zero.

A sensitivity analysis was carried out by building a matrix based on a 1% increase in WACC and a 10% worsening of the cash flow (free cash flow unlevered). The results obtained confirm that, also in the worst case (increase in WACC and worsening of the cash flows), no write-down is carried out.

22. Other intangible assets

The value of *other intangible assets* for 2020 and 2019 is provided below:

Other intangible assets	FY 2020	FY 2019	Change absolute	%
Development costs - Historical Cost	29,275	29,218	57	0.2%
Development costs - Accumulated Amortization	(22,293)	(22,563)	269	(1.2%)
Development costs	**6,982**	**6,655**	**326**	**4.9%**
Trademarks- Historical Value	423	359	64	17.7%
Trademarks - Accumulated Amortization	(67)	(5)	(62)	1205.2%
Trademarks - Writedowns	(340)	(340)	-	0.0%
Trademarks	**15**	**14**	**1**	**7.6%**
Licenses and software - Historical Cost	9,859	5,530	4,329	78.3%
Licenses and software - Accumulated Amortization	(8,506)	(4,383)	(4,123)	94.1%
Licenses and software	**1,353**	**1,148**	**206**	**17.9%**
Patents - Historical Value	245	240	5	2.2%
Patents - Accumulated Amortization	(238)	(234)	(4)	1.7%
Patents	**7**	**6**	**1**	**19.2%**
Existing contracts - Historical Value	2,890	2,890	-	0.0%
Existing contracts - Accumulated Amortization	(2,497)	(2,051)	(446)	21.7%
Existing contracts	**392**	**838**	**(446)**	**(53.2%)**
Customer base - Historical Value	23,904	24,101	(196)	(0.8%)
Customer base - Accumulated Amortization	(11,042)	(8,832)	(2,210)	25.0%
Customer base	**12,862**	**15,269**	**(2,406)**	**(15.8%)**
Other Intangible Assets - Historical Value	15,616	13,829	1,787	12.9%
Other Intangible Assets - Accumulated Amortization	(5,772)	(4,002)	(1,771)	44.2%
Other Intangible Assets	**9,843**	**9,827**	**16**	**0.2%**
Total Other Intangible assets	**31,455**	**33,758**	**(2,302)**	**(6.8%)**

The main assets consist of the value of the customer base and of the know-how (included among the *other tangible fixed assets*) resulting from the price allocation activities on the acquisitions made and the value of the capitalised development expenses.

Development costs, capitalised in accordance with the criteria established by IAS 38, mainly consist of activities carried out by Vem Solutions S.p.A. and by the Bulgarian subsidiary Icom OOD (Viasat Technology). Vem Solutions S.p.A. coordinates the Group's development activities and holds some of the know-how when this is deemed strategically useful to all affiliated companies and carries out the role of coordinator and supplier to customer companies on specific projects and customisations, which in turn capitalise the costs. This is in addition to activities carried out by affiliated companies that carry out some of the activities internally. The value of the increases in other intangible assets is mainly due to development activities in progress, which will be classified in the specific item at the end of the process.

The table illustrating the changes follows:

Intangible Assets	**FY 2019**	**Increase**	**Decrease**	**Change of Consolidation Scope**	**Depreciation**	**Exchange Rate Differences**	**Reclassification**	**FY 2020**
Development costs - Historical Cost	**29,218**	3,519	(3)	-	-	(119)	(3,340)	**29,275**
Development costs - Accumulated Amortization	**(22,563)**	-	(74)	-	(2,750)	86	3,007	**(22,293)**
Development costs - Writedowns	**(0)**	-	-	-	-	0	-	**0**
Trademarks - Historical Value	**359**	3	-	60	-	-	-	**423**
Trademarks - Accumulated Amortization	**(5)**	-	-	(60)	(2)	-	-	**(67)**
Trademarks - Writedowns	**(340)**	-	-	-	-	-	-	**(340)**
Licenses and software - Historical Cost	**5,530**	347	(34)	513	-	(24)	3,527	**9,859**
Licenses and software - Accumulated Amortization	**(4,383)**	-	33	(512)	(646)	19	(3,018)	**(8,506)**
Licenses and software - Writedowns	**-**	-	-	-	-	-	-	**-**
Patents - Historical Value	**240**	5	-	-	-	-	-	**245**
Patents - Accumulated Amortization	**(234)**	-	-	-	(4)	-	-	**(238)**
Patents - Writedowns	**-**	-	-	-	-	-	-	**-**
Existing contracts - Historical Value	**2,890**	-	-	-	-	-	-	**2,890**
Existing contracts - Accumulated Amortization	**(2,051)**	-	-	-	(446)	-	-	**(2,497)**
Existing contracts - Writedowns	**-**	-	-	-	-	-	-	**-**

Intangible Assets	FY 2019	Increasse	Decrease	Change of Consolidation Scope	Depreciation	Exchange Rate Differences	Reclassification	FY 2020
Customer base - Historical Value	**24,101**	-	-	-	-	(196)	-	**23,904**
Customer base - Accumulated Amortization	**(8,832)**	-	-	-	(2,210)	-	-	**(11,042)**
Customer base - Writedowns	**-**	-	-	-	-	-	-	**-**
Other Intangible Assets - Historical Value	**13,829**	3,026	(1,129)	59	-	(71)	(98)	**15,616**
Other Intangible Assets - Accumulated Amortization	**(4,002)**	-	36	(55)	(1,688)	-	(63)	**(5,772)**
Other Intangible Assets - Writedowns	**-**	-	-	-	-	-	-	**-**
Total Intangible Assets	**33,758**	**6,900**	**(1,171)**	**5**	**(7,746)**	**(306)**	**15**	**31,455**

23. Property, plant and equipment

The value of *property, plant and equipment* for 2020 and 2019 is provided below:

Property, plant and equipment	FY 2020	FY 2019	Change absolute	%
Buildings - Historical Value	6,268	4,140	2,129	51.4%
Buildings - Accumulated Depreciation	(2,996)	(1,916)	(1,080)	56.3%
Buildings - Writedowns	(801)	-	(801)	
Buildings	**2,472**	**2,223**	**249**	**11.2%**
Right of Use Buildings - Historical Value	9,015	9,120	(105)	(1.1%)
Right of Use Buildings - Accumulated Depreciation	(1,649)	(1,013)	(636)	62.8%
Right of Use Buildings	**7,366**	**8,107**	**(741)**	**(9.1%)**
Land - Historical Cost	1,472	681	791	116.1%
Land - Writedowns	-	-	-	
Land	**1,472**	**681**	**791**	**116.1%**
Right of Use Land - Historical Value	15	17	(2)	(9.4%)
Right of Use Land - Accumulated Depreciation	(8)	(4)	(4)	81.3%
Right of Use Land	**7**	**12**	**(5)**	**(42.3%)**
Assets on free loan basis and leased - Historical Value	56,917	58,568	(1,651)	(2.8%)
Assets on free loan basis and leased - Accumulated Amortization	(45,545)	(43,323)	(2,223)	5.1%
Assets on free loan basis and leased - Writedowns	-	-	-	
Assets on free loan basis and leased	**11,372**	**15,246**	**(3,873)**	**(25.4%)**
Right of Use Assets on free loan basis and leased - Historical Cost	4,579	4,579	-	0.0%
Right of Use Assets on free loan basis and leased - Accumulated Amortization	(1,121)	(13)	(1,108)	8516.9%
Right of Use Assets on free loan basis and leased - Writedowns	-	-	-	
Right of Use Assets on free loan basis and leased	**3,458**	**4,566**	**(1,108)**	**(24.3%)**

Property, plant and equipment	FY 2020	FY 2019	Change absolute	%
Plant and machinery - Historical Cost	18,873	17,932	942	5.3%
Plant and machinery - Accumulated Amortization	(17,176)	(16,452)	(724)	4.4%
Plant and machinery - Writedowns	-	-	-	
Plant and machinery	**1,697**	**1,480**	**218**	**14.7%**
Right of Use Plant and machinery - Historical Cost	-	-	-	
Right of Use Plant and machinery - Accumulated Amortization	-	-	-	
Right of Use Plant and machinery	**-**	**-**	**-**	
Electronic machinery and equipment - Historical Cost	8,673	7,015	1,658	23.6%
Electronic machinery and equipment - Accumulated Amortization	(7,606)	(6,130)	(1,477)	24.1%
Electronic machinery and equipment - Writedowns	(5)	(5)	0	(6.6%)
Electronic machinery and equipment	**1,062**	**881**	**181**	**20.6%**
Right of Use Electronic machinery and equipment - Historical Cost	62	13	49	364.7%
Right of Use Electronic machinery and equipment - Accumulated Amortization	(17)	(5)	(12)	232.6%
Right of Use Electronic machinery and equipment	**46**	**8**	**37**	**443.9%**
Motor vehicles and means of transport - Historical Cost	1,282	1,345	(64)	(4.7%)
Motor vehicles and means of transport - Accumulated Amortization	(911)	(880)	(31)	3.5%
Motor vehicles and means of transport - Writedowns	-	-	-	
Motor vehicles and means of transport	**371**	**465**	**(94)**	**(20.3%)**
Right of Use Motor vehicles and means of transport - Historical Cost	1,540	1,348	192	14.2%
Right of Use Motor vehicles and means of transpor - Accumulated Amortization	(790)	(463)	(326)	70.4%
Right of Use Motor vehicles and means of transport	**751**	**885**	**(134)**	**(15.2%)**
Other assets - Historical Cost	5,109	5,714	(605)	(10.6%)
Other assets - Accumulated Amortization	(4,818)	(5,168)	350	(6.8%)
Other assets - Writedowns	-	-	-	
Other assets	**291**	**545**	**(254)**	**(46.6%)**
Right of Use Other assets - Historical Cost	1,005	1,005	-	0.0%
Right of Use Other assets - Accumulated Amortization	-	-	-	
Right of Use Other assets - Writdowns	(1,005)	(1,005)	-	0.0%
Right of Use Other assets	**-**	**-**	**-**	
Total Property, plant and equipment	**30,365**	**35,100**	**(4,735)**	**(13.5%)**

The increase in *assets loaned free-of-charge and leased*, consisting of satellite devices and related installation costs mostly depreciated over a period of 5 years on a straight-line basis almost entirely relative to the insurance business recorded a decrease with respect to the comparison period.

The table illustrating the changes follows:

Tangible assets	FY 2019	Change on opening	Increase	Decrease	Depreciation	Change of consolidation scope	Exchange rate differences	Reclassification	FY 2020
Buildings - Historical Value	**4,140**	-	-	(1,105)	-	3,245	(11)	-	**6,268**
Buildings - Accumulated Depreciation	**(1,916)**	-	-	306	(108)	(1,288)	11	-	**(2,996)**
Buildings - Writedowns	**-**	-	-	-	-	(801)	-	-	**(801)**
Right of Use Buildings - Historical Value	**9,120**	75	360	(412)	-	-	(128)	-	**9,015**
Right of Use Buildings - Accumulated Depreciation	**(1,013)**	(3)	-	503	(1,151)	-	16	-	**(1,649)**
Land - Historical Cost	**681**	-	-	-	-	791	-	-	**1,472**
Land - Writedowns	**-**	-	-	-	-	-	-	-	**-**
Right of Use Land - Historical Value	**17**	(1)	-	-	-	-	(1)	-	**15**
Right of Use Land - Accumulated Depreciation	**(4)**	0	-	-	(4)	-	0	-	**(8)**
Assets on free loan basis and leased - Historical Value	**58,568**	(117)	3,002	(4,885)	-	(0)	(145)	494	**56,917**
Assets on free loan basis and leased - Accumulated Amortization	**(43,323)**	23	-	1,471	(5,991)	(0)	108	2,167	**(45,545)**
Assets on free loan basis and leased - Writedowns	**-**	-	-	-	-	-	-	-	**-**
Right of Use Assets on free loan basis and leased - Historical Cost	**4,579**	-	-	-	-	-	-	-	**4,579**
Right of Use Assets on free loan basis and leased - Accumulated Amortization	**(13)**	-	-	-	(1,108)	-	-	-	**(1,121)**
Right of Use Assets on free loan basis and leased - Writedowns	**-**	-	-	-	-	-	-	-	**-**
Plant and machinery - Historical Cost	**17,932**	-	82	(78)	-	971	(22)	(10)	**18,873**
Plant and machinery - Accumulated Amortization	**(16,452)**	-	-	77	(298)	(528)	17	8	**(17,176)**
Plant and machinery - Writedowns	**-**	-	-	-	-	-	-	-	**-**
Right of Use Plant and machinery - Historical Cost	**-**	-	-	-	-	-	-	-	**-**

Tangible assets	FY 2019	Change on opening	Increase	Decrease	Depreciation	Change of consolidation scope	Exchange rate differences	Reclassification	FY 2020
Right of Use Plant and machinery - Accumulated Amortization	**-**	-	-	-	-	-	-	-	**-**
Electronic machinery and equipment - Historical Cost	**7,015**	0	457	(320)	-	1,064	(37)	493	**8,673**
Electronic machinery and equipment - Accumulated Amortization	**(6,130)**	0	-	312	(488)	(953)	29	(376)	**(7,606)**
Electronic machinery and equipment - Writedowns	**(5)**	-	-	-	-	-	0	-	**(5)**
Right of Use Electronic machinery and equipment - Historical Cost	**13**	-	49	-	-	-	-	-	**62**
Right of Use Electronic machinery and equipment - Accumulated Amortization	**(5)**	-	-	-	(12)	-	-	-	**(17)**
Motor vehicles and means of transport - Historical Cost	**1,345**	0	106	(187)	-	46	(29)	-	**1,282**
Motor vehicles and means of transport - Accumulated Amortization	**(880)**	0	-	162	(137)	(37)	9	(28)	**(911)**
Motor vehicles and me-ans of transport - Writedowns	**-**	-	-	-	-	-	-	-	**-**
Right of Use Motor vehicles and means of transport - Historical Cost	**1,348**	219	138	(163)	-	-	(2)	-	**1,540**
Right of Use Motor vehicles and means of transport - Accumulated Amortization	**(463)**	(15)	-	125	(538)	-	1	101	**(790)**
Other assets - Historical Cost	**5,714**	0	46	(218)	-	93	(8)	(518)	**5,109**
Other assets - Accumulated Amortization	**(5,168)**	-	-	153	(119)	(75)	6	385	**(4,818)**
Other assets - Writedowns	**-**	-	-	-	-	-	-	-	**-**
Right of Use Other assets - Historical Cost	**1,005**	-	-	-	-	-	-	-	**1,005**
Right of Use Other assets - Accumulated Amortization	**0**	-	-	-	-	-	-	-	**0**
Right of Use Other assets - Writedowns	**(1,005)**	-	-	-	-	-	-	-	**(1,005)**
Total tangible assets	**35,100**	**181**	**4,241**	**(4,260)**	**(9,955)**	**2,528**	**(186)**	**2,716**	**30,365**

24. Equity investments

The value of *equity investments* for 2020 and 2019 is provided below:

Equity investments	FY 2020	FY 2019	Change absolute	%
Equity investments - Historical Value	5	5	-	0.0%
Total Equity investments	**5**	**5**	**-**	**0.0%**

The item does not show significant differences compared to the previous financial year.

25. Other financial assets

The value of *other financial assets* for 2020 and 2019 is provided below:

Other financial assets	FY 2020	FY 2019	Change absolute	%
Financial receivables (non current portion)	77	1,191	(1,114)	(93.6%)
Other equity investments	99	113	(13)	(11.9%)
Other financial receivables	144	173	(29)	(16.6%)
Total Other financial assets	**320**	**1,477**	**(1,156)**	**(78.3%)**

The portion of financial receivables relating to 2019 is attributable to a loan granted by the holding company Viasat Group to the company, at the time associated, Cogema S.r.l., merged by incorporation during the year by Vem Solutions S.p.A. after having acquired the remaining 85% of the share capital.

The other items in the note did not present any significant variations.

26. Tax assets (non-current)

The value of *tax assets (non-current)* for 2020 and 2019 is provided below:

Tax assets	FY 2020	FY 2019	Change absolute	%
Receivables for requested tax rebates	110	354	(243)	(68.8%)
Total Tax assets	**110**	**354**	**(243)**	**(68.8%)**

The value relates almost entirely to the recording of the residual credit for the *IRES* rebate for previous years due to the non-deduction of *IRAP* relating to personnel and similar costs on the basis of the matters envisaged by Italian Decree Law No. 201 dated 6 December 2011.

27. Deferred tax assets

The value of *deferred tax assets* for 2020 and 2019 is provided below:

Deferred tax assets	**FY 2020**	**FY 2019**	**Change absolute**	**%**
Deferred tax assets	8,978	9,600	(622)	(6.5%)
Total Deferred tax assets	**8,978**	**9,600**	**(622)**	**(6.5%)**

The breakdown of timing differences by type for the balance of prepaid tax receivables as at 31 December 2020 and 31 December 2019 is presented below:

	FY 2020		**FY 2019**	
(thousands of euro)	**Amount of timing differences**	**Tax effect**	**Amount of timing differences**	**Tax effect**
Timing differences included in calculation of prepaid taxes:				
Discounting of receivables	(271)	65	(271)	65
Intercompany profits in inventory	(1,275)	306	(1,192)	286
Product warranty provision	(17)	4	(17)	4
Bad debt provision	(12,379)	2,971	(13,963)	3,351
Depreciation and amortisation	(104)	25	(92)	22
Others	(75)	18	(438)	105
Fair value assets available for sale *	(8)	2	(4)	1
Assets on free loan basis	(3,492)	838	(3,738)	897
Multi-year charges and development costs	(258)	62	(8)	2
Employee benefits	(1,138)	273	92	(22)
Provisions for risks and charges	(1,138)	273	(1,333)	320
Prepaid taxes on prior losses	(13,504)	3,241	(15,188)	3,645
Hedging instruments*	(342)	82	(308)	74
Leased assets	(125)	30	(125)	30
Acquisition-related costs	(1,538)	369	(1,538)	369
IFR S16	(1,746)	419	(1,888)	453
Total		**8,978**		**9,600**

* charges/credits to Shareholders' equity

28. Other receivables and miscellaneous non-current assets

The value of *other receivables and miscellaneous non-current assets* for 2020 and 2019 is reported below:

Other receivables and miscellaneous non current assets	FY 2020	FY 2019	Change absolute	%
Other non current receivables	5	12	(6)	(53.3%)
Total Other receivables and miscellaneous non current assets	**5**	**12**	**(6)**	**(53.3%)**

This note did not present significant amounts or changes.

29. Inventory

The value of *inventory* for 2020 and 2019 is provided below:

Inventory	FY 2020	FY 2019	Change absolute	%
Raw materials	5,789	4,240	1,549	36.5%
Work in progress (semifinished products)	178	235	(56)	(23.9%)
Finished goods	8,944	8,604	340	4.0%
Development activities in process	44	151	(107)	(70.8%)
Inventory Provisions	(4,378)	(4,091)	(287)	7.0%
Total Inventory	**10,578**	**9,138**	**1,440**	**15.8%**

The increase in the value of *raw materials* is attributable to the company Vem Solutions S.p.A. as a result of the merger by incorporation of the company Cogema S.r.l.. With regard to inventories of *finished goods*, the change is mainly due to the increase in value of satellite equipment owned by Viasat S.p.A., where part of these relates to assets loaned free-of-charge and returned. These assets are submitted to an economic, technical and commercial analysis to assess their possible re-use or disposal, carrying out a change of use. These were classified as assets until their return, following which they were charged on a specific warehouse at the net book value and charged to the income statement. That effect was offset by the reduction in those inventories following the transfer of the devices to the affiliate Vem Solutions S.p.A. for the reworking and reconditioning of the devices.

The table below presents the movements in the inventory write-down provision.

(Thousands of euro)	
Inventory Write-down provision as at 31 December 2019	**4,091**
Exchange rate differences	(2)
Provisions	1,715
Use of fund	(116)
Release of Provisions	(1,343)
Change of consolidation scope	-
Reclassifications	33
Inventory Write-down provision as at 31 December 2020	**4,378**

30. Trade receivables

The value of *trade receivables* for 2020 and 2019 is provided below:

Trade receivables	FY 2020	FY 2019	Change absolute	%
Customer receivables	28,467	31,845	(3,377)	(10.6%)
Provisions	(3,636)	(4,267)	631	(14.8%)
Discounting of receivables	(93)	(186)	92	(49.8%)
Total Trade receivables	**24,738**	**27,392**	**(2,654)**	**(9.7%)**

The Group shows different receivables depending on the type of activity performed by the operating companies for the various reference markets as well as the type of counterparty. For each channel, the counterparties can differ greatly by size, volume, type of exchanges and legal structure. The credit management process is therefore adapted to the following types of counterparty: *Users* (equal to 8.4% of the total gross of the bad debt provision), *Companies* (equal to 90.2% of the total gross of the bad debt provision), *public administrations* and *publicly owned companies* (equal to 1.4% of the total gross of the bad debt provision).

For *users*, the credit risk is spread over tens of thousands of parties, each with a very small debt position toward the company. This attribute makes the relationship between the cost of managing the position and the receivable particularly significant. A standard and automated approach is therefore advisable.

For companies, credit risk is concentrated and potentially more significant. The amount of information needed to reduce and manage risk effectively requires a dedicated and diversified approach for each individual counterparty. In a similar manner, albeit with a different counterparty risk, Public Administrations and publicly-owned companies also require timely management.

The decrease of € 3,377 thousand was mainly due to Viasat S.p.A. as a result of the reduction in business volume and to Team.ind S.r.l. which, only in 2018 adopted a business model that entailed the sale of goods with payments extended over time, which resulted in a reduction in receivables due to collections made (with an impact on discounting equal to a decrease of € 92 thousand).

In addition to this, as shown in the table below, € 2,215 thousand of the bad debt provision was used, almost completely attributable to previous positions of users of Viasat S.p.A., which benefited from total counterparty risk that was particularly low, considering that a significant amount of its business is in the insurance field.

The breakdown of the change in the Group's provision follows below:

(Thousands of euro)	
Receivables Write-down provision as at 31 December 2019	**4,267**
Provisions	1,294
Use of fund	(2,215)
Release of Provisions	(76)
Change of consolidation scope	353
Exchange differences	(18)
Reclassifications	31
Receivables Write-down provision as at 31 December 2020	**3,636**

31. Other receivables and miscellaneous current assets

The value of *other receivables and miscellaneous current assets* for 2020 and 2019 is provided below:

Other receivables and miscellaneous current assets	**FY 2020**	**FY 2019**	**Change absolute**	**%**
Advances to suppliers	787	512	275	53.8%
Prepayments	407	646	(240)	(37.1%)
Other receivables	300	223	77	34.7%
Total Other receivables and miscellaneous current assets	**1,494**	**1,381**	**113**	**8.2%**

The item does not present any significant change.

32. Other current financial assets

The value of *other current financial assets* for 2020 and 2019 is provided below:

Other current financial assets	FY 2020	FY 2019	Change absolute	%
Securities	31	-	31	
Financial receivables (current portion)	229	275	(46)	(16.7%)
Other financial receivables - current	29	25	-	0.0%
Total Other current financial assets	**289**	**300**	**(15)**	**(5.0%)**

The item does not present any significant change.

33. Tax assets (current)

The value of *tax assets (current)* for 2020 and 2019 is provided below:

Tax assets	FY 2020	FY 2019	Change absolute	%
VAT receivables	1,693	800	894	111.7%
Due from tax authorities for current taxes	1,729	1,376	352	25.6%
Other amounts due from tax authorities	577	596	(19)	(3.1%)
Total Tax assets	**3,999**	**2,772**	**1,227**	**44.3%**

Almost all of the VAT credit (€ 1,678 thousand) is attributable to the Italian companies. The most significant amount relates to Viasat S.p.A. (€ 958 thousand) due to the advance payment made at the end of the year.

The most significant item of *current tax receivables* relates to the receivable deriving from the tax consolidation amounting to € 845 thousand and to the receivables relating to the company Viasat S.p.A. for a value of € 582 thousand (*IRES* credit and *IRAP* advance). More details on the use of the tax benefit are provided in note 12. The most significant amount in Other receivables due from the tax authorities relates to the research and development tax credit for Helian S.r.l., merged by incorporation into Viasat S.p.A. in 2019.

34. Cash and cash equivalents

The value of *cash and cash equivalents* for 2020 and 2019 is provided below:

Cash and cash equivalents	FY 2020	FY 2019	Change absolute	%
Bank current accounts	3,508	10,901	(7,393)	(67.8%)
Cash and liquid deposits	12	12	-	0.0%
Total Cash and cash equivalents	**3,520**	**10,913**	**(7,393)**	**(67.7%)**

Cash and cash equivalents at at the end of the financial year derive, as shown in the cash flow statement, from the operating profit that generated cash of € 17,168 thousand, from the balance of investment activities that absorbed resources of € 8,790 thousand and from the net balance from financial management that decreased cash and cash equivalents by an amount equal to € 15,631 thousand (in addition to the negative impact of € 140 thousand attributable to adjustments and exchange rate differences).

Further details are given in notes 47, 48 and 49 concerning the items of the consolidated cash flow statement.

35. Shareholders' Equity

The Group's Consolidated Shareholders' Equity as at 31 December 2020 decreased by € 682 thousand compared to 31 December 2019. Changes are reported in the specific financial statements.

The share capital of Viasat Group S.p.A., corresponding to € 1.5 million, is made up of 30 million ordinary shares with no indication of the face value and has been fully paid up. The legal reserve amounts to € 300 thousand and has not changed since the previous year. The cash flow hedge reserves are related to hedging transactions on the risks of fluctuations in exchange and interest rates and show an increase of € 88 thousand in Viasat Group S.p.A. and a decrease of € 114 thousand as the sum of other companies of the Group (classified among other reserves).

The translation reserve concerns exchange rate differences from conversion in euro of the financial statements of the companies working in areas other than the Euro. Shareholders' equity pertaining to minority shareholders was negative for € 25 thousand.

36. Payables to banks and other financiers (medium/long-term portion)

The value of *payables to banks and other lenders (medium/long-term portion)* for 2020 and 2019 is shown below:

Payables to banks and other financiers	**FY 2020**	**FY 2019**	**Change absolute**	**%**
Medium/long term loans	30,009	35,753	(5,744)	(16.1%)
Discounting loans	(130)	(175)	44	(25.4%)
Hedging instrument liabilities (M/L)	323	287	35	12.2%
Total Payables to banks and other financiers	**30,201**	**35,865**	**(5,664)**	**(15.8%)**

During the year, the Group completed a restructuring of bank loans through the signing of moratorium agreements on medium/long-term loans for a total amount of € 10,000 thousand for the suspension of the instalments for the 2020 - 2021 two-year period. In detail, the suspension for 2020 amounts to € 9,667 thousand, while the remaining € 646 thousand relate to 2021. In terms of cash flows, the lower disbursement for the year 2020 was equal to € 8,521 thousand as part of the suspended instalments were in any case paid by the end of the year.

New subscriptions of medium/long-term loans amounted to € 10,000 thousand, to which € 1,530 thousand of shortterm loans, reclassified to the short-term portion of the loans (note 42), must be added. The note includes the portion of the long-term debt, since being a liability at amortised cost the value of the loans was discounted considering the actual interest rate. The cash flows from financing activities are summarised in note 49.

Special hedging contracts were signed to hedge the risk of changes in interest rates on some new loans. Since they are *OTC* derivatives, the *mark to market* supplied by the issuing banks was used for the measurement at fair value as at 31 December 2020. The changes were suspended in a special Shareholders' equity reserve that converges in the income statement consistently with the economic appearance of the hedged cash flows.

Further information is provided in the section dedicated to *additional information on financial instruments and risk management policies*, based on the requirements of accounting standard IFRS 7.

37. Finance lease liabilities (medium/long-term portion)

The value of *finance lease liabilities (medium/long-term portion)* for 2020 and 2019 is shown below:

Finance lease liabilities	FY 2020	FY 2019	Change absolute	%
Finance lease liabilities (M/L)	10,735	12,019	(1,285)	(10.7%)
Total Finance lease liabilities	**10,735**	**12,019**	**(1,285)**	**(10.7%)**

The change is almost fully attributable to the adoption of the accounting standard IFRS 16 - *Leases*, requiring the recognition of the right of use and the related lease liability for operating lease contracts that meet the requirements (of which the medium/long-term portion is shown in the note).

38. Other liabilities - non-current portion

The value of *other liabilities - non-current portion* for 2020 and 2019 is provided below:

Other liabilities	FY 2020	FY 2019	Change absolute	%
Multi-Year deferred incomes	2,706	1,739	967	55.6%
Other liabilities for shares acquisitions (M/L)	3,244	6,908	(3,663)	(53.0%)
Total Other liabilities	**5,950**	**8,647**	**(2,697)**	**(31.2%)**

Multi-year deferred income concerns portions of revenue of subscription fees of customers that will be released after 12 months and, therefore, were reclassified as non-current liabilities. *Sundry payables* for purchase of equity investments concern the medium/long-term portion of the liability still existing at the end of the financial year recorded in relation to the acquisitions made for which earn-outs on the portion already acquired are envisaged or in relation to put and call options for the purchase of minority shares. The measurement of these liabilities is updated on the basis of the information available at the time of preparation of this report. The short-term portion of these payables is shown in note 46.

39. Liabilities for pensions and employee severance indemnity

The value of the *liabilities for pensions and employee severance indemnity* for 2020 and 2019 is provided below:

Liabilities for pensions and employee severance indemnity	**FY 2020**	**FY 2019**	**Change absolute**	**%**
Employee severance indemnity	3,132	2,315	817	35.3%
Total Liabilities for pensions and employee severance indemnity	**3,132**	**2,315**	**817**	**35.3%**

In pursuance of the accounting standard IAS 19 for the measurement of the Employee severance indemnity (*TFR*), discounting was determined on the basis of technical, demographic and actuarial assumptions as specified below.

	Other Countries FY 2020	**Italy FY 2020**	**Other Countries FY 2019**	**Italy FY 2019**
Annual discounting rate	1.50%	0.34%	2.00%	0.77%
	FY 2020	**FY 2020**	**FY 2019**	**FY 2019**
Annual inflation rate	2.00%	0.80%	2.50%	1.20%
	FY 2020	**FY 2020**	**FY 2019**	**FY 2019**
Annual rate of increase of *TFR*	N/A	2.10%	N/A	2.40%
Annual wage increase rate	**FY 2020**	**FY 2020**	**FY 2019**	**FY 2019**
Executives	2.00%	1.00%	3.50%	1.00%
Middle managers	2.00%	1.00%	3.50%	1.00%
White-collars	2.00%	1.00%	3.50%	1.00%
Blue-collars	2.00%	1.00%	3.50%	1.00%

The annual rate of increase of the employee severance indemnity, as required by Article 2120 of the Italian Civil Code, is 75% the inflation plus 1.5 percentage points.

Sensitivity analysis of the main valuation parameters:

(thousands of euro)	Italy	Other Countries	Total
Turnover rate +1%	3,012	21	**3,034**
Turnover rate -1%	3,066	23	**3,089**
Inflation rate + 0.25%	3,081	-	**3,081**
Inflation rate - 0.25%	2,995	-	**2,995**
Discount rate + 0.50%	2,975	21	**2,996**
Discount rate - 0.50%	3,103	23	**3,126**
Compensation rate + 1%	-	24	**24**
Compensation rate - 1%	-	20	**20**

(thousands of euro)	Italy	Other Countries	Total
Service Cost 2020	117	14	**131**

Estimated future disbursements

Years	Italy	Other Countries	Group
1	325,947	2,821	328,768
2	190,715	1,318	192,033
3	255,830	1,671	257,501
4	280,833	909	281,742
5	243,398	1,266	244,664
6	-	14,179	14,179

The breakdown of the change in the provision follows:

Description (thousands of euro)	Italy	Other Countries	Group
Defined Benefit Obligation 01/01/2020	**2,241**	**73**	**2,315**
Change in consolidation scope	910		910
Service Cost	117	14	131
Interest Cost	19	1	20
Benefit paid	(301)	(1)	(302)
Transfer in/(out)	50	-	50
Expected DBO 31/12/2018	3,037	86	3,123
Actuarial (Gains)/Losses from experience	(16)	-	(16)
Actuarial (Gains)/Losses due to changes in demographic assumptions	-	(3)	(3)
Actuarial (Gains)/Losses due to changes in financial assumptions	33	(2)	31
Actuarial (Gains)/Losses due to “other topics”	-	(3)	(3)
Defined Benefit Obligation 31/12/2020	**3,054**	**78**	**3,132**

Description (thousands of euro)	**Italy**
Defined Benefit Obligation 31/12/2020	3,054
Statutory employee severance indemnity 31/12/2020	2,679
Surplus / (Deficit)	(375)

40. Deferred tax liabilities

The value of the item *deferred tax liabilities* for 2020 and 2019 is provided below:

Deferred tax liabilities	**31/12/2020**	**31/12/2019**	**Change absolute**	**%**
Deferred tax provision	6,954	8,460	(1,506)	(17.8%)
Total Deferred tax liabilities	**6,954**	**8,460**	**(1,506)**	**(17.8%)**

The breakdown of the balance as at 31 December 2020 and 2019 by type of timing differences is illustrated below:

	FY 2020		**FY 2019**	
(thousands of euro)	**Amount of timing differences**	**Tax effect**	**Amount of timing differences**	**Tax effect**
Timing differences included in the calculation of deferred taxes::				
Multi-year charges and development costs	738	(206)	738	(206)
Replacement fair value of property cost *	731	(204)	731	(204)
Assets under financial leasing	520	(145)	520	(145)
Product warranty provision	(4)	1	(4)	1
Employee benefits	484	(135)	362	(101)
Hedging instruments*	0	0	7	(2)
Provisions for risks and charges	14	(4)	14	(4)
Fair value of intangible assets *	18,670	(5,209)	23,832	(6,649)
Others	2,237	(624)	2,394	(668)
Discounting of receivables	(118)	33	(118)	33
Assets on free loan basis	204	(57)	204	(57)
Intercompany profits in inventory	100	(28)	172	(48)
IFRS16	1,341	(374)	1,462	(408)
Total		**(6,952)**		**(8,460)**

* charges/credits to Shareholders' equity

41. Provisions for risks and charges

The value of the *provision for risks and charges* for the 2020 and 2019 financial years is provided below:

Provisions for risks and charges	**FY 2020**	**FY 2019**	**Change absolute**	**%**
Provisions for risks and charges	534	672	(138)	(20.6%)
Total Provisions for risks and charges	**534**	**672**	**(138)**	**(20.6%)**

The areas the provision covers include staff for litigation that arose with employees and collaborators and trade items tied to litigation with customers and suppliers, and other potential liabilities for which the outlay resulting from the obligation and the period of occurrence are not certain.

Changes in the provision between the two periods are highlighted below:

(Figures in thousands of euro)	
Write-down provision as at 31 December 2019	**672**
Provisions	156
Use of fund	(259)
Release of Provisions	(46)
Other adjustments	10
Write-down provision as at 31 December 2020	**534**

42. Payables to banks and other financiers (current portion)

The value of *payables to banks and other financiers (current portion)* for 2020 and 2019 is shown below:

Payables to banks and other financiers	**FY 2020**	**FY 2019**	**Change absolute**	**%**
Bank current accounts (liabilities)	7,154	6,341	813	12.8%
Loans - short term portion	28,235	30,373	(2,137)	(7.0%)
Total Payables to banks and other financiers	**35,389**	**36,713**	**(1,324)**	**(3.6%)**

As highlighted in note 36, during the year, the Group completed a restructuring of part of the medium/long-term bank debt through the signing of moratorium agreements, therefore the reduction of the short-term portion of the loans highlighted in the note only includes payments made prior to these agreements and those not included in the transaction. This value is however influenced by the short-term portion of the new loans taken out during the year.

The increases in payables for long-term loans were recognised to support the need for resources not met by self-financing, forecast during the planning stage. As highlighted in note 48, the main activities for which resources are earmarked include the financing of investments and the repayment of payables due to banks. Additional details are provided in the section *additional information on financial instruments and risk management policies* required by IFRS 7.

43. Finance lease liabilities (current portion)

The value of *finance lease liabilities (current portion)* for 2020 and 2019 is shown below:

Finance lease liabilities	FY 2020	FY 2019	Change absolute	%
Finance lease liabilities (ST)	2,272	2,820	(548)	(19.4%)
Total Finance lease liabilities	**2,272**	**2,820**	**(548)**	**(19.4%)**

The values reflect the short-term portion of financial payables deriving from the application of IFRS 16 - leases described in note 37.

44. Trade payables

The value of *trade payables* for 2020 and 2019 is provided below:

Trade payables	FY 2020	FY 2019	Change absolute	%
Trade payables	11,580	12,336	(756)	(6.1%)
Total Trade payables	**11,580**	**12,336**	**(756)**	**(6.1%)**

The item shows a decrease compared to the comparison period, mainly in the company Viasat S.p.A. for an amount of € 1,137 thousand. This decrease is due to a lower volume of business caused by the pandemic in progress, as highlighted in the previous notes, and to the definition of a previous situation with a supplier which led to the recognition of a contingent asset highlighted in note 2.

The decrease was partially offset by the effects of the acquisition of the Cogema manufacturing group during the year.

45. Tax liabilities

The value of *tax liabilities* for 2020 and 2019 is provided below:

Tax liabilities	FY 2020	FY 2019	Change absolute	%
VAT payable	924	1,333	(410)	(30.7%)
Current taxes liabilities	605	270	335	123.9%
Withholding tax liabilities	667	666	1	0.1%
Total Tax liabilities	**2,196**	**2,270**	**(74)**	**(3.3%)**

The value of the VAT payable is mainly attributable to Vem Solutions S.p.A. as a result of the acquisition and merger of Cogema S.r.l.. The high amount relating to 2019 was attributable to Viasat S.p.A. as a result of a sale & leaseback transaction carried out in December. Payables for current taxes mainly consist of the *IRAP* payable of Viasat S.p.A. (€ 514 thousand).

46. Other liabilities

The value of *other liabilities* for 2020 and 2019 is provided below:

Other liabilities	FY 2020	FY 2019	Change absolute	%
Accrued liabilities	102	30	72	237.0%
Deferred incomes	14,802	16,409	(1,607)	(9.8%)
Due to social security	1,072	1,034	39	3.7%
Due to employees	3,245	2,994	251	8.4%
Other liabilities for shares acquisitions (ST)	3,181	2,511	670	26.7%
Customers advance account	468	761	(292)	(38.5%)
Other current liabilities	1,420	1,182	238	20.1%
Total Other liabilities	**24,292**	**24,921**	**(629)**	**(2.5%)**

The most significant change is given by the decrease in deferred income mainly due to the reduction in the working capital as shown in the dedicated section of the report on operations.

The increase in the total value of *sundry payables for the purchase of equity investments*, of which the short-term portion is highlighted in these notes, is due to the update of the calculation of the liabilities on the basis of the information updated at the date of preparation of the consolidated financial statements. The most significant effect of the increase is attributable to Team.ind S.r.l., of which the minority shares were paid in March 2021, as highlighted in the paragraph describing the events after the end of the year.

COMMENTS ON THE MAIN ITEMS OF THE CONSOLIDATED CASH FLOW STATEMENT

The Group adopts the cash flow statement using the *direct method*. In fact, it is believed that the figures thus presented provide clearer, immediate and in-depth disclosure on the methods for generating and using liquidity. Supporting this approach, it is significant to recall that IAS 7 – *Cash flow statement*, encourages the adoption of the *direct method*, considering it to be the instrument of choice, since it provides information on the cash flows which cannot be obtained using the *indirect method*.

On the basis of the matters required by the accounting standard, the information on the changes over time in cash and cash equivalents has been classified under *cash flow from operations*, *cash flows from investment activities* and *cash flows from financing activities*.

47. Cash flows from operations

The value of *cash flows from operations* for 2020 and 2019 is shown below:

A) CASH FLOW FROM OPERATIONS (thousands of euro)	**Notes**	**FY 2020**	**FY 2019**
Amounts collected from customers		88,060	102,613
Other amount collected		329	169
Total amounts collected from operations		**88,389**	**102,783**
Payments to suppliers*		(32,719)	(40,169)
Payments relating to staff*		(25,857)	(27,944)
Payments for taxes		(11,107)	(11,452)
Payments for banking services		(263)	(253)
Other payments		(1,276)	(1,955)
Total payments from operations		**(71,222)**	**(81,774)**
Total payments from operations relating to asset destined to be sold		**-**	**-**
Cash flow balance from operations	**47**	**17,168**	**21,009**

* net of investments

The balance for the period recorded a lower value of collections with respect to the comparison period because of the reduction in business volume due to the effects of Covid-19 and the effects of a *sale & leaseback* transaction carried out in 2019, which had an impact of € 6,812 thousand on *collections from customers*. However, the significant portion of the recurring business ensured continuity in the generation of liquidity deriving from the renewal of subscription fees, in addition to the maintenance of efficient credit management favoured by a low counterparty risk. From the point of view of payments, the decreases reflect the reduction in business volumes and the measures adopted as a result of the effects of the Covid-19 mentioned in the previous notes, especially as regards relations with suppliers and Group employees. Net of the extraordinary transaction reported above, the cash balance from operating activities, with a negative change of € 3,841 thousand with respect to the comparison period, would have recorded an increase of € 2,971 thousand.

48. Cash flows from investment activities

The value of *cash flows from investment activities* for 2020 and 2019 is shown below:

B) CASH FLOW FROM INVESTMENT ACTIVITIES (thousands of euro)	**Notes**	**FY 2020**	**FY 2019**
Amounts collected from disposal of patents - licenses - trademarks - intellectual property rights		-	-
Amounts collected from disposal of land and buildings		802	-
Price from disposal of plant - machinery - equipment		-	-
Price from disposal of equity investments**		-	-
Amounts collected for interest income on bank deposits and other assets		1	8
Amounts collected for dividends		2	3
Price from disposal other assets		85	352
Total amounts collected from investment activities		**889**	**362**
Payments for acquisitions of disposal of patents - licenses - trademarks - intellectual property rights		(408)	(484)
Payments for development costs		(4,331)	(3,655)
Payments for the purchase of land and buildings		-	-
Payments for the purchase of plant - machinery - equipment		(354)	(644)
Payments for assets on free loan basis and leased		(3,343)	(6,232)
Payments for the purchase of equity investments***		(610)	(8,673)
Payments for the purchase of other assets		(633)	(839)
Total payments for investment activities		**(9,679)**	**(20,527)**
Cash flow balance from investment activities	**48**	**(8,790)**	**(20,164)**

** net of cash and cash equivalents disposed of
*** net of cash and cash equivalent acquired

Cash flows from investment activities show a decrease in the use of resources for investment in businesses that envisage the transfer of devices to loaned to customers free-of-charge due to lower volumes of new subscriptions, lower average unit value of capitalised devices costs and accessory installation costs. On the other hand, there was an increase in the use of resources engaged in development activities, confirming this asset as fundamental in order to maintain a state-of-the-art level and excellence in the levels of service and products offered. In fact, the adoption of *smart-working* allowed activities to continue despite the *lockdown* period preventing or limiting access to the workplaces. The most significant reduction concerns payments for the purchase of equity investments, in which the value of € 609 thousand is attributable to the earn-outs paid for the acquisitions of Trackit Consulting LDA, Anthea S.r.l., Icom OOD and for the purchase of 85% of the share capital of Cogema S.r.l..

49. Cash flows from financing activities

The value of *cash flows from financing activities* for 2020 and 2019 is shown below:

C) CASH FLOW FROM FINANCING ACTIVITIES (thousands of euro)	**Notes**	**FY 2020**	**FY 2019**
Amounts collected relating to the issue of equities		-	-
Other contributions from Shareholders		-	-
Increases in cash and cash equivalents for long-terms loans		11,530	32,292
Increases in cash and cash equivalents for short-terms loans		727	2,698
Amounts collected from other financing activities		230	115
Total amounts collected from financing activities		**12,487**	**35,105**
Repayment of medium/long term amounts due to banks		(23,627)	(25,556)
Repayment of short term amounts due to banks		(199)	(3)
Payments relating to financial leases		(2,672)	(1,627)
Interest payment		(1,378)	(1,440)
Dividend payment		(4)	-
Payments relating to other financial activities		(238)	(1,124)
Total cash outflows relating to financing activities		**(28,119)**	**(29,749)**
Cash flow balance from financing activities	**49**	**(15,631)**	**5,356**

During the year, new loans were taken out for a total value of € 11,530 thousand, as shown in note 36, while repayments of the portions of those in place were partially suspended due to the moratorium agreements signed for a total value of € 10,000 thousand for the 2020 - 2021 two-year period (with an effect on the year of € 8,521 as part of the suspended instalments were in any case paid by the end of the year).

The lower absorption of resources from investment activities and the significant reduction in cash outflows related to acquisitions carried out in previous years (*earn-out option* payments) reduced the need for financial resources.

The effects of the change in the scope of consolidation involved outlays of approximately € 2,500 thousand from the acquisition date of 30 September 2020.

ADDITIONAL INFORMATION ON FINANCIAL INSTRUMENTS AND RISK MANAGEMENT POLICIES

Classes of financial instruments

The breakdown of the financial assets and liabilities required by IFRS 7 is given below. It is broken down into the main categories identified for the year 2020 and contains the comparison with the previous year.

Financial assets

FY 2020

Financial statement items (thousands of euro)	Financial instruments at fair value with a balancing entry in the income statement	Loans and receivables	Financial instruments at fair value with a balancing entry in the other components of the income statement (FVOCI)	Book value	Explanatory notes
Non Current Financial Assets					
Other financial receivables		144		**144**	25
Other equity investments			99	**99**	25
Financial receivables (non current portion)		77		**77**	25
Current Financial Assets					
Customer receivables		24,738		**24,738**	30
Financial receivables (current portion)		229		**229**	32
Securities			31	**31**	32
Other financial receivables current - Gross Value		29		**29**	32
Bank current accounts		3,508		**3,508**	34
Cash and liquid deposits		12		**12**	34
Total	**-**	**28,737**	**130**	**28,867**	

FY 2019

Financial statement items (thousands of euro)	Financial instruments at fair value with a balancing entry in the income statement	Loans and receivables	Financial instruments at fair value with a balancing entry in the other components of the income statement (FVOCI)	Book value	Explanatory notes
Non Current Financial Assets					
Other financial receivables		173		**173**	25
Other equity investments			113	**113**	25
Financial receivables (non current portion)		1,191		**1,191**	25
Current Financial Assets					
Customer receivables		27,392		**27,392**	30
Financial receivables (current portion)		275		**275**	32
Other financial receivables current - Gross Value		25		**25**	32
Bank current accounts		10,901		**10,901**	34
Cash and liquid deposits		12		**12**	34
Total	**-**	**39,969**	**113**	**40,082**	

Financial liabilities

FY 2020				
Financial statement items (thousands of euro)	**Financial instruments at fair value with a balancing entry in the income statement**	**Liabilities at amortised cost**	**Book value**	**Explanatory notes**
Non Current Financial Liabilities				
Medium/long term loans		29,879	**29,879**	36
Hedging instrument liabilities (M/L)	323		**323**	36
Finance lease liabilities (M/L)		10,735	**10,735**	37
Other liabilities for shares acquisitions (M/L)		3,244	**3,244**	38
Current Financial Liabilities				
Trade payables		11,876	**11,876**	44
Loans - short term portion		28,235	**28,235**	42
Bank current accounts (liabilities)		7,154	**7,154**	42
Finance lease liabilities (ST)		2,272	**2,272**	43
Other liabilities for shares acquisitions (ST)		3,181	**3,181**	46
Total	**323**	**96,576**	**96,899**	

FY 2019				
Financial statement items (thousands of euro)	**Financial instruments at fair value with a balancing entry in the income statement**	**Liabilities at amortised cost**	**Book value**	**Explanatory notes**
Non Current Financial Liabilities				
Medium/long term loans		35,578	**35,578**	36
Hedging instrument liabilities (M/L)	287		**287**	36
Financial lease liabilities (M/L)		12,019	**12,019**	37
Other liabilities for shares acquisitions (M/L)		6,908	**6,908**	38
Current Financial Liabilities				
Trade payables		12,336	**12,336**	44
Loans - short term portion		30,373	**30,373**	42
Bank current accounts (liabilities)		6,341	**6,341**	42
Financial lease liabilities (ST)		2,820	**2,820**	43
Other liabilities for shares acquisitions (ST)		2,511	**2,511**	46
Total	**287**	**108,886**	**109,173**	

Fair value of financial assets and liabilities: calculation models used

The amounts corresponding to the fair value of the classes of financial instruments divided based on the methodologies and calculation models adopted for their determination are illustrated below.

FY 2020

Financial statement items (thousands of euro)	**Nominal value**	**Mark to Market book value**	**DCF Model book value**	**Total at Fair Value**	**Explanatory notes**	**Fair value hierarchy**
Financial receivables (M/L-term portion)	**77**		77	**77**	25	2
Financial receivables (short-term portion)	**229**		229	**229**	32	2
Capital Stock	**-**	31		**31**	32	1/2
Trade receivables	**28,374**		24,738	**24,738**	30	2
Equity investments	**99**	99		**99**	25	1/2
Other financial assets (M/L-term portion)	**144**		144	**144**	25	2
Other financial assets (short-term portion)	**29**		29	**29**	32	2
Hedging derivatives						
- Interest rate swap (cash flow hedge)	**(322)**	(322)		**(322)**	36	2
Medium/long-term loans (M/L-term portion)	**(30,009)**		(29,879)	**(29,879)**	36	2
Finance lease liabilities (M/L-term portion)	**(10,735)**		(10,735)	**(10,735)**	37	2
Medium/long-term loans (short-term portion)	**(28,235)**		(28,235)	**(28,235)**	42	2
Finance lease liabilities (short-term portion)	**(2,272)**		(2,272)	**(2,272)**	43	2
Trade payables	**(11,876)**		(11,876)	**(11,876)**	44	2
Other liabilities for shares acquisitions (M/L-term portion)	**(3,244)**		(3,244)	**(3,244)**	38	3
Other liabilities for shares acquisitions (short-term portion)	**(3,181)**		(3,181)	**(3,181)**	46	3

FY 2019

Financial statement items (thousands of euro)	Nominal value	Mark to Market book value	DCF Model book value	Total at Fair Value	Explanatory notes	Fair value hierarchy
Financial receivables (M/L-term portion)	**1,191**		1,191	**1,191**	25	2
Financial receivables (short-term portion)	**275**		275	**275**	32	2
Trade receivables	**31,620**		27,392	**27,392**	30	2
Equity investments	**113**	113		**113**	25	1/2
Other financial assets (M/L-term portion)	**173**		173	**173**	25	2
Other financial assets (short-term portion)	**25**		25	**25**	32	2
Hedging derivatives						
- Interest rate Cap (cash flow hedge)	**(287)**	(287)		**(287)**	36	2
Medium/long-term loans (M/L-term portion)	**(35,753)**		(35,578)	**(35,578)**	36	2
Finance lease liabilities (M/L-term portion)	**(12,019)**		(12,019)	**(12,019)**	37	2
Medium/long-term loans (short-term portion)	**(30,373)**		(30,373)	**(30,373)**	42	2
Finance lease liabilities (short-term portion)	**(2,820)**		(2,820)	**(2,820)**	43	2
Trade payables	**(12,336)**		(12,336)	**(12,336)**	44	2
Other liabilities for shares acquisitions (M/L-term portion)	**(6,908)**		(6,908)	**(6,908)**	38	3
Other liabilities for shares acquisitions (short-term portion)	**(2,511)**		(2,511)	**(2,511)**	46	3

The fair value of the securities listed in an active market is based on market prices at the date of the financial statements. The fair value of the financial instruments listed in an active market is determined using the models and measurement techniques prevailing on the market. The fair value was not calculated for the trade receivables and payables falling due within the year since their book value comes close to it.

Financial income and charges

The values of *financial income and charges* are illustrated below, broken down by the categories identified.

FY 2020

IFR 9 items (thousands of euro)	**From interest**	**Capital gains**	**Dividends**	**At fair value**	**From Shareholders' equity reserve**	**Exchange gains/(losses)**	**Net profit /losses**
Financial instruments at fair value held for trading	(210)				(25)	(14)	**(249)**
Liabilities at amortised cost	(1,317)				-	172	**(1,145)**
Loans and receivables	37		2		-	(86)	**(47)**
Financial instruments at fair value with a balancing entry in the other components of the income statement (FVOCI)					(10)		**(10)**
Total	**(1,490)**	**-**	**2**	**-**	**(36)**	**72**	**(1,452)**

FY 2019

IFR 9 items (thousands of euro)	**From interest**	**Capital gains**	**Dividends**	**At fair value**	**From Shareholders' equity reserve**	**Exchange gains/(losses)**	**Net profit /losses**
Financial instruments at fair value held for trading	(235)				(33)	-	**(268)**
Liabilities at amortised cost	(1,126)				-	(67)	**(1,193)**
Loans and receivables	13		3		-	555	**570**
Financial instruments at fair value with a balancing entry in the other components of the income statement (FVOCI)					9		**9**
Total	**(1,348)**	**-**	**3**	**-**	**(24)**	**488**	**(882)**

Financial risks and relevant hedging instruments

The management of the group's financial risks, aimed at reducing exposure to the changes in exchange rates, interest rates, to credit risk and liquidity risk, is the responsibility of the centralised cash management area in the holding company Viasat Group, which, in cooperation with the finance department, evaluates the policies to be adopted on the basis of the guidelines set out during strategic planning. Pre-set objectives are geared towards both safeguarding the ability of the various companies to provide their businesses with continuity and maintaining a capital balance that goes beyond monitoring the financial covenants concerning ongoing loans. The context of the risks is shown with reference made to the set-up required by international accounting standard IFRS 7, distinguishing between the following types of risk:

- Interest rate risk
- Exchange rate risk
- Liquidity risk
- Credit risk

Interest rate risk

Interest rate risk is the exposure to changes in the fair value or future cash flows of certain financial instruments (in particular short-term payables to banks, mortgages, leases, etc.), due to the variations in market interest rates.

Again during 2020, to meet significant investment not covered by self-financing required to consolidate Group growth, the financial department deemed it necessary to resort to borrowing from credit institutions and, therefore, new medium/long-term loan agreements were signed for a total amount of € 10 million. Given that these are floating-rate loans, the Group adopted a strategy for managing risk by signing hedging contracts (*Interest Rate Swaps*) with the purpose of ensuring that the financial cost related to one part of the debt is certain.

The effectiveness of the hedge is verified on the basis of the conditions envisaged by IFRS 9 for the use of *hedge accounting*. The cash flow hedge method was used to account for hedging transactions. According to this method, the effective portion of the change in value of the derivative moves a shareholders' equity reserve that is used to adjust the value of the recorded interest and object of hedging when they appear.

At the end of 2020, the Group's indebtedness with financial institutions with regard to medium/long-term loans totalled € 58,114 thousand gross of discounting, of which € 28,235 thousand represented the share of debt to be repaid in 2021. The differential paid on hedging derivatives generated a negative impact on the income statement equal to € 207 thousand, compared with the € 232 thousand in the previous year.

A summary table follows:

Medium/long-term loans

(thousands of euro)	FY 2020	FY 2019
Residual debt	58,114	65,951
of which short-term portion	28,235	30,373
Debt interest	(587)	(546)
Exercise of hedging derivatives	(207)	(232)

A "sensitivity analysis" is reported below, showing the impact on cash flows deriving from an increase of 25 bps and 50 bps in the interest rates with respect to anticipated interest rates, all other variables being equal. The potential impact is calculated on the financial liabilities at floating interest rates as at 31 December 2020.

FY 2020

Sensitivity analysis	**25 bps increase**	**50 bps increase**
Thousands of euro)		
Change in loan cash flows	165	331
Change in hedging instrument cash flows	(121)	(260)
Net value	**45**	**71**

FY 2019

Sensitivity analysis	**25 bps increase**	**50 bps increase**
(thousands of euro)		
Change in loan cash flows	218	442
Change in hedging instrument cash flows	(142)	(294)
Net value	**76**	**148**

The above rate change would involve a greater interest expense respectively of € 45 and € 71 thousand compared to the € 165 and € 331 thousand applicable in the absence of hedging. Under these assumptions, the change in the cash flows of the derivative instruments makes it possible to cancel out any change in the cash flows of the borrowings.

The prospective effectiveness tests show a decreasing relationship between derivatives and hedged instruments, due to the moratoriums obtained on loans in 2020.

With regard, instead, to the uses of short-term bank credit facilities, in 2020 the group reduced the use of credit lines from an average debt of € 4,842 thousand in 2019 to € 4,231 thousand in 2020. Thanks to the optimisation of the uses of the various lines granted by credit institutions, the weighted average cost was reduced compared to the previous year. The table reported below shows the effects on the Income Statement, under the assumption of constant use of the facilities, of an increase of 25, 50, 75 and 100 bps and a decrease of 25 bps with respect to the average rate, of the rates applied by each bank.

FY 2020

Interest rate risk on the use of credit facilities	**% Value**	**Financial charges**	**Deviation**
(thousands of euro)			
Average rate as at 31 December 2020 + 100 bps	2.301%	97	42
Average rate as at 31 December 2020 + 75 bps	2.051%	87	32
Average rate as at 31 December 2020 + 50 bps	1.801%	76	21
Average rate as at 31 December 2020 + 25 bps	1.551%	66	11
Average rate as at 31 December 2020 - 25 bps	1.051%	44	(11)
Average use of short-term credit lines in 2020		4,231	
% average rate applied as at 31 December 2020		1.30%	
Financial charges calculated on financial debt as at 31 December 2020		55	

FY 2019

Interest rate risk on the use of credit facilities	**% Value**	**Financial charges**	**Deviation**
(thousands of euro)			
Average rate as at 31 December 2019 + 100 bps	2.356%	114	48
Average rate as at 31 December 2019 + 75 bps	2.106%	102	36
Average rate as at 31 December 2019 + 50 bps	1.856%	90	24
Average rate as at 31 December 2019 + 25 bps	1.606%	78	12
Average rate as at 31 December 2019 - 25 bps	1.106%	54	(12)
Average use of short-term credit lines in 2019		4,842	
% average rate applied as at 31 December 2019		1.36%	
Financial charges calculated on financial debt as at 31 December 2019		66	

Exchange rate risk

The varied geographical distribution of the group's production and commercial activities involves exposure to the currency exchange risk generated by transactions of a commercial and financial nature carried out in the individual companies in currencies other than the functional currency of the company that carries out the transaction. Exchange rate fluctuations between the time when the commercial or financial relationship is established and when the transaction is completed (collection or payment) may result in exchange rate gains or losses due to the delta. To limit this risk, the Group uses *natural hedging* between credit and debit positions in currencies other than the local currencies, and hedges only net positions in foreign currency, making recourse, if deemed necessary, to forward purchasing of foreign currency. However, any net currency positions are not hedged on a systematic basis. Generally, it is carried out only if the net flows to hedge are significant and therefore justify financial hedging; furthermore, assessments are carried out on the historic and forecast values of the exchange rates subject to observation.

During 2020, forward currency purchases were made for an overall value of around USD 400 thousand. The exercise of these hedging derivatives had a negative impact in 2020 on the item “Foreign exchange losses” equal to € 14.4 thousand.

The following table shows a summary of amounts collected and payments in foreign currencies:

	FY 2020
Payments in USD 2020	(3,606,745.54)
Collections in USD 2020	618,365.96
Net Position in USD	(2,988,379.58)
Acquisition USD derivatives	400,000.00
Derivatives Cover in USD	**13.39%**
Payments in GBP 2020	(3,131,621.71)
Collections in GBP 2020	3,998,048.12
Net Position in GBP	866,426.41
Payments in RON 2020	(5,100,538.35)
Collections in RON 2020	5,023,822.16
Net Position in RON	(76,716.19)
Payments in PLN 2020	(17,817,414.52)
Collections in PLN 2020	21,802,094.15
Net Position in PLN	3,984,679.63
Payments in BGN 2020	(5,497,763.87)
Collections in BGN 2020	4,235,813.02
Net Position in BGN	(1,261,950.85)
Payments in CLP 2020	(292,169,969.37)
Collections in CLP 2020	440,343,687.99
Net Position in CLP	148,173,718.62
Payments in CNY 2020	(2,043,186.33)
Collections in CNY 2020	137.55
Net Position in CNY	(2,043,048.78)
Payments in JPY 2020	(341,269.00)
Collections in JPY 2020	0.00
Net Position in JPY	(341,269.00)

The sensitivity analysis shown below reports the effects on the result before tax, deriving from a 10% positive/negative change in the exchange rate of foreign currencies with respect to the Euro, with like-for-like cash and cash equivalents in foreign currency.

FY 2020

(thousands of euro)	Euro/USD	Cash and c/a (asset) USD	Euro equivalent	Value Profitand loss
Exchange rate as at 31 december +10%	1.3498	630.51	467.11	(46.71)
Exchange rate as at 31 december	1.2271	630.51	513.82	
Exchange rate as at 31 december -10%	1.1044	630.51	570.91	57.09
(thousands of euro)	**Euro/GBP**	**Cash and c/a (asset) GBP**	**Euro equivalent**	**Value Profitand loss**
Exchange rate as at 31 december +10%	0.9889	597.01	603.69	(60.37)
Exchange rate as at 31 december	0.8990	597.01	664.06	
Exchange rate as at 31 december -10%	0.8091	597.01	737.84	73.78
(thousands of euro)	**Euro/PLN**	**Cash and c/a (asset) PLN**	**Euro equivalent**	**Value Profitand loss**
Exchange rate as at 31 december +10%	5.0157	3,146.09	627.25	(62.73)
Exchange rate as at 31 december	4.5597	3,146.09	689.98	
Exchange rate as at 31 december -10%	4.1037	3,146.09	766.64	76.66
(thousands of euro)	**Euro/RON**	**Cash and c/a (asset) RON**	**Euro equivalent**	**Value Profitand loss**
Exchange rate as at 31 december +10%	5.3551	205.78	38.43	(3.84)
Exchange rate as at 31 december	4.8683	205.78	42.27	
Exchange rate as at 31 december -10%	4.3815	205.78	46.97	4.70
(thousands of euro)	**Euro/CLP**	**Cash and c/a (asset) CLP**	**Euro equivalent**	**Value Profitand loss**
Exchange rate as at 31 december +10%	959.77	26,508.01	27.62	(2.76)
Exchange rate as at 31 december	872.52	26,508.01	30.38	
Exchange rate as at 31 december -10%	785.27	26,508.01	33.76	3.38
(thousands of euro)	**Euro/CNY**	**Cash and c/a (asset) CNY**	**Euro equivalent**	**Value Profitand loss**
Exchange rate as at 31 december +10%	8.8248	92.77	10.51	(1.05)
Exchange rate as at 31 december	8.0225	92.77	11.56	
Exchange rate as at 31 december -10%	7.2203	92.77	12.85	1.28

Liquidity risk

Liquidity risk is tied to the difficulty of raising funds to meet future obligations. It may derive from the insufficiency of the resources available for meeting the financial obligations under the pre-established terms and deadlines or from the possibility that the company has to settle its financial liabilities before their natural due dates.

The main instruments used by the Group to manage and minimise this risk are one-year and three-year financial plans and treasury plans that allow cash inflows and outflows to be fully and properly identified and measured. The variances between the plans and the final figures are subject to constant analysis.

The Group has also implemented an international *cash pooling system* that enables the automatic concentration of liquidity and the elimination of unused liquid assets on linked accounts, the use of resources to cover the needs of the network of companies resulting in reduced recourse to credit, and the coordination and supervision of cash flows in a centralised manner. As a result, trading, the management of bank accounts and the raising of resources in the various technical forms on the capital markets are also optimised using a centralised management.

The prudent management of risk described above involves maintaining an adequate level of cash flow, a correct and balanced financial structure with a balance between sources and uses from a timing point of view and according to the company's activity, the choice and use of flexible means of intervention that make it possible to quickly and cost-effectively counteract any deviations with respect to the planned objectives.

As at the closing date of these financial statements, the use of short-term credit lines managed by the holding company Viasat Group through the use of overdraft is equal to € 6,991 thousand out of a total of revocable credit lines of € 16110 thousand. The Group's overall liquidity, however, amounts to € 3.520 thousand.

The following table illustrates an analysis of the financial and trade payables and other financial obligations of the company broken down by contractual expiration brackets and with *undiscounted* values in consideration of the worst case scenario, considering the closest date for which the Group may be demanded payment, and provides financial statement notes for each class. For interest-bearing fixed and variable-rate financial liabilities, both the principal and the interest in the various maturity brackets were considered. In particular, for variable-rate liabilities, the rate as at 31 December 2020 was used plus the relative spread and any surcharge that would apply if the financial covenants were exceeded.

FY 2020

Financial statement items ***(worst case)*** (thousands of euro)	**Book value**	***Within 12months***	***Between 1 and 5 years***	***Beyond 5 years***	**Total cashflows**	**Explanatory notes**
FINANCIAL LIABILITIES						
Medium/long-term loans (M/L-term portion)	**29,879**		*17,027*		**17,027**	36
Trade payables	**11,876**	*11,876*			**11,876**	44
Medium/long-term finance lease liabilities	**10,735**		*9,434*	*2,372*	**11,806**	37
Medium/long-term loans (short-term portion)	**28,235**	*39,622*			**39,622**	42
Short-term payables to banks and other financiers	**7,154**	*7,154*			**7,154**	42
Short-term finance lease liabilities	**2,272**	*2,684*			**2,684**	43
Other liabilities for shares acquisitions (M/L-term portion)	**3,244**		*3,244*		**3,244**	38
Other liabilities for sharesacquisitions (short-term portion)	**3,181**	*3,181*			**3,181**	46
TOTAL FINANCIAL LIABILITIES	**96,576**	***64,516***	***29,705***	***2,372***	**96,594**	

Financial statement items *(worst case)* (thousands of euro)	FY 2019 Book value	*Within 12months*	*Between 1 and 5 years*	*Beyond 5 years*	Total cashflows	Explanatory notes
FINANCIAL LIABILITIES						
Medium/long-term loans (M/L-term portion)	**35,578**		*17,348*		**17,348**	36
Trade payables	**12,336**	*12,336*			**12,336**	44
Medium/long-term finance lease liabilities	**12,019**		*8,453*	*3,914*	**12,367**	37
Medium/long-term loans (short-term portion)	**30,373**	*46,907*			**46,907**	42
Short-term payables to banks and other financiers	**6,341**	*6,341*			**6,341**	42
Short-term finance lease liabilities	**2,820**	*3,050*			**3,050**	43
Other liabilities for shares acquisitions (M/L-term portion)	**6,908**		*6,908*		**6,908**	38
Other liabilities for shares acquisitions (short-term portion)	**2,511**	*2,511*			**2,511**	46
TOTAL FINANCIAL LIABILITIES	**108,886**	***71,145***	***32,709***	***3,914***	**107,767**	

The Group expects to meet these obligations by using liquidity reserves, through the use of cash flow generated by the characteristic activity and partly using third-party funds, using credit lines as described in the paragraph on interest rate risk.

Some loan contracts of the Group require compliance with financial covenants. More specifically, there are the following covenants with their relative thresholds:

- Net financial indebtedness/Gross operating margin
- Net financial indebtedness/Shareholders' equity

Failure to observe the ratios, with unchanged accounting standards, would result in an increase in the spread applied to the interest rate on floating-rate mortgages, in some cases and, in others, the possible application of the acceleration clause and the termination of the agreement. The value of these covenants is monitored at the end of every six months and, as at 31 December 2020, these ratios had been observed.

Credit risk

Credit risk is the Viasat Group's exposure to potential losses caused by failure to meet obligations assumed by the counterparties that are almost only commercial in nature. First of all, this risk depends on typically economic-commercial factors, or rather the possibility that a counterparty defaults, and on more strictly technical-commercial or administrative and legal factors (such as, for example, complaints on the type and quality of the supply, the relevant invoices).

The Group is focused on formulating ever more effective credit management strategies in order to minimise the doubtful and outstanding portion. The credit management procedure in force aims to rationalise and standardise credit management within the companies subject to the management and coordination of Viasat Group S.p.A.

The corporate counterparties identified are (as detailed in note 27), *Users (retail customers), Companies and public administrations* and *publicly owned companie*s. The Group has some concentrations of credit risk depending on the nature of the activities carried out by the operating companies and the various reference markets. It is believed that the value expressed, stated net of the bad debt provision, gives a correct representation of the fair value of the total receivables.

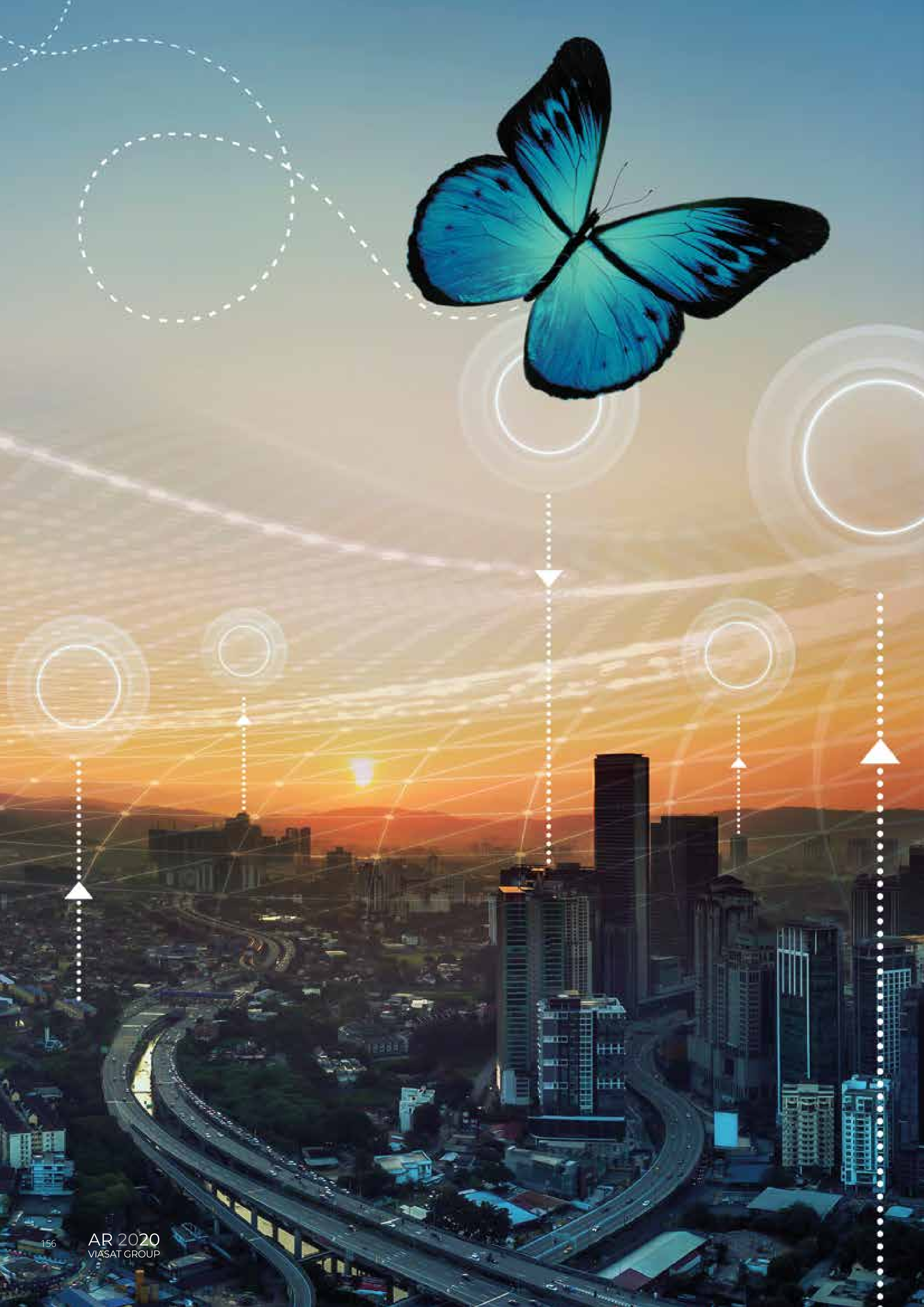
The breakdown of the values by due date of the item *customer receivables* for 2020 and 2019 is provided hereunder.

Figures as at 31 December 2020

(thousands of euro)	Overdue (gross of provision)	Falling due	Overdue up to 3 months	Overdue between 3 and 6 months	Overdue between 6 months and 1 year	Overdue beyond 1 year	Bad debt provision
Total	**12,305**	**16,162**	**5,042**	**1,981**	**781**	**4,500**	**(3,636)**

Figures as at 31 December 2019

(thousands of euro)	Overdue (gross of provision)	Falling due	Overdue up to 3 months	Overdue between 3 and 6 months	Overdue between 6 months and 1 year	Overdue beyond 1 year	Bad debt provision
Total	**14,151**	**17,694**	**4,971**	**937**	**2,232**	**6,011**	**(4,267)**



INTERCOMPANY AND RELATED PARTY TRANSACTIONS

The essential elements of the relations between Viasat Group S.p.A. and the Group companies (so-called *Intercompany transactions*) and of the transactions between the Group and related parties, identified based on the accounting standards set out in IAS no. 24, for the year 2020 are summarised below with respect to the prior year. The following paragraphs first of all describe the intercompany transactions, and afterwards the Group transactions with its related parties.

Intercompany transactions

The relations between Viasat Group S.p.A. and the other Group companies mainly consist of financial transactions, and secondly of trade relations concerning centralised services, both regulated based on normal market conditions.

As at 31 December 2020

(thousands of euro)	Revenues	Costs	Financial income	Financial charges	Financial receivables	Other receivables	Financial payables	Other payables
Subsidiary companies	1,615	552	8,352	16	20,240	2,097	29,678	1,736
Total Parent Company	1,648	2,598	8,482	649	20,392	2,431	70,553	9,093
% of Total	97.96%	21.25%	98.47%	2.40%	99.25%	86.27%	42.06%	19.09%

As at 31 December 2019

(thousands of euro)	Revenues	Costs	Financial income	Financial charges	Financial receivables	Other receivables	Financial payables	Other payables
Subsidiary companies	1,465	556	6,983	16	13,705	2,488	23,416	1,273
Total Parent Company	2,054	4,256	7,324	912	14,895	2,865	77,408	11,967
% of Total	71.32%	13.06%	95.34%	1.79%	92.01%	86.86%	30.25%	10.64%

Transactions with related parties

The following table shows the single amounts of the *transactions with related parties* for the year 2020, in comparison with the previous year:

Transactions with related parties (thousands of euro)	Revenues/ Financial income	Costs/ Financial charges	Investments	Payables	Receivables	Non current assets
			FY 2020			
Administrative consultancy	-	46	-	39	-	-
Management consultancy	-	-	-	10	-	-
Advisory services	-	-	-	-	-	-
Employee - collaborator contracts of employment	-	2,001	-	85	-	-
Property rental (IFRS 16 impact included)	-	454	-	3,043	-	2,945
Miscellaneous services	171	2		0	53	
Financial receivables	-	-	-	-	-	
Financial payables	-	-	-	3,289	-	-
Total	**171**	**2,502**	**-**	**6,467**	**53**	**2,945**

Administrative consultancy

The firm of certified public accountants Vighetto Servi Fea in Turin, of which Claudio Vighetto, Nives Servi and Jacopo Fea - president and effective members of several Boards of Statutory Auditors of Group companies, respectively - are partners, has supplied business and tax advice since Vem Solutions S.p.A. (formerly Elem S.p.A.) and afterwards other Group companies were set up.

(thousands of euro)	FY 2020	FY 2019
Administrative consultancy (Studio Vighetto Servi Fea)	46	76
Total fees	**46**	**76**

(thousands of euro)	FY 2020	FY 2019
Studio Vighetto Servi Fea	39	90
Total liabilities	**39**	**90**

Management consultancy

The company Nash Advisory, which includes in its shareholding structure Marco Petrone, who covers various roles within the Group including Director and Vice President in the holding company Viasat Group S.p.A., has carried out management consultancy activities for the Group.

(thousands of euro)	FY 2020	FY 2019
Nash Advisory	-	368
Total fees	**-**	**368**

(thousands of euro)	FY 2020	FY 2019
Nash Advisory	10	22
Total liabilities	**10**	**22**

Contracts with customers

The Romanian company Viasat Systems signed a contract with the customer company AIC Trucks, of which Ecaterina Mocanu, Chief Executive Officer of Viasat Systems, is a Shareholder.

(thousands of euro)	FY 2020	FY 2019
Revenues from AIC Truck customer	171	-
Total	**171**	**-**

(thousands of euro)	FY 2020	FY 2019
Receivables from AIC Truck customer	53	-
Total Liabilities	**53**	**-**

Employee - collaborator contracts of employment

The companies shown below had contracts of employment with several related parties, employees and collaborators of the Group in effect as at the closing date of the year, as it has close relationships with the directors and Shareholders of Viasat Group S.p.A. or those holding other offices within the Group companies.

Cost of related parties employees	FY 2020	FY 2019
VIASAT GROUP S.P.A.	276	272
Viasat S.p.A.	213	569
Vem Solutions S.p.A.	305	266
Viasat Connect Ltd	242	220
Viasat Systems SRL	96	94
Viasat Monitoring Sp.z o.o	139	159
Mobile Fleet Chile S.p.A.	89	62
Icom OOD	153	153
Viasat Connect SaS	177	79
Trackit Consulting LDA	146	100
Viasat Servicios Telematicos SL	165	265
Total	**2,001**	**2,239**

(thousands of euro)	FY 2020	FY 2019
Employee severance indemnity (*TFR*)	38	97
Other payables	47	62
Total liabilities	**85**	**159**

Property lease

The companies VEM Solutions S.p.A. and Viasat Group S.p.A. lease an industrial building and offices, respectively, owned by ExeFin S.p.a. (majority shareholder of Viasat Group S.p.A.). Starting in 2019, lease payments are no longer recognised in the income statement, due to the adoption of the accounting standard IFRS 16 – *Leases*, with the resulting recognition of the right of use and the related financial payable. Therefore, the impacts on the income statement and balance sheet in accordance with the new accounting standard are shown below.

(thousands of euro)	FY 2020	FY 2019
ROU depreciation	340	353
Portion of the fee relating to financial charges	115	126
Total	**454**	**479**

(thousands of euro)	FY 2020	FY 2019
Right of use	2,945	3,383
Total assets	**2,945**	**3,383**

(thousands of euro)	FY 2020	FY 2019
Financial debt vs EXEFIN spa (short-term portion)	291	308
Financial debt vs EXEFIN spa (M/L-term portion)	2,753	3,130
Total liabilities	**3,043**	**3,438**

Financial payables

The first component refers to acquisition operations carried out during the financial years. The payable consists of the earn-out evaluation related to the shares already acquired and to the measurement of debts related to the put and call options that can be exercised over the years on the remaining shares. The breakdown between the short-term and medium-long term component is shown.

Target Subsidiaries	Maturity			
	2020		2019	
	Short-term	Medium/long term	Short-term	Medium/ long term
Icom OOD	-	1,197	-	2,927
Viasat Connect SaS	242	-	194	21
Team.ind Solutions S.r.l.	1,000	-	257	-
Trackit Consulting LDA	-	850	350	850
Total	**1,242**	**2,047**	**801**	**3,798**

The second component relates to a loan that the Chilean subsidiary received from one of its Shareholders and directors until the 2019 financial year.

(thousands of euro)	FY 2020	FY 2019
Liability due to minority Shareholder and director - Mobile Fleet Chile S.p.A.	-	9
Total liabilities	**-**	**9**

REMUNERATION AND BENEFITS OF THE MEMBERS OF THE BOARD OF DIRECTORS AND OF THE MEMBERS OF THE BOARD OF STATUTORY AUDITORS

Fees due to the members of the Board of Directors as well as the members of the Board of Statutory Auditors of Viasat Group S.p.A. for the year ended 31 December 2020, for any reason and in any form, are stated in the following table:

FY 2020

Party	**Description of office**			**Fees January - December 2020** (thousands of euro)				
Name and surname	**Office covered**	**Start of mandate**	**End of mandate**	**Emoluments for the office**	**Non-monetary benefits**	**Bonus and other incentives**	**Other fees**	**Total**
Board of Directors								
Domenico Petrone	President and Chief Executive Officer	December 2020	Approval 2022 Fin. Stats.	192	-	-	34	**226**
Marco Petrone	Chief Executive Officer	December 2020	Approval 2022 Fin. Stats.	52	-	-	-	**52**
Giovanna Minuzzo	Director	December 2020	Approval 2022 Fin. Stats.	2	-	-	-	**2**
Statutory Auditors								
Claudio Vighetto	Chairman	June 2019	Approval 2022 Fin. Stats.	22	-	-	32	**54**
Nives Servi	Effective auditor	June 2019	Approval 2022 Fin. Stats.	15	-	-	22	**37**
Antonio Procopio	Effective auditor	June 2019	Approval 2022 Fin. Stats.	15	-	-	12	**27**

GUARANTEES PROVIDED, COMMITMENTS AND OTHER POTENTIAL LIABILITIES

Third party bank guarantees in our favour

Some companies of the Viasat group include public administration companies among their customers. In compliance with art. 93 of Legislative Decree no. 50/2016 (procurement code), a guarantee is required to cover the non-signing of the contract after the tender was awarded. The instrument chosen to meet this requirement is a bank or insurance guarantee and, overall, as at 31 December 2020 the commercial guarantees provided by primary credit institutions in our favour had a value of € 769 thousand, an increase of € 173 thousand with respect to the previous year.

The guarantees provided by Viasat S.p.A., mainly in the interest of municipalities operating in the provision of urban hygiene services, amount to approximately € 350 thousand. During 2020, Viasat also stipulated a surety for the benefit of Le Coste S.r.l., for a value of almost € 51 thousand, to guarantee the payment of the rent of the Rome plant.

Viasat Servicios Telematicos S.A. has outstanding guarantees given for an amount of € 243 thousand. The two main guarantees have been provided to the *Ministerio de Defensa* for the registration of the company as belonging to companies operating in the field of safety and the *Centre for the Development of Industrial Technology* (*CDTI*).

The Bulgarian subsidiary ICOM OOD uses unsecured loans to guarantee its participation in award procedures for the provision of services for the creation of Smart Cities projects. The main beneficiaries are the Bulgarian Ministry of the Economy and the cities of Pleven and Kazanlak. The equivalent value of these guarantees in Euros is approximately € 156 thousand.

The company Emixis S.A. also contracted a surety with BNP Paribas to guarantee a supply contract with the town of Charleroi for a value of € 20,540.

Bank guarantees in favour of third parties

These refer to bank guarantees given by Viasat Group S.p.A. in favour of several banks, with a residual value as at 31 December 2020 of € 13,264 thousand, for loans disbursed to Viasat S.p.A. and to guarantee the full, accurate performance of all the obligations assumed by the borrower.

Third party guarantees in our favour

Contractor	**Guarantees value**
(euro)	**FY 2020**
Viasat S.p.A.	400,545
Viasat Servicios Telematicos S.A.	242,651
Viasat Connect S.A.	20,540
ICOM OOD	156,172

Guarantees for third parties

Guarantor	**Guarantees value**
(euro)	**FY 2020**
VIASAT GROUP S.P.A.	13,264,000

COMPARISON BETWEEN FINANCIAL STATEMENTS OF PARENT COMPANY AND CONSOLIDATED FINANCIAL STATEMENTS

Comparison between financial statements of parent company and consolidated financial statements (thousands of euro)	**FY 2020**		**FY 2019**	
	Profit (loss) of the year	**Shareholders' Equity**	**Profit (loss) of the year**	**Shareholders' Equity**
Viasat Group	***6,938***	***37,497***	***5,797***	***30,410***
Elimination of equity investments in the companies consolidated line-by-line:	***-***	***(100,440)***	***-***	***(99,189)***
IFRS results and assets generated by companies consolidated line-by-line:	***5,698***	***36,341***	***5,189***	***38,965***
Other consolidation adjustments:				
Price Allocation	(2,682)	15,399	(3,973)	18,281
Goodwill	24	41,934	2,580	41,801
Elimination of profits on inventory assets	(98)	(685)	21	(587)
Elimination of profits on assets under free loan	147	486	360	339
Elimination of profits on leased goods	-	(11)	-	(11)
Elimination of profits on financially leased assets	-	-	-	-
Intercompany profits on R&D capitalisation	(149)	(662)	65	(513)
Elimination of intercompany dividends	(7,925)	0	(6,368)	-
Elimination of the writedown of investments	-	2,349	-	2,349
Other adjustments	(1,105)	(731)	49	313
Consolidated Shareholders' equity and profits (loss)	***847***	***31,477***	***3,721***	***32,159***
Minority interests portion	44	(25)	(1)	(30)
Shareholders' equity and profits (loss) pertaining to the Group	***803***	***31,502***	***3,723***	***32,189***

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FINANCIAL STATEMENTS

as at 31 December 2020

2020

VIASAT® GROUP

STATEMENT OF COMPREHENSIVE INCOME[1] VIASAT GROUP S.P.A. (euro)	Notes	FY 2020	FY 2019
Dividends and other income from equity investments	1	7,921,421	6,370,510
Capital gains (losses) on the sale of equity investments		-	-
Purchases of material and external services		-	-
Other operating revenues	2	2,080,437	2,668,977
Purcheses of materials and external services	3	(2,598,390)	(4,255,645)
Personnel costs	4	(2,431,564)	(2,378,682)
Other operating costs	5	(584,092)	(479,255)
Amortisation and depreciation	6	(541,702)	(566,486)
Provisions, write-downs and other income (expenses) non-recurrent	7	2,657,816	3,158,820
Other operating expenses		-	-
Gross Operating Margin		**6,503,926**	**4,518,241**
Financial income	8	128,060	338,443
Financial expenses	9	(633,157)	(895,709)
Net financial Income (Charges)		**(505,097)**	**(557,266)**
Pre-tax profit (loss)		**5,998,829**	**3,960,975**
Income taxes	10	938,674	1,835,935
Net result of operating activities		**6,937,503**	**5,796,910**
Results of assets disposed of and/or destined to be disposed of		-	-
Net Profit (Loss)		**6,937,503**	**5,796,910**
OTHER COMPREHENSIVE INCOME			
Available-for-sale assets	11	(13,423)	12,357
Hedging instruments	12	115,996	(45,805)
Actuarial income/(loss)	13	95,032	60,097
Exchange rate differences due to valuation of available-for-sale assets		-	-
Deferred tax on revenues not transferred through income statement	14	(47,425)	(6,396)
Total other comprehensive income components		**150,180**	**20,253**
Comprehensive net income (loss)	**15**	**7,087,682**	**5,817,163**
of which subsequently reclassified in the income statement		88,157	(25,421)
of which subsequently not reclassified in the income statement		62,023	45,674

(1). In accordance with Consob Resolution No. 15519 dated 27 July 2006, the effects of the transactions with related parties on the statement of comprehensive income are highlighted in the specific table included in the following pages and are more fully explained.

STATEMENT OF EQUITY AND FINANCIAL POSITION[1] VIASAT GROUP S.P.A. (euro)	**Notes**	**FY 2020**	**FY 2019**
Non-current assets			
Goodwill		-	-
Other intangile assets	16	509,766	580,340
Property, plant and equipment	17	2,265,309	2,619,112
Equity investments	18	90,470,840	90,470,840
Other financial assets	19	1,785,007	1,989,818
Tax assets	20	79,035	322,515
Deferred tax assets	21	299,966	284,804
Total non-current assets		**95,409,923**	**96,267,428**
Current assets			
Trade receivables	22	1,567,922	1,396,577
Other receivables and miscellaneous current assets	23	2,430,644	2,864,752
Other current financial assets	24	18,606,911	13,017,516
Tax assets	25	1,044,184	1,090,792
Cash and cash equivalents	26	222,168	7,401,884
Total current assets		**23,871,830**	**25,771,522**
Available-for-sale assets		-	-
Total assets		**119,281,752**	**122,038,950**
Capital and reserves			
Share capital		1,500,000	1,500,114
Reserves		29,844,370	23,897,166
Unallocated profits		6,937,503	5,796,910
Total Shareholders' Equity	**27**	**38,281,873**	**31,194,190**

1). In accordance with Consob Resolution No. 15519 of 27 July 2006, the effects of transactions with related parties on the consolidated statement of equity and financial position are highlighted in the specific table included in the following pages and are more fully explained

STATEMENT OF EQUITY AND FINANCIAL POSITION[1] **VIASAT GROUP S.P.A.** (euro)	**Notes**	**FY 2020**	**FY 2019**
Non-current liabilities			
Payables to banks and other financiers	28	12,965,598	22,775,645
Finance lease liabilities	29	1,909,598	2,254,367
Other liabilities	30	3,244,258	6,907,574
Liabilities for pensions and employee severance indemnity	31	553,464	542,172
Deferred tax liabilities	32	121,375	100,913
Provisions for risks and charges	33	-	218,344
Total non-current liabilities		**18,794,293**	**32,799,015**
Current liabilities			
Payables to banks and other financiers	34	55,406,765	52,090,318
Finance lease liabilities	35	271,493	287,682
Trade payables	36	1,168,195	1,466,345
Tax liabilities	37	69,256	76,400
Other liabilities	38	5,289,877	4,124,999
Total current liabilities		**62,205,586**	**58,045,745**
Liabilities directly related to available-for-sale assets		-	-
Total liabilities		**80,999,880**	**90,844,760**
Total liabilities and Shareholders' Equity		**119,281,752**	**122,038,950**

1). In accordance with Consob Resolution No. 15519 of 27 July 2006, the effects of transactions with related parties on the consolidated statement of equity and financial position are highlighted in the specific table included in the following pages and are more fully explained

CASH FLOW STATEMENT[(1)] **VIASAT GROUP S.P.A.** (euro)	**Notes**	**FY 2020**	**FY 2019**
A) CASH FLOW FROM OPERATIONS			
Amounts collected from customers		21,422	20,776
Other amount collected		276,331	69,522
Intercompany amounts collected		5,288,004	2,236,648
Total amounts collected from operations		**5,585,756**	**2,326,946**
Payments to suppliers*		(3,771,776)	(4,951,176)
Payments relating to staff*		(2,288,063)	(2,365,292)
Payments for taxes		(77,659)	(283,610)
Payments for banking services		(75,405)	(78,482)
Other payments		(69,030)	(170,472)
Intercompany payments		(1,381,328)	(1,750,973)
Total payments from operations		**(7,663,262)**	**(9,600,006)**
Total payments from operations relating to asset destined to be sold		**-**	**-**
Cash flow balance from operations	**39**	**(2,077,506)**	**(7,273,059)**
B) CASH FLOW FROM INVESTMENT ACTIVITIES			
Amounts collected from disposal of patents - licenses - trademarks - intellectual property rights		-	-
Amounts collected from disposal of land and buildings		-	-
Price from disposal of plant - machinery - equipment		-	-
Price from disposal of equity investments**		-	-
Amounts collected for interest income on bank deposits and other assets		42	40
Amounts collected for dividends		1,600	2,880
Price from disposal other assets		-	-
Intercompany asset disposal		7,925,719	6,366,458
Total amounts collected from investment activities		**7,927,362**	**6,369,378**
Payments for acquisitions of disposal of patents - licenses - trademarks - intellectual property rights		(136,277)	(292,204)
Payments for development costs		-	-
Payments for the purchase of land and buildings		-	-
Payments for the purchase of plant - machinery - equipment		-	-
Payments for assets on free loan basis and leased		-	-
Payments for the purchase of equity investments***		(588,704)	(7,983,880)
Payments for the purchase of other assets		(97,638)	(34,641)
Intercompany payments for assets disposal		-	(773,709)
Total payments for investment activities		**(822,619)**	**(9,084,434)**
Cash flow balance from investment activities	**40**	**7,104,743**	**(2,715,056)**

* net of investments ** net of cash and cash equivalents disposed of *** net of cash and cash equivalent acquired

1). In accordance with Consob Resolution No. 15519 of 27 July 2006, the effects of transactions with related parties on the consolidated cash flow statement are highlighted in the specific table included in the following pages and are more fully explained.

CASH FLOW STATEMENT[1] **VIASAT GROUP S.P.A.** (euro)	**Notes**	**FY 2020**	**FY 2019**
C) CASH FLOW FROM FINANCING ACTIVITIES			
Amounts collected relating to the issue of equities		-	-
Other contributions from Shareholders		-	-
Increases in cash and cash equivalents for long-terms loans		1,500,000	16,500,000
Increases in cash and cash equivalents for short-terms loans		722,978	2,697,689
Amounts collected from other financing activities		230,000	-
Receipts from intercompany financing activity		9,566,028	27,983,466
Total amounts collected from financing activities		**12,019,006**	**47,181,155**
Repayment of medium/long term amounts due to banks		(14,911,779)	(20,643,048)
Repayment of short term amounts due to banks		-	-
Payments relating to financial leases		(39,000)	(47,058)
Interest payment		(570,332)	(829,431)
Dividend payment		-	-
Payment relating other financing investment		(230,000)	(1,100,000)
Payments related to intercompany financing liabilities		(8,550,984)	(7,420,972)
Total cash outflows relating to financing activities		**(24,302,095)**	**(30,040,509)**
Cash flow balance from financing activities	**41**	**(12,283,089)**	**17,140,646**
Cash at the beginning of the period		**7,401,884**	**1,010,784**
Cash flow balance from operations		**(2,077,506)**	**(7,273,059)**
Cash flow balance from investment activities		**7,104,743**	**(2,715,056)**
Cash flow balance from financing activities		**(12,283,089)**	**17,140,646**
Adjustments and Exchange rate differences on Cash		**76,135**	**(761,431)**
Cash at the end of the period		**222,168**	**7,401,884**

1). In accordance with Consob Resolution No. 15519 of 27 July 2006, the effects of transactions with related parties on the consolidated cash flow statement are highlighted in the specific table included in the following pages and are more fully explained.

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

VIASAT GROUP S.P.A. (euro)	**Share Capital**	**Legal reserve**	**Cash Flow Hedge Reserve**	**Other reserves**	**Unallocated profits**	**Profit of the year**	**Total Shareholders' Equity**
Balance at 31/12/2019	**1,500,114**	**300,000**	**(206,307)**	**30,450,594**	**(6,647,121)**	**5,796,910**	**31,194,190**
Net profit (loss) for the year		-	-	-	-	6,937,503	6,937,503
Available for sale assets*		-	-	(10,201)	-	-	(10,201)
Hedging instruments*		-	88,157	-	-	-	88,157
Actuarial profit / (loss)*		-	-	72,224	-	-	72,224
Exchange rate differences due to valuation of available for sale assets		-	-	-	-	-	-
Comprehensive net income (losses)		**-**	**88,157**	**62,023**	**-**	**6,937,503**	**7,087,682**
Net Profit distribution		-	-	5,796,910	-	(5,796,910)	-
Dividends		-	-	-	-	-	-
Other Movements		-	-	(6,676,899)	6,677,013	-	(0)
Balance at 31/12/2020	**1,500,000**	**300,000**	**(118,150)**	**29,632,628**	**29,892**	**6,937,503**	**38,281,873**

* After the tax effect

NET FINANCIAL INDEBTEDNESS VIASAT GROUP S.P.A. (euro)	**FY 2020**	**FY 2019**
A) Cash	(1,065)	(878)
B) Other cash equivalent	(221,104)	(7,401,006)
C) Securities held for trading	-	-
D) Liquidity (A) + (B) + (C)	**(222,168)**	**(7,401,884)**
E) Current financial receivables	**(18,606,911)**	**(13,017,516)**
F) Current bank payables	36,741,929	29,757,706
G) Current portion of non-current financial debt*	18,936,329	22,620,295
H) Other current financial payables	-	-
I) Current financial debt (F) + (G) + (H)	**55,678,258**	**52,378,001**
J) Net current financial debt (I) + (E) + (D)	**36,849,179**	**31,958,600**
K) Non-current bank payables	12,809,559	22,505,488
L) Bond issued	-	-
M) Other non-current payables	2,065,637	2,524,523
N) Non-current financial debt (K) + (L) + (M)	**14,875,196**	**25,030,012**
O) Net financial debt (J) + (N)	**51,724,375**	**56,988,612**

STATEMENT OF COMPREHENSIVE INCOME PURSUANT TO CONSOB RESOLUTION NO. 15519 OF 27 JULY 2006

STATEMENT OF COMPREHENSIVE INCOME VIASAT GROUP S.P.A. (euro)	**FY 2020**	**of which related parties**	**%**	**FY 2019**	**of which related parties**	**%**
Dividends and other income from equity investments	7,921,421	7,919,821	99.98%	6,370,510	6,367,630	99.95%
Other operating revenues	2,080,437	2,046,859	98.39%	2,668,977	2,080,031	77.93%
Purcheses of materials and external services	(2,598,390)	(1,480,894)	56.99%	(4,255,645)	(1,421,049)	33.39%
Personnel costs	(2,431,564)	(275,590)	11.33%	(2,378,682)	(272,318)	11.45%
Other operating costs	(584,092)	(17,931)	3.07%	(479,255)	(16,276)	3.40%
Amortisation and depreciation	(541,702)	(275,355)	50.83%	(566,486)	(289,748)	51.15%
Provisions, write-downs and other income (expenses) non-recurrent	2,657,816			3,158,820		
Gross Operating Margin	**6,503,926**			**4,518,241**		
Financial income	128,060			338,443		
Financial expenses	(633,157)	(55,153)	8.71%	(895,709)	(63,135)	7.05%
Net financial Income (Charges)	**(505,097)**			**(557,266)**		
Pre-tax profit (loss)	**5,998,829**			**3,960,975**		
Income taxes	938,674	896,209	95.48%	1,835,935	1,616,718	88.06%
Net result of operating activities	**6,937,503**			**5,796,910**		
Results of assets disposed of and/or destined to be disposed of	-			-		
Net Profit (Loss)	**6,937,503**			**5,796,910**		

STATEMENT OF COMPREHENSIVE INCOME VIASAT GROUP S.P.A. (euro)	FY 2020	of which related parties	%	FY 2019	of which related parties	%
OTHER COMPREHENSIVE INCOME						
Available-for-sale assets	(13,423)			12,357		
Hedging instruments	115,996			(45,805)		
Actuarial income / (loss)	95,032			60,097		
Deferred tax on revenues not transferred through income statement	(47,425)			(6,396)		
Total other comprehensive income components	**150,180**			**20,253**		
Comprehensive net income (loss)	**7,087,682**			**5,817,163**		
of which subsequently reclassified in the income statement	88,157			(25,421)		
of which subsequently not reclassified in the income statement	62,023			45,674		

STATEMENT OF EQUITY AND FINANCIAL POSITION PURSUANT TO CONSOB RESOLUTION No. 15519 OF 27 JULY 2006

STATEMENT OF EQUITY AND FINANCIAL POSITION VIASAT GROUP S.P.A. (euro)	FY 2020	of which related parties	%	FY 2019	of which related parties	%
Non-current assets						
Other intangile assets	509,766			580,340		
Property, plant and equipment	2,265,309	2,087,695	92.16%	2,619,112	2,461,400	93.98%
Equity investments	90,470,840	90,470,840	100.00%	90,470,840	90,465,838	99.99%
Other financial assets	1,785,007	1,680,625	94.15%	1,989,818	749,594	37.67%
Tax assets	79,035			322,515		
Deferred tax assets	299,966			284,804		
Other non current receivables	-			-		
Total non-current assets	**95,409,923**			**96,267,428**		
Current assets						
Trade receivables	1,567,922	1,556,909	99.30%	1,396,577	1,390,841	99.59%
Other receivables and miscellaneous current assets	2,430,644	2,096,798	86.27%	2,864,752	2,488,419	86.86%
Other current financial assets	18,606,911	18,550,778	99.70%	13,017,516	12,955,093	99.52%
Tax assets	1,044,184			1,090,792		
Cash and cash equivalents	222,168			7,401,884		
Total current assets	**23,871,830**			**25,771,522**		
Available-for-sale assets	-			-		
Total assets	**119,281,752**			**122,038,950**		

STATEMENT OF EQUITY AND FINANCIAL POSITION VIASAT GROUP S.P.A. (euro)	**FY 2020**	**of which related parties**	**%**	**FY 2019**	**of which related parties**	**%**
Capital and reserves						
Share capital	1,500,000			1,500,114		
Reserves	29,814,478			23,897,166		
Unalocated profits	6,967,395			5,796,910		
Shareholder's Equity pertaining to the Group	**38,281,873**			**31,194,190**		
Shareholders' Equity attributable to the minority Shareholders/Minority interests	-			-		
Total Shareholders' Equity	**38,281,873**			**31,194,190**		
Non-current liabilities						
Payables to banks and other financiers	12,965,598			22,775,645		
Finance lease liabilities	1,909,598	1,651,010	86.46%	2,254,367	2,221,937	98.56%
Other liabilities	3,244,258	2,047,129	63.10%	6,907,574	4,147,590	60.04%
Liabilities for pensions and employee severance indemnity	553,464			542,172		
Deferred tax liabilities	121,375			100,913		
Provisions for risks and charges	-			218,344		
Total non-current liabilities	**18,794,293**			**32,799,015**		
Current liabilities						
Payables to bannks and other financiers	55,406,765	29,677,634	53.56%	52,090,318	23,416,389	44.95%
Finance lease liabilities	271,493	245,369	90.38%	287,682	267,743	93.07%
Trade payables	1,168,195	409,539	35.06%	1,466,345	449,317	30.64%
Tax liabilities	69,256			76,400		
Other liabilities	5,289,877	2,982,752	56.39%	4,124,999	1,420,498	34.44%
Total current liabilities	**62,205,586**			**58,045,745**		
Liabilities directly related to available-for-sale assets	-			-		
Total liabilities	**80,999,880**			**90,844,760**		
Total liabilities and Shareholders' Equity	**119,281,752**			**122,038,950**		

CASH FLOW STATEMENT IN ACCORDANCE WITH CONSOB RESOLUTION No. 15519 OF 27 JULY 2006

CASH FLOW STATEMENT VIASAT GROUP S.P.A. (euro)	FY 2020	of which related parties	%	FY 2019	of which related parties	%
A) CASH FLOW FROM OPERATIONS						
Amounts collected from customers	21,422			20,776		
Other amount collected	276,331			69,522		
Intercompany amounts collected	5,288,004	5,288,004	100.00%	2,236,648	2,236,648	100.00%
Total amounts collected from operations	**5,585,757**			**2,326,946**		
Payments to suppliers*	(3,771,776)	(86,957)	2.31%	(4,951,176)	(479,419)	9.68%
Payments relating to staff*	(2,288,063)	(325,215)	14.21%	(2,365,292)	(336,825)	14.24%
Payments for taxes	(77,659)			(283,610)		
Payments for banking services	(75,405)			(78,482)		
Other payments	(69,030)			(170,472)		
Intercompany payments	(1,381,328)	(1,381,328)	100.00%	(1,750,973)	(1,750,973)	100.00%
Total payments from operations	**(7,663,262)**			**(9,600,006)**		
Total payments from operations relating to asset destined to be sold	**-**			**-**		
Cash flow balance from operations	**(2,077,504)**			**(7,273,059)**		

* net of investments

CASH FLOW STATEMENT VIASAT GROUP S.P.A. (euro)	FY 2020	of which related parties	%	FY 2019	of which related parties	%
B) CASH FLOW FROM INVESTMENT ACTIVITIES						
Amounts collected from disposal of patents - licenses - trademarks - intellectual property rights	-			-		
Amounts collected from disposal of land and buildings	-			-		
Price from disposal of plant - machinery - equipment	-			-		
Price from disposal of equity investments**	-			-		
Amounts collected for interest income on bank deposits and other assets	42			40		
Amounts collected for dividends	1,600			2,880		
Price from disposal other assets	-			-		
Intercompany asset disposal	7,925,719	7,925,719	100.00%	6,366,458	6,366,458	100.00%
Total amounts collected from investment activities	**7,927,361**			**6,369,378**		
Payments for acquisitions of disposal of patents - licenses - trademarks - intellectual property rights	(136,277)			(292,204)		
Payments for development costs	-			-		
Payments for the purchase of land and buildings	-			-		
Payments for the purchase of plant - machinery - equipment	-			-		
Payments for assets on free loan basis and leased	-			-		
Payments for the purchase of equity investments***	(588,704)	(363,704)	61.78%	(7,983,880)	(5,623,178)	70.43%
Payments for the purchase of other assets	(97,638)			(34,641)		
Intercompany payments for assets disposal	-			(773,709)	(773,709)	100.00%
Total payments for investment activities	**(822,619)**			**(9,084,434)**		
Cash flow balance from investment activities	**7,104,742**			**(2,715,056)**		

** net of cash and cash equivalents disposed of *** net of cash and cash equivalent acquired

CASH FLOW STATEMENT VIASAT GROUP S.P.A. (euro)	FY 2020	of which related parties	%	FY 2019	of which related parties	%
C) CASH FLOW FROM FINANCING ACTIVITIES						
Amounts collected relating to the issue of equities	-			-		
Other contributions from Shareholders	-			-		
Increases in cash and cash equivalents for long-terms loans	1,500,000			16,500,000		
Increases in cash and cash equivalents for short-terms loans	722,978			2,697,689		
Amounts collected from other financing activities	230,000			-		
Receipts from intercompany financing activity	9,566,028	9,566,028	100.00%	27,983,466	27,983,466	100.00%
Total amounts collected from financing activities	**12,019,006**			**47,181,155**		
Repayment of medium/long term amounts due to banks	(14,911,779)			(20,643,048)		
Repayment of short term amounts due to banks	-			-		
Payments relating to financial leases	(39,000)	(29,196)	74.86%	(47,058)	(27,465)	58.36%
Interest payment	(570,332)	(1,315)	0.23%	(829,431)	(3,123)	0.38%
Dividend payment	-			-		
Payments relating other financing investments	(230,000)			(1,100,000)		
Payments related to intercompany financing liabilities	(8,550,984)	(8,550,984)	100.00%	(7,420,972)	(7,420,972)	100.00%
Total cash outflows relating to financing activities	**(24,302,095)**			**(30,040,509)**		
Cash flow balance from financing activities	**(12,283,089)**			**17,140,646**		
Cash at the beginning of the period	**7,401,884**			**1,010,784**		
Cash flow balance from operations	**(2,077,504)**			**(7,273,059)**		
Cash flow balance from investment activities	**7,104,742**			**(2,715,056)**		
Cash flow balance from financing activities	**(12,283,088)**			**17,140,647**		
Adjustments and Exchange rate differences on Cash	**76,135**			**(761,432)**		
Cash at the end of the period	**222,169**			**7,401,884**		

EXPLANATORY NOTES

INTRODUCTION

The 2020 Financial Statements were prepared in accordance with the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and ratified by the European Union. IFRS encompasses all of the revised international accounting standards ("IAS") and all interpretations by the International Financial Reporting Interpretations Committee ("IFRIC"), previously known as the Standing Interpretations Committee ("SIC").

Effective 1 January 2006, Viasat Group, in preparing its financial statements, adopted the valuation and measurement criteria established by international accounting standards ("IAS/IFRS") and related interpretations ("IFRIC"), previously known as the Standing Interpretations Committee ("SIC"), ratified by the European Union and deemed applicable to the transactions carried out by the Company.

The data in these financial statements are compared with those from the previous year, adjusted based on the standards.

Figures in the financial statements are expressed in thousands of Euro.

New accounting standards, interpretations and amendments adopted by the Group

The impact and the nature of the changes as a result of the adoption of these new accounting standards are described below.

Amendments to IFRS 3: Definition of a business

The amendments to IFRS 3 clarify that to be considered a business, an integrated set of activities and assets must include at least one input and an underlying process that together significantly contribute to the ability to create an output. Furthermore, it was clarified that a business can exist without including all the inputs and processes necessary to create an output.

Amendments to IFRS 7, IFRS 9 and IAS 39: Reform of the interest rate benchmark

The amendments to IFRS 9 and IAS 39 provide a number of practical expedients that apply to hedging relationships that are directly impacted by the reform of the reference interest rates. A hedging relationship that is impacted by the reform is subject to uncertainties regarding the timing and amount of cash flows based on the reference rate with reference to the hedged instrument.

Amendments to IAS 1 and IAS 8 - definition of material

The amendments provide a new definition of materiality, which states that information is relevant if it is reasonable to assume that its omission, misstatement or concealment could influence the decisions that readers make on the basis of these financial statements, which provide financial information. about the specific entity preparing the financial statements. The materiality depends on the nature or extent of the information.

An entity assesses whether the information, individually or in combination with other information, is material in the context of the financial statements, taken as a whole. The information is hidden if it is communicated in such a way as to have, for the main users of the financial statements, an effect similar to that of the omission or incorrect indication of the same information.

Conceptual Framework for Financial Reporting issued on 29 March 2018

The Conceptual Framework does not represent a standard and none of the concepts contained in it takes precedence over the concepts or requirements of a standard. The purpose of the Conceptual Framework is to support the IASB in the development of standards, to help the writers develop homogeneous accounting policies, where there are no applicable standards in the specific circumstances, and to help all parties involved to understand and interpret the standards. The revised version of the Conceptual Framework includes some new concepts, provides updated definitions and updated recognition criteria for assets and liabilities and clarifies some important concepts.

With the exception of IFRS 16, as illustrated above, the adoption of those amendments/interpretations did not entail any effects on the Financial Statements as at 31 December 2020.

Standards issued but not yet in force

The standards and interpretations that had already been issued, but not yet effective, up to the date of issuance of the consolidated financial statements of the Group are listed below. The Group intends to adopt these standards when they come into effect.

- Amendments to IFRS 3 - *Business Combinations* as from 1 January 2022
- Amendments to IAS 16 - *Property, Plant and Equipment* as of 1 January 2022
- Amendments to IAS 37 - *Provisions, Contingent Liabilities and Contingent Assets* as of 1 January 2022
- Annual Improvements 2018 - 2020
- Amendments to IAS 1 - *Presentation of Financial statements* as from 1 January 2023 (not yet endorsed)

NOTES ON ITEMS IN THE STATEMENT OF COMPREHENSIVE INCOME

1. Dividends and other gross income from equity investments

The breakdown of *dividends and other income from equity investments* as at 31 December 2020 and the comparison with 31 December 2019 are provided hereunder.

Dividends and other income from equity investments	FY 2020	FY 2019	Change absolute	%
Dividends	7,921	6,371	1,551	24.3%
Total Dividends and other income from equity investments	**7,921**	**6,371**	**1,551**	**24.3%**

The *dividends* received from the Parent Company were distributed by the subsidiary Viasat S.p.A. for € 7,000 thousand, by the subsidiary Viasat Monitoring Sp. z.o.o. for € 363 thousand, by the English subsidiary Viasat Connect for € 548 thousand, by the subsidiary Trackit Consulting for € 8 thousand, and by other equity investments for € 2 thousand.

2. Other operating revenues

The breakdown of the item *other operating revenues* as at 31 December 2020 and the comparison with 31 December 2019 are provided below:

Other operating revenues	FY 2020	FY 2019	Change absolute	%
Licenses and software fees	118	-	118	-
Design services	92	-	92	-
Contingent assets	19	2	17	707.2%
Other income	1,420	2,051	(632)	(30.8%)
Intercompany loans interest income	16	289	(273)	(94.5%)
Intercompany interest income	416	327	90	27.4%
Total Other operating revenues	**2,080**	**2,669**	**(589)**	**(22.1%)**

Revenues from sales of subscriptions and design services refer to the charge-back of infra-group fees relating to licenses and infra-group development contracts. The item other income includes charge-backs to companies of the Group for the typical management and coordination activities of the *Holding*. The decrease on the year ended as at 31 December 2019 is mainly due to the fact that 2019 included a compensation received as a result of a Settlement Agreement with a subsidiary.

3. Purchases of materials and external services

The breakdown of the item *purchases of materials and external services* as at 31 December 2020 and the comparison with 31 December 2019 are provided below:

Purchases of materials and external services	FY 2020	FY 2019	Change absolute	%
Consumables	(65)	(47)	(17)	36.7%
Telecommunications services	(39)	(54)	15	(27.8%)
Administration and control bodies	(508)	(694)	186	(26.8%)
Consulting services	(927)	(2,236)	1,308	(58.5%)
Commercial and advertising services	(13)	(24)	11	(46.3%)
Banking expenses and commissions	(113)	(170)	57	(33.5%)
Utilities and maintenance	(47)	(61)	14	(23.1%)
Other services	(833)	(922)	89	(9.7%)
Leases	(36)	(36)	-	100.0%
Operating rentals	(17)	(11)	(6)	50.2%
Total Purchases of materials and external services	**(2,598)**	**(4,256)**	**1,657**	**(38.93%)**

The item *consultancies* in 2020 decreased compared to the previous year, mainly due to the reduction in activities related to M&A transactions.

The item *other costs for services* recorded a decrease of € 89 thousand and mainly comprises costs for inter-company services.

The item *leases* mainly includes the cost for the use of the building in Venaria Reale (TO), which is re-invoiced to subsidiaries according to actual usage.

4. Personnel costs

The breakdown of the item *personnel costs* as at 31 December 2020 and 31 December 2019 is given below:

Personnel costs	FY 2020	FY 2019	Change absolute	%
Wages and salaries	(1,659)	(1,617)	(42)	2.6%
Social security contributions	(516)	(512)	(4)	0.7%
Employee severance indemnity and other funds	(215)	(207)	(7)	3.5%
Other staff costs	(42)	(42)	0	(0.0%)
Total Personnel costs	**(2,432)**	**(2,379)**	**(53)**	**2.2%**

Personnel costs increased overall compared to 31 December 2019 due to the effect of the increase in the number of employees in 2020, as shown in the table at the end of this note.

A table highlighting the average headcount of the period follows broken down by category and compared with the previous year:

	FY 2020	FY 2019
Managers	9	8
Employees	35	33
Total	**44**	**41**

5. Other operating costs

The breakdown of the item *other operating costs* as at 31 December 2020 and the comparison with 31 December 2019 are provided below:

Other operating costs	FY 2020	FY 2019	Change absolute	%
Contingent liabilities	(25)	(8)	(17)	218.6%
Travel expenses	(29)	(102)	73	(71.5%)
Taxes	(5)	(4)	(1)	15.3%
Other operating expenses	(509)	(349)	(160)	45.9%
Intercompany interest expense	(16)	(16)	1	(4.3%)
Total Other operating costs	**(584)**	**(479)**	**(105)**	**21.9%**

The item *contingent liabilities* mainly consists of costs pertaining to the previous financial year not known as at 31 December 2019.

The item *other operating expenses* mainly includes costs for insurance, costs for entertainment expenses and costs for membership fees. The change of € 160 thousand in 2020 is mainly due to a reclassification from the item other service costs, which decreased by € 89 thousand as shown in note 3.

6. Amortisation and depreciation

The breakdown of the item *amortisation and depreciation* as at 31 December 2020 and the comparison with 31 December 2019 are provided below:

Amortisation and depreciation	FY 2020	FY 2019	Change absolute	%
Depreciation tangible goods	(346)	(375)	30	(8.0%)
Amortisation intangible goods	(196)	(191)	(5)	2.7%
Total Amortisation and depreciation	**(542)**	**(566)**	**25**	**(4.4%)**

For comments on this note, please refer to the notes to the items of the statement of equity and financial position (notes 16 and 17).

7. Provisions, write-downs and other non-recurring revenues (costs)

Below is a breakdown of the item *provisions, write-downs and other non-recurring revenues (costs)* as at 31 December 2020 and the comparison with 31 December 2019:

Provisions, write-downs and other income (expenses) non-recurrent	FY 2020	FY 2019	Change absolute	%
Write-down	-	(218)	218	(100.0%)
Other non-recurring revenues	3,446	5,321	(1,875)	(35.2%)
Non-recurring costs	(788)	(1,943)	1,156	(59.5%)
Total Provisions, write-downs and other income (expenses) non-recurrent	**2,658**	**3,159**	**(501)**	**(15.9%)**

The allocation to the provision for risks of € 218 thousand in 2019 related to an arbitration proceeding that arose in 2020 and closed in the first months of 2021, with the corresponding use of the provision.

The item *other non-recurring revenues* represents the adjustment of the payable for the purchase of the investments in the subsidiaries ICOM for € 3,405 thousand and Trackit for € 41 thousand.

The item *non-recurring costs* mainly includes the costs incurred for the arbitration proceedings that arose in 2020 and closed at the beginning of 2021 for € 525 thousand and for a settlement agreement signed during the year with a former minority shareholder of a subsidiary for € 225 thousand.

8. Financial income

The breakdown of the item *financial income* as at 31 December 2020 and the comparison as at 31 December 2019 are provided below:

Financial income	FY 2020	FY 2019	Change absolute	%
Exchange gains realized	-	2	(2)	(98.7%)
Exchange gains unrealized	92	314	(222)	(70.6%)
Other financial income	36	22	13	59.8%
Total Financial income	**128**	**338**	**(210)**	**(62.2%)**

The item *unrealised exchange gains* represents the adjustment of currency accounts and currency inter-company loans still open as at 31 December 2020.

9. Financial charges

The breakdown of the item *financial charges* as at 31 December 2020 and the comparison as at 31 December 2019 are provided below:

Financial charges	FY 2020	FY 2019	Change absolute	%
Banking interest expense	(568)	(733)	165	(22.5%)
Exchange losses unrealized	-	(72)	72	(100.0%)
Exchange losses realized	(1)	(17)	16	(96.3%)
Other financial expense	(64)	(74)	9	(12.8%)
Total Financial charges	**(633)**	**(896)**	**263**	**(29.3%)**

The item *other financial charges* is mainly composed of financial charges deriving from the application of the international accounting standard IFRS 16.

10. Income taxes

The breakdown of the item *income taxes* as at 31 December 2020 and the comparison with 31 December 2019 are provided below:

Income taxes	FY 2020	FY 2019	Change absolute	%
Deferred taxes	42	219	(177)	(80.6%)
Income from tax consolidation	896	1,617	(721)	(44.6%)
Total Income taxes	**939**	**1,836**	**(897)**	**(48.9%)**

Viasat Group S.p.A. has zero current income taxes. There are no significant revenues found on the Statement of comprehensive income, except for the dividends that are not subject to *IRES* taxation for 95% of their value. The item *deferred taxes* includes the net tax impact of the releases made during the year on the allocation made in 2019 and the calculation of taxes of the previous year for a total of € 219 thousand and the tax impact of the unused loss in the tax consolidation for € 261 thousand. The item income from tax consolidation represents the use of the 2020 loss of Viasat Group S.p.A. on the basis of the tax consolidation in force between Viasat S.p.A., Vem Solutions S.p.A. and Viasat Group S.p.A.

11. Available-for-sale assets

The breakdown of the item *available-for-sale assets* as at 31 December 2020 and the comparison with 31 December 2019 are provided below:

Available-for-sale-assets	FY 2020	FY 2019	Change absolute	%
Available-for-sale-assets	(13)	12	(26)	(208.6%)
Total Available-for-sale-assets	**(13)**	**12**	**(26)**	**(208.6%)**

The amount relative to the financial year is determined by the adjustment of the fair value of an equity investment held based on the market value in that listed on a regulated market.

12. Hedging instruments

The breakdown of the item *hedging instruments* as at 31 December 2020 and the comparison with 31 December 2019 are provided below:

Hedging instruments	FY 2020	FY 2019	Change absolute	%
Hedging instruments	116	(46)	162	(353.2%)
Total Hedging instruments	**116**	**(46)**	**162**	**(353.2%)**

The value shown in the note is to be attributed to the fair value change of the instruments hedging the risk of interest rate.

13. Actuarial profits/(losses)

The breakdown of the item *actuarial profits/(losses)* as at 31 December 2020 and the comparisons as at 31 December 2019 are presented below:

Actuarial profits/(losses)	**FY 2020**	**FY 2019**	**Change absolute**	**%**
Actuarial profits/(losses)	95	60	35	58.1%
Total Actuarial profits/(losses)	**95**	**60**	**35**	**58.1%**

The item *actuarial profits/(losses)*, amounting to € 95 thousand, is made up of the value of the actuarial profits and losses deriving from the valuation of the employee severance indemnity on the basis of the matters envisaged by the amendment relating to IAS 19. According to this amendment, the actuarial components must be reclassified under *other comprehensive income components*. The effects resulting from this valuation will never be reflected in the income statement; therefore, they were shown as a separate item, net of tax effect, of the statement of comprehensive income.

14. Deferred tax on revenues not transferred through income statement

The breakdown of the item *deferred tax on revenues not transferred through the income statement* as at 31 December 2020 and the comparison as at 31 December 2019 are shown below:

Deferred tax on revenues not transferred through the income statement	**FY 2020**	**FY 2019**	**Change absolute**	**%**
Deferred tax on revenues not transferred through the income statement	(47)	(6)	(41)	641.5%
Total Deferred tax on revenues not transferred through the income statement	**(47)**	**(6)**	**(41)**	**641.5%**

The item *deferred tax on revenues* not transferred through the income statement represents the tax effect of items described in the previous notes.

15. Comprehensive net income (loss)

The value of the profit as at 31 December 2020 is provided below, with comparable figures for the previous year, calculated on the comprehensive net income.

	FY 2020	FY 2019
Comprehensive net income (loss) (euro)	7,087,682	5,817,163
Number of ordinary shares at beginning of year	30,000,000	30,000,000
Shares issued during the year	-	-
Number of ordinary shares at end of year	**30,000,000**	**30,000,000**
Earnings per share (euro)	0.24	0.19
Diluted earnings per share (euro)	0.24	0.19

NOTES ON ITEMS IN THE STATEMENT OF EQUITY AND FINANCIAL POSITION

16. Other intangible assets

The breakdown of the item *other intangible assets* as at 31 December 2020 and the comparison with 31 December 2019 are provided below:

Other intangible assets	FY 2020	FY 2019	Change absolute	%
Licenses and software	510	580	(71)	(12.2%)
Total Other intangible assets	**510**	**580**	**(71)**	**(12.2%)**

The table illustrating the changes follows:

Intangible Assets	FY 2019	Increase	Decrease	Amortization	FY 2020
Licenses and software - Historical Cost	**1,702**	126	-	-	**1,827**
Licenses and software - Accumulated Amortization	**(1,121)**	-	-	(196)	**(1,317)**
Other Intangible Assets - Historical Value	**13**	-	(13)	-	**-**
Other Intangible Assets - Accumulated Amortization	**(13)**	-	13	-	**-**
Total Intangible assets	**580**	**126**	**-**	**(196)**	**510**

The increase during the year, equal to € 126 thousand, refers mainly to the implementation of software.

17. Property, plant and equipment

The breakdown of the item *property, plant and equipment* as at 31 December 2020 and 31 December 2019 is given below:

Property, plant and equipment	FY 2020	FY 2019	Change absolute	%
Buildings - Historical Value	2,610	2,751	(142)	(5.1%)
Plant and machinery - Historical Cost	46	46	-	0.0%
Electronic machinery and equipment - Historical Cost	366	294	72	24.5%
Motor vehicles and means of transport - Historical Cost	84	84	-	0.0%
Right of Use Motor vehicles and means of transport - Historical Cost	81	75	6	8.2%
Other assets - Historical Cost	169	169	1	0.4%
Buildings - Accumulated Depreciation	(522)	(290)	(232)	80.1%
Plant and machinery - Accumulated Amortization	(25)	(21)	(5)	22.3%
Electronic machinery and equipment - Accumulated Amortization	(260)	(222)	(38)	17.2%
Motor vehicles and means of transport - Accumulated Amortization	(84)	(84)	(0)	0.0%
Right of Use Motor vehicles and means of transport - Accumulated Amortization	(37)	(23)	(14)	58.9%
Other assets - Accumulated Amortization	(163)	(161)	(2)	1.4%
Total Property, plant and equipment	**2,265**	**2,619**	**(354)**	**(13.5%)**

During 2020, investments in tangible fixed assets of € 79 thousand were made.

The table illustrating the changes follows:

Tangible assets - Historical Cost	FY 2019	Increase	Decrease	FY 2020
Right of Use Buildings	**2,751**		(142)	**2,610**
Plant and machinery	**46**	-	-	**46**
Electronic machinery and equipment	**294**	72	-	**366**
Motor vehicles and means of transport	**84**	-	-	**84**
Right of Use Motor vehicles and means of transport	**75**	6	-	**81**
Other assets	**169**	1	-	**169**
Total tangible assets	**3,420**	**79**	**(142)**	**3,357**

Tangible assets - Accumulated Depreciation	**FY 2019**	**Decrease**	**Depreciation**	**FY 2020**
Right of Use Buildings	**(290)**	43	(275)	**(522)**
Plant and machinery	**(21)**	-	(5)	**(25)**
Electronic machinery and equipment	**(222)**	-	(38)	**(260)**
Motor vehicles and means of transport	**(84)**	-	-	**(84)**
Right of Use Motor vehicles and means of transport	**(23)**	12	(25)	**(37)**
Other assets	**(161)**	-	(2)	**(163)**
Total Accumulated Depreciation	**(800)**	**55**	**(346)**	**(1,091)**

18. Equity investments

The breakdown of the item *equity investments* as at 31 December 2020 and the comparison as at 31 December 2019 are given below:

Equity investments	**FY 2020**	**FY 2019**	**Change absolute**	**%**
Equity investments - Historical Value	92,820	92,820	-	0.0%
Equity investments - Writedowns	(2,349)	(2,349)	-	0.0%
Total Equity investments	**90,471**	**90,471**	**-**	**0.0%**

The breakdown of the item *equity investments* for 2020 and 2019 is shown below:

	FY 2020	**FY 2019**
Detector S.A.	-	24,390
Viasat S.p.A.	12,590	12,590
Viasat Connect Ltd	10,820	10,820
ICOM - Viasat Technology	9,514	9,514
Viasat Monitoring Sp.Z.o.o.	8,672	8,672
Vem Solutions S.p.A.	7,354	7,354
Viasat Connect SaS	6,700	6,700
Tracksys SA	7,427	5,085
Hitechs Sprl	-	2,342
Trackit Consulting Lda	1,371	1,371
Viasat Servicios Telematicos S.L	25,287	897
Team.ind Solution S.r.l.	605	605
Viasat Systems SRL	126	126
Viasat SA	5	5
Total	**90,471**	**90,471**

In 2020, the company Detector S.A. was merged into Viasat Servicios Telematicos, while the subsidiary Hitechs was liquidated during the year, causing the increase in the equity investment of the Belgian company Tracksys. The only existing write-down relates to Viasat Systems, the Romanian subsidiary, for a value of € 2,349 thousand.

19. Other financial assets

The breakdown of the item *other financial assets* as at 31 December 2020 and the comparison with 31 December 2019 are provided below:

Other financial assets	**FY 2020**	**FY 2019**	**Change absolute**	**%**
Financial receivables	1,686	1,877	(191)	(10.2%)
Other equity investments	99	113	(13)	(11.9%)
Total Other financial assets	**1,785**	**1,990**	**(205)**	**(10.3%)**

The item *financial receivables* shows a balance of € 1,686 thousand as at 31 December 2020 and represents the medium/long-term portion of the loans disbursed to other group companies for a total of € 1,655 thousand.

The change in the item *financial receivables* with respect to the previous year is mainly due to the decrease in financial receivables for intercompany loans. Please refer to the Cash flow statement for further detail.

The item *other equity investments* shows a balance as at 31 December 2020 of € 99 thousand and comprises € 45 thousand of an equity investment in a company listed on the Italian stock exchange, recognised under *availablefor-sale assets* and measured at *fair value* based on the market value, and for € 54 thousand of an unqualified equity investment.

20. Tax assets

The breakdown of the item *tax assets* as at 31 December 2020 and the comparison with 31 December 2019 are provided below:

Tax assets	**FY 2020**	**FY 2019**	**Change absolute**	**%**
Receivables for requested tax rebates	79	323	(244)	(75.5%)
Total Tax assets	**79**	**323**	**(244)**	**(75.5%)**

The item had a balance as at 31 December 2020 of € 79 thousand, down compared to the year ended 31 December 2019 by € 244 thousand, equal to the amount received during the year by the Inland Revenue Agency as a refund relating to the financial years 2009, 2010 and 2011. That item was attributable to the receivable for the request for *IRES* refund for the deduction of IRAP paid relating to personnel and similar costs on the basis of the matters envisaged by the Salva Italia Decree (Italian Decree Law No. 201/2011 converted by means of Italian Law No. 214 dated 22 December 2011) extended to the four previous years by Italian Decree Law No. 16 dated 2012 converted by Italian Law No. 44 dated 26 April 2012. This decree introduced the possibility of deducting IRAP on personnel, which was non-deductible before. The residual amount for 2020 comprises: € 60 thousand pertaining to the subsidiary Viasat S.p.A., and € 19 thousand pertaining to the subsidiary Vem Solutions S.p.A.. On the basis of the tax consolidation agreement, the parent company Viasat Group S.p.A. focused the receivables from the tax authorities on itself.

21. Deferred tax assets

The value of *deferred tax assets* as at 31 December 2020 compared with the value as at 31 December 2019 is shown below:

Deferred tax assets	**FY 2020**	**FY 2019**	**Change absolute**	**%**
Deferred tax assets	300	285	15	5.3%
Total Deferred tax assets	**300**	**285**	**15**	**5.3%**

The breakdown of the balance as at 31 December 2020 by type of temporary differences is illustrated below:

	FY 2020		**FY 2019**	
(thousands of euro)	**Amount of timing differences**	**tax effect**	**Amount of timing differences**	**tax effect**
Timing differences included in calculation of prepaid taxes:				
IRES (company earning's tax) rate change	114	(4)	114	(4)
Fair value of available-for-sale assets*	(8)	2	(4)	1
Provision for risk and charges	-	-	(217)	52
Prepaid taxes on prior losses	(1,092)	262	(696)	167
Hedging instruments*	(167)	40	(288)	69
Total prepaid taxes		**300**		**285**

* charges/credits to Shareholders' equity

22. Trade receivables

The value of the *trade receivables* as at 31 December 2020 compared with the value as at 31 December 2019 is shown below:

Trade receivables	FY 2020	FY 2019	Change absolute	%
Customer receivables	1,596	1,424	171	12.0%
Customer receivables - Provisions	(28)	(28)	-	-
Total Trade receivables	**1,568**	**1,397**	**171**	**12.0%**

The item *trade receivables* comprises: receivables from third-parties of € 39 thousand, receivables from subsidiaries of € 1,557 thousand and the bad debt provision of € 28 thousand.

23. Other receivables and miscellaneous current assets

The value of the *other receivables and miscellaneous current assets* as at 31 December 2020 compared with the value as at 31 December 2019 is shown below:

Other receivables and miscellaneous current assets	FY 2020	FY 2019	Change absolute	%
Advances to suppliers	162	73	88	120.2%
Prepayments	137	268	(131)	(49.0%)
Other receivables	2,132	2,524	(391)	(15.5%)
Total Other receivables and miscellaneous current assets	**2,431**	**2,865**	**(434)**	**(15.2%)**

The item *other receivables* mainly consists of the inter-company records of tax consolidation attributed to Viasat S.p.A. for € 2,052 thousand and to Vem S.p.A for € 40 thousand. The remaining € 40 thousand refers to other receivables and prepayments.

24. Other current financial assets

The value of *other current financial assets* as at 31 December 2020 compared with the value as at 31 December 2019 is shown below:

Other current financial assets	FY 2020	FY 2019	Change absolute	%
Financial receivables	18,607	13,018	5,589	42.9%
Total Other current financial assets	**18,607**	**13,018**	**5,589**	**42.9%**

The item *financial receivables* consists of the credit Viasat Group S.p.A. has vis-à-vis the other Group companies for centralised cash management following the *cash pooling* agreement in effect since 1 April 2008. The stated balance of € 18,607 thousand is attributable for € 8,717 thousand to the relationship between the parent company and Vem Solutions S.p.A., for € 6,306 thousand to that with Teamind S.r.l., for € 846 thousand to that with Viasat System, for €2,087 thousand to that with French company Viasat Connect S.a.S., for € 345 thousand to that with the Belgian company Viasat Connect S.A., for € 103 thousand to that with the English company Viasat Connect Ltd, for € 113 thousand to that with Viasat Servizios Telematicos, for € 26 thousand to that with Trackit Consulting Lda, for € 46 thousand to the balance of prepaid cards provided to employees, and for € 9 thousand to other financial receivables.

25. Tax assets

The value of *tax assets* as at 31 December 2020 compared with the value as at 31 December 2019 is shown below:

Tax assets	FY 2020	FY 2019	Change absolute	%
VAT receivables	195	243	(48)	(19.7%)
Due from tax authorities for current taxes	849	847	1	0.2%
Total Tax assets	**1,044**	**1,091**	**(47)**	**(4.3%)**

The item *VAT credit* represents the amounts due from the tax authorities for VAT for December 2020. The item *due from tax authorities for current taxes* as at 31 December 2020 mainly represents the net position towards the tax authorities for current *IRES* tax based on the tax consolidation agreement in effect between the parent company Viasat Group S.p.A. and the subsidiaries Viasat S.p.A. and Vem Solutions S.p.A.

26. Cash and cash equivalents

The value of *cash and cash equivalents* as at 31 December 2020 and at 31 December 2019 is presented in the table below:

Cash and cash equivalents	FY 2020	FY 2019	Change absolute	%
Bank current accounts	221	7,401	(7,180)	(97.0%)
Cash and liquid deposits	1	1	-	-
Total Cash and cash equivalents	**222**	**7,402**	**(7,180)**	**(97.0%)**

During 2020, the company made use of external sources of funding by signing new medium/long-term loan agreements, as described in note 41, for a total of € 1,500 thousand.

27. Shareholders' Equity

The breakdown of *Shareholders' equity* is given below:

Availability of Shareholders' equity items (thousands of euro)	Balance as at 31 Dec. 2020	Balance as at 31 Dec. 2019
Share capital	1,500	1,500
Revaluation reserve It. Law No. 342/2000	1,509	1,509
Legal reserve	300	300
Retained earnings	28,036	22,088
Net profit (loss) for the year	6,938	5,797
Total Shareholders' Equity	**38,282**	**31,194**

Availability of Shareholders' equity items (thousands of euro)	Balance as at 31 Dec. 2020	Possibility of use	Portion available	Summary of uses in last three years	
				Coverage of losses	Other reasons
Share capital	1,500				
Capital reserves					
Revaluation reserve It. Law No. 342/2000	1,509	A - B - C	1,509		
Profit reserves					
Legal reserve	300	B			
Extraordinary reserves	34,421	A - B - C	34,421		
First Time Adoption (FTA)	30	B			
Cash Flow Hedge reserve	(118)	B			
Valuation reserve	641	B	281		
Total	**38,282**		**36,211**		

Key

A) For share capital increases B) For coverage of losses C) For distribution to Shareholders

The share capital of Viasat Group S.p.A., € 1.5 million, is made up of 30 million shares and has been fully paid. The table above provides the breakdown of the shareholders' equity reserves. As at 31 December 2020: the legal reserve amounted to € 300 thousand and is unchanged compared to the previous year as it has already reached one fifth of the share capital, the extraordinary reserve amounted to € 34,421 thousand of which € 5,797 thousand are represented by increases in retained earnings for the period. The revaluation reserve amounts to € 1,509 thousand and has not changed since the previous year. This latter reserve corresponds to the value of the revaluation of property (after the relevant substitute tax) carried out based on Italian Law No. 342 of 2000, credited to a special reserve pursuant to the above-mentioned law..

28. Payables to banks and other financiers

The value of the item *payables to banks and other financiers* as at 31 December 2020 compared with the value as at 31 December 2019 is provided in the table given below:

Payables to banks and other financiers	FY 2020	FY 2019	Change absolute	%
Medium/long term loans	12,852	22,596	(9,744)	(43.1%)
Discounting loans	(42)	(90)	48	(53.4%)
Hedging instrument liabilities (M/L)	156	270	(114)	(42.2%)
Total Payables to banks and other financiers	**12,966**	**22,776**	**(9,810)**	**(43.1%)**

The payable shown as at 31 December 2020 for long-term loans of € 12,852 thousand represents the medium to long-term portion of existing loans, while the short-term portion highlighted in note 34 is € 18,665 thousand for 2020. The new loan agreements concluded during financial year 2020 have a total value of € 1,500 thousand. Since it is a liability at amortised cost, the value of the loans was discounted considering the actual interest rate. The item *financial liabilities for hedging instruments* presents a balance as at 31 December 2020 of € 156 thousand compared to € 270 thousand in the previous financial year. The values stated are represented by the fair values of the interest rate swaps covering the interest rate risk in connection with the floating rate medium/long-term loans taken out by the parent company. The derivative instruments were subjected to a special hedge effectiveness test.

29. Finance lease liabilities (non-current)

The value of *finance lease liabilities* as at 31 December 2020 compared with the previous year is provided below:

Finance lease liabilities (ML/T)	FY 2020	FY 2019	Change absolute	%
Finance lease liabilities IFRS16 (M/L)	1,910	2,254	(345)	(15.3%)
Total Finance lease liabilities (ML/T)	**1,910**	**2,254**	**(345)**	**(15.3%)**

The item *IFRS 16 Finance lease liabilities (ML/T)* comprises the medium/long-term debt recorded during the year, deriving from the application of the above mentioned IFRS 16 accounting standard. The categories of assets covered by this standard are buildings and motor vehicles.

30. Other liabilities - (non-current portion)

The value of *other liabilities (non-current portion)* as at 31 December 2020 compared to the value as at 31 December 2019 is presented in the table below:

Other liabilities	FY 2020	FY 2019	Change absolute	%
Other liabilities for shares acquisitions (M/L)	3,244	6,908	(3,663)	(53.0%)
Total Other liabilities (non current portion)	**3,244**	**6,908**	**(3,663)**	**(53.0%)**

The item *other liabilities for shares acquisitions (M/L)* concerns the medium/long-term portion of the liability recorded after the acquisitions made during the financial year with regard to selling Shareholders, if future earn-outs are envisaged, or in relation to put and call options for the purchase of minority shares.

31. Provisions for employees' benefits

The value of *provisions for employees' benefits* as at 31 December 2020, compared with the value as at 31 December 2019, is presented in the table below:

Provision for employees' benefits	FY 2020	FY 2019	Change absolute	%
Employee severance indemnity	553	542	11	2.1%
Total Provision for employees' benefits	**553**	**542**	**11**	**2.1%**

The item *provisions for employees' benefits* consists of the Employee severance indemnity discounted as provided by IAS 19. According to the instructions of IAS 19, employee severance indemnity is to be classified as a defined benefit plan since the Company's obligation is not only that of making a series of ongoing allocations (equal to about 7% of the remuneration paid to employees). Employee severance indemnity in fact also provides the guarantee over the years of a certain financial revaluation on the allocations made that is connected with a parameter outside the company (75% of the annual increase of cost of living with 1.5% of fixed revaluation added). It is precisely this latter obligation in the end that places the employee severance indemnity in the category of defined benefit plans. Based on IAS 19, as far as what was described above is concerned, employee severance indemnity was treated using the *Projected Unit Cost* (*PUC*) actuarial methodology as follows:

Pursuant to the accounting standard IAS 19, for the measurement of the Employee severance indemnity (*TFR*), discounting was determined on the basis of technical, demographic and actuarial assumptions as specified below:

Technical Assumptions	**FY 2020**	**FY 2019**
Annual discounting rate	0.34%	0.77%
Annual inflation rate	1,50% for 2016	1,50% for 2016
	1,80% for 2017	1,80% for 2017
	1,50% for 2018	1,50% for 2018
	1,20% for 2019	1,20% for 2019
	0,80% from 2020 onwards	2,00% from 2019 onwards
Annual rate of increase of *TFR*	2,625%for 2016	2,625%for 2016
	2,850%for 2017	2,850%for 2017
	2,625%for 2018	2,625%for 2018
	2,400%for 2019	2,400%for 2019
	2,1% from 2020 onwards	3,000% from 2019 onwards
Annual wage increase rate	1.00%	1.00%

The annual discounting rate used for determining the current value of the bond was derived, consistent with par. 83 IAS 19, from the *Iboxx Corporate* AA index of duration 10+ reported on the measurement date. To this end, the return with a duration comparable to the duration of the collective of workers subject matter of the measurement was chosen. The annual rate of increase of the employee severance indemnity, as required by Article 2120 of the Italian Civil Code, is 75% the inflation plus 1.5 percentage points.

Technical and demographic bases used are shown below:

	SUMMARY OF TECHNICAL DEMOGRAPHIC BASES
Death	RG48 mortality tables published by the State General Accounting Office
Disability	INPS tables by age and sex
Retirement	100% upon achieving the AGO requirements

The new IAS 19, for *post-employment* defined benefit plans, requires a series of additional information that is shown below.

Sensitivity analysis of the main valuation parameters:

Sensitivity analysis of the main valuation parameters:	VIASAT GROUP S.P.A.
Turnover rate +1%	545,549.10
Turnover rate -1%	562,598.48
Inflation rate +0.25%	565,644.73
Inflation rate -0.25%	541,685.54
Discount rate +0.25%	538,310.60
Discount rate -0.25%	569,334.22

Service Cost and Duration:

Description	VIASAT GROUP S.P.A.
Yearly Service Cost per futura	99,454.98
Plan Duration	17.90

The table of *employee benefits* based on IAS 19 is shown below:

Description	VIASAT GROUP S.P.A.
Defined Benefit Obligation 1/1/2020	542,172
Service Cost	95,675
Interest Cost	4,607
Benefits Paid	(65,510)
Transfers in / (out)	(26,992)
Expected DBO 31/12/2020	549,953
Actuarial (Gain)/Losses from experience	(5,314)
Actuarial (Gain)/Losses due to the change in demographic assumptions	0
Actuarial (Gain)/Losses due to the change in financial assumptions	8,826
Defined Benefit Obligation 31/12/2020	553,464

Description	VIASAT GROUP S.P.A.
Defined Benefit Obligation 31/12/2020	553,464
Statutory employee severance indemnity 31/12/2020	457,221
Surplus/(Deficit)	(96,243)

32. Deferred tax liabilities

The value of the *deferred tax liabilities* as at 31 December 2020 compared with the value as at 31 December 2019 is shown below:

Deferred tax liabilities	FY 2020	FY 2019	Change absolute	%
Deferred tax provision	121	101	20	20.3%
Total Deferred tax liabilities	**121**	**101**	**20**	**20.3%**

The breakdown of the balance as at 31 December 2020 by type of temporary differences is illustrated below:

	FY 2020		FY 2019	
(thousands of euro)	Amount of timing differences	tax effect	Amount of timing differences	tax effect
Timing differences included in calculation of deferred taxes:				
Employee benefits	504	(121)	413	(99)
Hedging instruments*	-	-	8	(2)
Total Deferred taxes		**(121)**		**(101)**

* charges/credits to Shareholder's equity

33. Provisions for risks and charges

The value of the *provisions for risks and charges* as at 31 December 2020 compared with the value as at 31 December 2019 is shown below:

Provisions for risks and charges	FY 2020	FY 2019	Change absolute	%
Provisions for risks and charges	-	218	(218)	(100.0%)
Total Provisions for risks and charges	**-**	**218**	**(218)**	**(100.0%)**

In 2020, the provision allocated in 2019 relating to an arbitration proceeding that arose during the previous year was used in full.

34. Payables to banks and other financiers

The value of *payables to banks and other financiers* as at 31 December 2020 compared with the value as at 31 December 2019 is shown below:

Payables to banks and other financiers	FY 2020	FY 2019	Change absolute	%
Bank current accounts (liabilities)	7,064	6,341	723	11%
Negative cash pooling accounts	29,678	23,416	6,261	26.7%
Loans - short term portion	18,665	22,333	(3,668)	(16.4%)
Total Payables to banks and other financiers	**55,407**	**52,090**	**3,316**	**6.4%**

Banking system borrowings must be measured jointly with the balance of the cash and cash equivalents shown in note 26, equal to € 221 thousand for 2020. The item *loans, short-term portion* presents a balance as at 31 December 2020 of € 18,665 thousand and represents the short-term portion of existing medium/long-term loan contracts (see note 28).

Negative cash pooling accounts had a balance of € 29,678 thousand as at 31 December 2020 and represent the accounts that have been generated within the Group and are broken down as follows: to the subsidiary Viasat S.p.A. for € 27,799 thousand, to the subsidiary Viasat Connect Ltd for € 1,103 thousand, to the subsidiary BF Engineering SA for € 414 thousand, to the subsidiary ICOM OOD for € 304 thousand, to the subsidiary Tracksys for € 50 thousand and to others for €8 thousand.

35. Finance lease liabilities (current)

The value of *finance lease liabilities (current)* as at 31 December 2020 compared with the value as at 31 December 2019 is shown below:

Finance lease liabilities (ST)	**FY 2020**	**FY 2019**	**Change absolute**	**%**
Finance lease liabilities IFRS16 (ST)	271	288	(16)	(5.6%)
Total Finance lease liabilities (ST)	**271**	**288**	**(16)**	**(5.6%)**

The item *IFRS 16 Finance lease liabilities (S/T)* comprises the short-term debt recorded during the year, deriving from the application of the above mentioned accounting standard IFRS 16. The categories of assets covered by this standard are buildings and motor vehicles.

36. Trade payables

The value of *trade payables* as at 31 December 2020 compared with the value as at 31 December 2019 is shown below:

Trade payables	**FY 2020**	**FY 2019**	**Change absolute**	**%**
Trade payables	1,168	1,466	(298)	(20.3%)
Total Trade payables	**1,168**	**1,466**	**(298)**	**(20.3%)**

The item *trade payables* includes the following: to third-party suppliers of € 360 thousand and to inter-company suppliers of € 808 thousand.

37. Tax liabilities

The value of *tax liabilities* as at 31 December 2020 compared with the value as at 31 December 2019 is shown below:

Tax liabilities	FY 2020	FY 2019	Change absolute	%
Withholding tax liabilities	69	76	(7)	(9.4%)
Total Tax liabilities	**69**	**76**	**(7)**	**(9.4%)**

The item *withholding tax liabilities* includes amounts due to the tax authorities for withholding taxes on income from employment and Directors' compensation.

38. Other liabilities

The value of *other liabilities* as at 31 December 2020, compared with the value as at 31 December 2019, is presented in the table below:

Other liabilities	FY 2020	FY 2019	Change absolute	%
Other liabilities for shares acquisitions	3,146	2,511	635	25.3%
Due to employees	523	457	66	14.5%
Other current liabilities	1,520	1,057	463	43.9%
Accrued liabilities	14	25	(11)	(42.7%)
Due to social security	86	76	11	14.2%
Total Other liabilities	**5,290**	**4,125**	**1,165**	**28.2%**

The item *other payables for the purchase of equity investments* includes the short-term portion of the debt generated for the M&A transactions carried out: The item due to employees represents the payable for wages and salaries relating to December 2020, paid in January 2021, and the payable for allocations for holidays due but not taken.

The item *other current liabilities* is composed of the payable to the subsidiaries Viasat S.p.A. and Vem Solutions S.p.A. on the basis of the tax consolidation agreement, of € 965 thousand and € 411 thousand, respectively.

Moreover, there are invoices to be received by the board of statutory auditors of € 108 thousand, € 17 thousand for gross Directors' compensation that was paid in January 2021 and € 19 thousand for payables for supplementary pension schemes. The item *due to social security* includes contributions on employee remuneration paid in January 2021.

COMMENTS ON THE ITEMS OF THE CASH FLOW STATEMENT

The company adopted the direct method for the drafting of the *2020 Cash Flow Statement*. In fact, it is believed that the figures thus presented provide clearer, more immediate and in-depth disclosure on the methods for generating and using liquidity.

On the basis of the matters required by IAS 7, the changes in cash and cash equivalents were classified under *cash flow from operations, cash flows from investment activities* and *cash flows from financing activities*.

39. Cash flows from operations

(euro)	Notes	FY 2020	FY 2019
A) CASH FLOW FROM OPERATIONS			
Amounts collected from customers		21,422	20,776
Other amount collected		276,331	69,522
Intercompany amounts collected		5,288,004	2,236,648
Total amounts collected from operations		**5,585,756**	**2,326,946**
Payments to suppliers*		(3,771,776)	(4,951,176)
Payments relating to staff*		(2,288,063)	(2,365,292)
Payments for taxes		(77,659)	(283,610)
Payments for banking services		(75,405)	(78,482)
Other payments		(69,030)	(170,472)
Intercompany payments		(1,381,328)	(1,750,973)
Total payments from operations		**(7,663,262)**	**(9,600,006)**
Total payments from operations relating to asset destined to be sold		**-**	**-**
Cash flow balance from operations	**39**	**(2,077,506)**	**(7,273,059)**

* net of investments

The balance of the operating activities shows an improvement compared to 31 December 2019, from a negative value of € 7,273 thousand to € 2,078 thousand. There were reduced payments to suppliers for € 1,179 thousand, in addition to lower inter-company payments for € 370 thousand, which were more than offset by inter-company inflows, which increased by € 3,051 thousand. The value of the item other collections is attributable to the reimbursements from the Inland Revenue Agency of *IRES* credits in 2009, 2010 and 2011, as shown in note 20.

40. Cash flows from investment activities

(euro)	Notes	FY 2020	FY 2019
B) CASH FLOW FROM INVESTMENT ACTIVITIES			
Amounts collected from disposal of patents - licenses - trademarks - intellectual property rights		-	-
Amounts collected from disposal of land and buildings		-	-
Price from disposal of plant - machinery - equipment		-	-
Price from disposal of equity investments**		-	-
Amounts collected for interest income on bank deposits and other assets		42	40
Amounts collected for dividends		1,600	2,880
Price from disposal other assets		-	-
Intercompany asset disposal		7,925,719	6,366,458
Total amounts collected from investment activities		**7,927,362**	**6,369,378**
Payments for acquisitions of disposal of patents - licenses - trademarks - intellectual property rights		(136,277)	(292,204)
Payments for development costs		-	-
Payments for the purchase of land and buildings		-	-
Payments for the purchase of plant - machinery - equipment		-	-
Payments for assets on free loan basis and leased		-	-
Payments for the purchase of equity investments***		(588,704)	(7,983,880)
Payments for the purchase of other assets		(97,638)	(34,641)
Intercompany payments for assets disposal		-	(773,709)
Total payments for investment activities		**(822,619)**	**(9,084,434)**
Cash flow balance from investment activities	**40**	**7,104,743**	**(2,715,056)**

** net of cash and cash equivalents disposed of *** net of cash and cash equivalent acquired

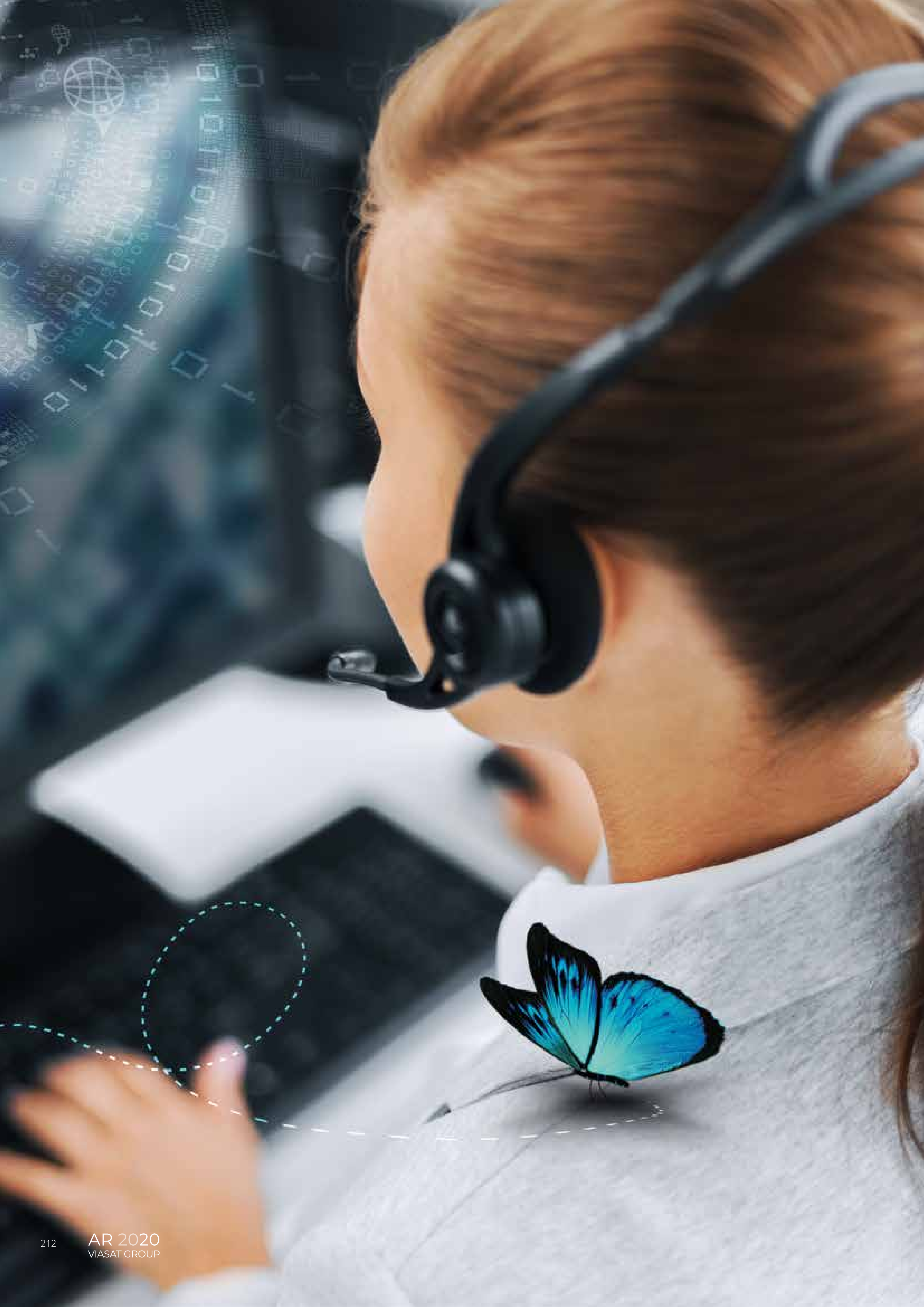
The *cash balance from investing activities* shows an increase of € 9,820 thousand compared to the previous year due mainly to lower payments for the purchase of equity investments, equal to € 7,395 thousand less than as at 31 December 2019. In addition, collections for inter-company dividends increased by € 1,559 thousand, of which € 7,000 thousand related to Viasat S.p.A., € 363 thousand to Viasat Monitoring and € 562 thousand to Viasat Connect Ltd..

41. Cash flows from financing activities

(euro)	Notes	FY 2020	FY 2019
C) CASH FLOW FROM FINANCING ACTIVITIES			
Amounts collected relating to the issue of equities		-	-
Other contributions from Shareholders		-	-
Increases in cash and cash equivalents for long-terms loans		1,500,000	16,500,000
Increases in cash and cash equivalents for short-terms loans		722,978	2,697,689
Amounts collected from other financing activities		230,000	-
Receipts from intercompany financing activity		9,566,028	27,983,466
Total amounts collected from financing activities		**12,019,006**	**47,181,155**
Repayment of medium/long term amounts due to banks		(14,911,779)	(20,643,048)
Repayment of short term amounts due to banks		-	-
Payments relating to financial leases		(39,000)	(47,058)
Interest payment		(570,332)	(829,431)
Dividend payment		-	-
Payment relating other financing investment		(230,000)	(1,100,000)
Payments related to intercompany financing liabilities		(8,550,984)	(7,420,972)
Total cash outflows relating to financing activities		**(24,302,095)**	**(30,040,509)**
Cash flow balance from financing activities	**41**	**(12,283,089)**	**17,140,646**

During the financial year, new loan agreements were signed for a total amount of € 1.5 million as shown in the statement. This is specifically a *Hot Money* loan with a duration of 12 months, classified under this item due to the hybrid nature of the instrument (in the statement of financial position it is included in the short-term portion of medium/long-term loans).

Repayments are reduced also thanks to the moratoriums granted by the banks due to the current health emergency, while the new medium and long-term loans were granted to the subsidiary Viasat S.p.A..



ATTACHMENTS:

METHOD OF CALCULATION OF KEY PERFORMANCE INDICATORS

KEY PERFORMANCE INDICATORS	
KPI	**Calculation Formula**
PROFITABILITY	
R.O.E.	$\frac{\text{Profit (loss) of the year}}{\text{Equity}^{1}}$
R.O.I.	$\frac{\text{Gross Operating Margin (adj)}^{2}}{\text{Total Assets}^{1}}$
R.O.A.	$\frac{\text{Gross Operating Margin}}{\text{Total Assets}^{1}}$
R.O.S.	$\frac{\text{Gross Operating Margin (adj)}^{2}}{\text{Total Revenues}}$
E.V.A. (thousands of euro)	$\frac{\text{Gross Operating Margin (adj)}^{2}\text{ - Current taxes}}{\text{Total Assets}^{1}}$ - WACC) x Total assets[1]
PRODUCTIVITY	
Revenues per employee	$\frac{\text{Total Revenues}}{\text{Number of employees}^{(1)}}$
Personnel costs per em-ployee	$\frac{\text{Personnel costs}}{\text{Number of employees}^{(1)}}$
Operating margin per employee	$\frac{\text{Gross Operating Margin}}{\text{NNumber of employees}^{(1)}}$
Investment rate	$\frac{\text{Increase of tangible and intangible assets}^{(1)}}{\text{Total Revenues}}$
Ordinary depreciation rate (tangible fixed assets)	$\frac{\text{Depreciation}}{\text{Property, plant and equipment - Accumulated depreciation on Property, plant and equipment}}$
% Depreciation	$\frac{\text{Accumulated depreciation on Property, plant and equipment}}{\text{Property, plant and equipment - Accumulated depreciation on Property, plant and equipment}}$
Turnover	$\frac{\text{Total Revenues}}{\text{Total Assets}^{(1)}}$

Notes:
(1) Average value between previous and current year
(2) Gross Operating Margin (adj): Gross Operating Margin net of contingent assets and liabilities
(3) Includes changes in the scope of consolidation and goodwill

KEY PERFORMANCE INDICATORS	
KPI	**Calculation Formula**
LIQUIDITY AND WORKING CAPITAL	
Availability Index	(Total current assets - Prepayments) / (Total current liabilities - Deferred incomes)
Liquidity Index	(Total current assets - Inventories - Prepayments) / (Total current liabilities - Deferred incomes)
Availability margin (thousands of euro)	(Total current assets - Prepayments) - (Total current liabilities - Deferred incomes)
Treasury margin (thousands of euro)	(Total current assets - Inventories - Prepayments) - (Total current liabilities - Deferred incomes)
Short-term asset intensity	Total current assets(1) / Total Revenues
Days sales outstanding (d.s.o.)	Trade receivables(1) / Net sales / 365
Days inventory outstanding (d.i.o.)	(Inventories - Development activities in process)(1) / Purchased of materials and finished goods / 365
Days payable outstanding (d.p.o.)	Trade receivables (1) / Cost of sales / 365
Working capital (days)	Days sales outstanding (d.s.o.) + Days inventory outstanding (d.i.o.) - Days payable outstanding (d.p.o.)
FINANCIAL SOUNDNESS	
Debt ratio	Total Assets / Equity
Debt cover	Net Financial indebtedness / Gross Operating Margin
Net gearing	Net Financial indebtedness / Equity
Capitalisation level	Equity / Medium and long term borrowings + Short term borrowings
Percentage of financial debt	Short term borrowings - Current financial receivables - Cash and cash equivalents / Total Assets
Short-term bank loan intensity	Bank loans / Total Revenues

Notes:
(1) Average value of the year

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Viasat Group S.p.A.

Consolidated financial statements as at December 31, 2020

Independent auditor's report pursuant to article 14 of Legislative Decree n. 39, dated 27 January 2010

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Independent auditor's report pursuant to article 14 of Legislative Decree n. 39, dated 27 January 2010
(Translation from the original Italian text)

To the Shareholders of
Viasat Group S.p.A.

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the Consolidated financial statements of Viasat Group S.p.A. (the Group), which comprise the Consolidated statement of financial position as at December 31, 2020, and the Consolidated statement of income, the Consolidated statement of comprehensive income, Consolidated statement of changes in equity and Consolidated statement of cash flows for the year then ended, and notes to the Consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the Consolidated financial statements give a true and fair view of the financial position of the Group as at December 31, 2020, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISA Italia). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report.
We are independent of Viasat Group S.p.A. in accordance with the regulations and standards on ethics and independence applicable to audits of financial statements under Italian Laws. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Directors and Those Charged with Governance for the Consolidated Financial Statements

The Directors are responsible for the preparation of the Consolidated financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union, and, within the terms provided by the law, for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The Directors are responsible for assessing the Group's ability to continue as a going concern and, when preparing the Consolidated financial statements, for the appropriateness of the going concern

EY S.p.A.
Sede Legale: Via Lombardia, 31 - 00187 Roma
Capitale Sociale Euro 2.525.000,00 i.v.
Iscritta alla S.O. del Registro delle Imprese presso la C.C.I.A.A. di Roma
Codice fiscale e numero di iscrizione 00434000584 - numero R.E.A. 250904
P.IVA 00891231003
Iscritta al Registro Revisori Legali al n. 70945 Pubblicato sulla G.U. Suppl. 13 - IV Serie Speciale del 17/2/1998
Iscritta all'Albo Speciale delle società di revisione
Consob al progressivo n. 2 delibera n.10831 del 16/7/1997

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assumption, and for appropriate disclosure thereof. The Directors prepare the Consolidated financial statements on a going concern basis unless they either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

The statutory audit committee ("Collegio Sindacale") is responsible, within the terms provided by the law, for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the Consolidated 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 International Standards on Auditing (ISA Italia) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Consolidated financial statements.

As part of an audit in accordance with International Standards on Auditing (ISA Italia), we have exercised professional judgment and maintained professional skepticism throughout the audit. In addition:

- we have identified and assessed the risks of material misstatement of the Consolidated financial statements, whether due to fraud or error, designed and performed audit procedures responsive to those risks, and obtained audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- we have obtained an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control;
- we have evaluated the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors;
- we have concluded on the appropriateness of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to consider this matter in forming our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern;
- we have evaluated the overall presentation, structure and content of the Consolidated financial statements, including the disclosures, and whether the Consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We have communicated with those charged with governance, identified at an appropriate level as required by ISA Italia, regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on compliance with other legal and regulatory requirement

Opinion pursuant to article 14, paragraph 2, subparagraph e), of Legislative Decree n. 39 dated 27 January 2010

The Directors of Viasat Group S.p.A. are responsible for the preparation of the Report on Operations of Viasat Group S.p.A. as at December 31, 2020, including its consistency with the related Consolidated financial statements and its compliance with the applicable laws and regulations.

We have performed the procedures required under audit standard SA Italia n. 720B, in order to express an opinion on the consistency of the Report on Operations, with the Consolidated financial statements of Viasat Group S.p.A. as at December 31, 2020 and on its compliance with the applicable laws and regulations, and in order to assess whether it contains material misstatements.

In our opinion, the Report on Operations is consistent with the Consolidated financial statements of Viasat Group S.p.A. as at December 31, 2020 and comply with the applicable laws and regulations.

With reference to the statement required by art. 14, paragraph 2, subparagraph e), of Legislative Decree n. 39, dated 27 January 2010, based on our knowledge and understanding of the entity and its environment obtained through our audit, we have no matters to report.

Torino, April 22th 2021

EY S.p.A.
Signed by: Paolo Aimino, Auditor

This report has been translated into the English language solely for the convenience of international readers.

Viasat Group S.p.A.

Financial statements as at December 31, 2020

Independent auditor's report pursuant to article 14 of Legislative Decree n. 39, dated 27 January 2010

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Independent auditor's report pursuant to article 14 of Legislative Decree n. 39, dated 27 January 2010
(Translation from the original Italian text)

To the Shareholders of
Viasat Group S.p.A.

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Viasat Group S.p.A. (the Company), which comprise the statement of financial position as at December 31, 2020, and the statement of income, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements give a true and fair view of the financial position of the Company as at December 31, 2020, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISA Italia). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report.
We are independent of the Company in accordance with the regulations and standards on ethics and independence applicable to audits of financial statements under Italian Laws. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Directors and Those Charged with Governance for the Financial Statements

The Directors are responsible for the preparation of the financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union and, within the terms provided by the law, for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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The Directors are responsible for assessing the Company's ability to continue as a going concern and, when preparing the financial statements, for the appropriateness of the going concern assumption, and for appropriate disclosure thereof. The Directors prepare the financial statements on a going concern basis unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

The statutory audit committee ("Collegio Sindacale") is responsible, within the terms provided by the law, for overseeing the Company's financial reporting process.

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 International Standards on Auditing (ISA Italia) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with International Standards on Auditing (ISA Italia), we have exercised professional judgment and maintained professional skepticism throughout the audit. In addition:

- we have identified and assessed the risks of material misstatement of the financial statements, whether due to fraud or error, designed and performed audit procedures responsive to those risks, and obtained audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- we have obtained an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control;
- we have evaluated the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors;
- we have concluded on the appropriateness of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to consider this matter in forming our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern;
- we have evaluated the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We have communicated with those charged with governance, identified at an appropriate level as required by ISA Italia, regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on compliance with other legal and regulatory requirements

Opinion pursuant to article 14, paragraph 2, subparagraph e), of Legislative Decree n. 39 dated 27 January 2010

The Directors of Viasat Group S.p.A. are responsible for the preparation of the Report on Operations of Viasat Group S.p.A. as at December 31, 2020, including its consistency with the related financial statements and its compliance with the applicable laws and regulations.

We have performed the procedures required under audit standard SA Italia n. 720B, in order to express an opinion on the consistency of the Report on Operations, with the financial statements of Viasat Group S.p.A. as at December 31, 2020 and on its compliance with the applicable laws and regulations, and in order to assess whether it contains material misstatements.

In our opinion, the Report on Operations is consistent with the financial statements of Viasat Group S.p.A. as at December 31, 2020 and comply with the applicable laws and regulations.

With reference to the statement required by art. 14, paragraph 2, subparagraph e), of Legislative Decree n. 39, dated 27 January 2010, based on our knowledge and understanding of the entity and its environment obtained through our audit, we have no matters to report.

Torino, April 22th 2021

EY S.p.A.
Signed by: Paolo Aimino, Auditor

This report has been translated into the English language solely for the convenience of international readers.

REPORT OF THE BOARD OF STATUTORY AUDITORS

Viasat Group - S.p.A.

Share Capital €1,500,000 fully paid-in
Headquarters in VENARIA (TO) - Via Aosta n. 23
Tax Code and Turin Companies' Register No. 05512550012
E&A Roster No. 716663

REPORT OF THE BOARD OF STATUTORY AUDITORS ON THE SUPERVISORY ACTIVITIES ACCOMPANYING THE CONSOLIDATED FINANCIAL STATEMENTS AS AT 31.12.2020

Dear Shareholders,

In compliance with the International Financial Reporting Standards (IFRS) adopted by the European Union, the company's Board of Directors has drawn up the Consolidated Financial Statements as at 31st December 2020 of the "Viasat Group S.p.A.".

We have checked the scope of consolidation of Viasat Group S.p.A., which as at 31st December 2020 was as follows:

- **Direct subsidiaries:** Viasat S.p.A., Vem Solutions S.p.A., Team Ind. Solutions s.r.l., Viasat Connect Sas, Viasat Connect Ltd, Viasat Servicios Telematicos S.L., TracKit Consulting LDA, Viasat Monitoring SP Z.O.O., Tracksys SA, Viasat Systems s.r.l., ICOM OOD;
- **Indirect subsidiaries:** Mobile Fleet Chile S.p.A., BF Engineering SA, Viasat Connect SA, Miniplus OOD, Blu Tech CO Ltd.

Overall, 16 companies were consolidated within the parent company.

The consolidated financial statements of the group were subject to audit by the independent auditing firm EY S.p.A. pursuant to Article 14 of Italian Legislative Decree no. 39 of the 27th January 2010.

The checks carried out by the independent auditors ascertained that the balances expressed in the consolidated financial statements as at 31st December 2020 accurately match those in the accounting records of the parent company, the statutory financial statements for the period of the subsidiaries, and the related information formally communicated.

As is known, the company's management body is responsible for preparing the consolidated financial statements and the independent auditing firm is tasked with expressing a professional opinion on them based on its audit. This opinion is certified in the report issued by EY S.p.A. pursuant to Articles 14 and 16 of said Decree no. 39 of 2010. That report – issued on today's date without any observations or references to disclosure – certifies that the consolidated financial statements were drawn up with clarity, and provide a true and fair view of the statement of equity and financial position, and the income statement and cash flows of the parent company and its subsidiaries.

With regard to the adequacy of the organisational, administrative and accounting structure and its concrete functioning in relation to the measures adopted by the management body to handle the emergency COVID-19 situation, also by means of gathering information from the heads of the divisions, the Board of Statutory Auditors acquired awareness and supervised and, in this regard, has no particular observations and/or objections to report.

The Board also verified the adequacy and functioning of the administrative-accounting system, also with regard to the impacts of the COVID-19 emergency on the IT and telematic systems, as well as the reliability of the same to correctly represent the operating events, by means of obtaining information from the heads of the divisions and the examination of corporate documents. In this regard, we have no particular observations to report.

Having regard to the representation of the consolidated financial statements accounts, the disclosure presented in the notes, the statement of equity and financial position and cash flows, changes in equity, as well as the contents of the report on operations, and in the light of the fact that the independent auditing firm has issued its opinion without reservation also on the consolidated financial statements, the Board of Statutory Auditors has no observations to make with regard to said consolidated financial statements.

The Board of Statutory Auditors believes that, overall, these consolidated financial statements correctly express the statement of equity and financial position and the income statement of the group for the year ended 31st December 2020, in compliance with the regulations that govern consolidated financial statements.

Venaria Reale, 22 April 2021

The Board of Statutory Auditors

The President	Claudio Vighetto
Effective Auditor	Nives Servi
Effective Auditor	Antonio (known as Massimo) Procopio

Viasat Group - S.p.A.

Share Capital €1,500,000 fully paid-in
Headquarters in VENARIA (TO) - Via Aosta n. 23
Tax Code and Turin Companies' Register No. 05512550012
E&A Roster No. 716663

REPORT OF THE BOARD OF STATUTORY AUDITORS TO THE SHAREHOLDERS' MEETING PURSUANT TO ARTICLE 2429, PARAGRAPH 2, OF THE ITALIAN CIVIL CODE

Dear Shareholders,

During the year ended 31st December 2019, our work was inspired by the provisions of the law and, specifically, Article 2403 of the Italian Civil Code, as well as the Standards of Conduct for Boards of Statutory Auditors recommended by the Italian Accounting Profession.

Article 2403 *et seq.* of the Italian Civil Code stipulates the obligation for the Board of Statutory Auditors to report to the shareholders' meeting on the supervisory activities carried out and on the observed omissions and criticisms, as well as the option to put forth proposals relating to the financial statements, their approval and matters falling within its responsibilities. The Board of Statutory Auditors hereby fulfils those obligations by way of this report.

Note that your company carried out the management and coordination activities of Viasat S.p.A. and VEM Solutions S.p.A., pursuant to Article 2497 *et seq.* of the Italian Civil Code.

Report on supervisory activity pursuant to Article 2429, paragraph 2, of the Italian Civil Code

During the year ended 31st December 2019, our work was carried out in compliance with the provisions of law that govern the supervisory activity of control bodies. More specifically:

With regard to the supervisory activity pursuant to Article 2403 *et seq.* of the Italian Civil Code:

- We oversaw the observance of the law, the Articles of Association and the observance of the principles of correct management;
- We took part in the shareholders' meetings and the Board Meetings, in relation to which, on the basis of the available information, we did not note any violations of the law or the Articles of Association, nor any transactions which were manifestly imprudent, hazardous, in potential conflict of interest or such that they would compromise the integrity of the company's equity;

- During the meetings held, we acquired information from the Administrative Body on the general trend in operations as well as on the most significant transactions in terms of size or characteristics carried out by the company and, on the basis of the information acquired, we have no particular observations to make;
- We acquired from the company in charge of the audit, "EY S.p.A.", during the interviews carried out all the information and data requested and that, from what was reported, no relevant data or news emerged that should be highlighted in this report;
- We acquired awareness and supervised with regard to the adequacy of the organisational, administrative and accounting structure and its concrete functioning in relation to the measures adopted by the management body to handle the emergency COVID-19 situation, also by means of gathering information from the heads of the divisions and, in this regard, we have no particular observations and/or objections to report;
- We acquired awareness of and oversaw, in as far as we are responsible, the adequacy and functioning of the administrative-accounting system, also with regard to the impacts of the COVID-19 emergency on the IT and telematic systems, as well as the reliability of the same to correctly represent the operating events, by means of obtaining information from the heads of the divisions and the examination of corporate documents and, in this regard, we have no particular observations and/or objectives to report.

The Board also verified that no complaints were received from the Shareholders in pursuance of Article 2408 of the Italian Civil Code.

During the year, the Board of Statutory Auditors expressed opinions where required by law.

As described above, during the supervisory activity no other significant facts emerged that would require mention in this report.

Observations with regard to the statutory financial statements

We examined the financial statements for the year ended 31st December 2020. We remind you that the company avails itself of the option to prepare the financial statements in accordance with the International Financial Reporting Standards (IFRS) as adopted by the European Union.

This document, which was presented to us on 31st March 2021, together with the Directors' Report, closed with a net profit for the year of €6,937,503 and a positive shareholders' equity of €38,281,873.

The Shareholders, trusting both in the correct work of the Directors and in the timeliness of the checks carried out by the Board of Statutory Auditors, declared that they had no objections to the filing of the draft financial statements at the company's registered office, considering the documentation filed to be exhaustive, including the reports on operations and that of the

Board of Statutory Auditors. These circumstances did not prevent them from having a clear and precise view of the company's events during the year 2020.

Since we have not been entrusted with the statutory audit of the financial statements, we have reviewed the general layout, general compliance with the law regarding their structure and formation and have no observations to report.

In consideration of the draft statutory financial statements, put at our disposal by the management body, the Board of Statutory Auditors emphasises that this additional information is provided in particular:

- We oversaw the general layout given to the same, their general compliance with legislation with regard to their formation and structure, and in that regard, we have no particular observations to report;
- We verified compliance with the rules of law regarding the preparation of the report on operations and, in that regard, we have no particular observations to report;
- We verified that the financial statements match the facts and information we became aware of in carrying out the duties typical of the board of statutory auditors and, in that regard, there are no further observations that need to be made.

Observations and proposals with regard to the approval of the statutory financial statements

On the basis of the checks carried out directly and in consideration of the results of the activities carried out by the company appointed to audit the accounts (results which are contained in the specific report accompanying said financial statements drawn up pursuant to Article 14 of Italian Legislative Decree no. 39 of 27th January 2010) received on today's date, and also considering the results of the activities we carried out, we are in favour of approving the statutory financial statements for the year ended 31st December 2020, as drawn up by the Directors, and the proposals set out therein.

The Board also agrees with the proposal for allocation of profit for the year made by the Directors in their report on operations.

Venaria Reale, 22 April 2021

THE BOARD OF STATUTORY AUDITORS

The President	Claudio Vighetto
Effective Auditor	Antonio (known as Massimo) Procopio
Effective Auditor	Nives Servi

Viasat Group S.p.A.

Headquarters in Venaria Reale (TO) - Via Aosta n. 23
Tax Code and Turin Companies' Register No 05512550012
Share capital €1,500,000 fully paid-in

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MINUTES OF THE ORDINARY SHAREHOLDERS' MEETING

On 23rd April 2021 at 10:15am, the ordinary shareholders' meeting met in Via Aosta 20, Venaria Reale, Italy, to discuss and vote on the following agenda:

Approval of the separate financial statements and presentation of the consolidated financial statements as at 31st December 2020

Pursuant to the Articles of Association and as a result of unanimous appointment, the President of the Board of Directors, Mr. Domenico Petrone, chaired the meeting and ascertained and placed on record that:

- The meeting was called within the term set out in Article 106 of Italian Decree Law no. 18 of 17th March 2020 and Article 8 of the Articles of Association;
- Two shareholders holding all 30,000,000 shares were present for a nominal total of €1,500,000, representing the entire share capital;
- For the Board of Directors, the CEO Marco Petrone was present by video conference and was correctly identified, in addition to the President, while Director Giovanna Minuzzo was justified her absence;
- The Auditors present were Claudio Vighetto, President of the Board of Statutory Auditors, and Antonio, known as Massimo Procopio. Both connected by video conference, while the other effective Auditor, Nives Servi, was present;
- The secretary Simone Durando was also present.

Having also ascertained and placed on record that all those present declared that they had been acquainted with the items placed on the agenda, therefore having nothing to object to with regard to the discussion of the same, the present meeting is validly constituted in accordance with the law and the Articles of Association and as such was qualified to resolve.

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Subsequently moving on to deal with the single point on the agenda, the President invited Simone Durando, Secretary and Vice Chief Financial Officer of the Group, to illustrate the main figures of the separate financial statements.

After a detailed illustration of the separate financial statements as at 31st December 2020, prepared in compliance with the IAS/IFRS international accounting standards, and including the report on operations, the accounting statements, the cash flow statement and explanatory notes, he gave the floor to the Board of Statutory Auditors for the reading of the report of the Board of Statutory Auditors and the independent auditors' report.

A brief but in-depth discussion followed, then the meeting was asked to resolve on the approval of the separate financial statements as at 31st December 2020. The meeting thus unanimously resolved to:

- Approve the separate financial statements as at 31st December 2020;
- Allocate the net profit for the year, amounting to €6,937,503 to the extraordinary reserve.

Simone Durando, the Vice CFO, took the floor again to illustrate in detail the results of the group arising from the consolidated financial statements of the company as at 31st December 2020 and the related report on operations, documents which the attendees were aware of and which were approved by the Board of Directors' meeting

* * *

After which, there being no further business to vote on and no other requests for the floor, the meeting was adjourned at around 10:45am subject to the drawing up, reading and approval of these minutes.

The Secretary	The President
(Simone Durando)	(Domenico Petrone)

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NOTES

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