ANNUAL REPORT /2019

VIASAT® GROUP

ANNUAL REPORT /2019

www.viasatgroup.it

Viasat Group S.p.A.
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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, and helping our customers reach ever more challenging goals and targets.

ADMINISTRATION AND CONTROL BODIES

BOARD OF DIRECTORS

President and Chief Executive Officer
Domenico Petrone

Vice President
Massimo Getto

Vice President
Marco Petrone

Director
Barbara Petrone

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.

LETTER FROM THE PRESIDENT AND CHIEF EXECUTIVE OFFICER

2019 was a year of great challenges and significant organisational developments for our Group, which recorded a volume of revenues of € 82.4 million, with a compound annual growth rate (CAGR) of 15.9% from 2012 to 2019. These results are the distinguishing feature of the process of growth and diversification that we have successfully pursued over the years. The age we are living in is affected by the changing factors of technology, the market and people that do not allow for any hesitation: 'either change or you're out'. This is a simple rule of the market in an increasingly competitive and fast economy. Even though, as I am writing this letter, I find that everything we achieved last year seems remote and far off. Since January we have been living through extremely dramatic situations due to the global pandemic. Due to our good sense and preventive actions implemented, it was possible to avoid the spread of the disease among our employees and our community. I am convinced that the world will be profoundly changed by this serious emergency and we need to be good at capturing all the possibilities for development that will arise. We must think of the worst and react with our best. It is time to plan the evolution of our design, production and development activities, leveraging all of our creative abilities. This dramatic experience has brought to light many weaknesses, but has also demonstrated that science, technology and sustainability, in the widest sense, are crucial paths to be taken for our future. Modern, effective company management is mainly based on the ability to read, codify and transform into useful information an enormous quantity of data deriving from the technological instruments used. The speed of growth of the Internet of Things is typical of a new industrial revolution, where we are among the promoters and actors, which converges toward another significant revolution, that of the 'Green Deal', for which the EU has set out a plan of 'sustainable investments', mobilising over € 1 trillion in investments in the next ten years.

This is why satellite infotelematics and IoT are now, and will increasingly be a fundamental strategic choice to which we must guide our present and future customers. In this sense, we must commit, with even greater conviction, to developing greater technological and commercial synergies among all Group companies, with the goal of giving life to a more agile, effective and proactive organisation. The results achieved are a further step in the path we must continue on, demonstrating our professionalism, tenacity and passion. We are "interconnected" with the future and want to bring our "dreams" to life, as in the past, turning them to extraordinary concrete facts.

Know more, Do more, Be more.

Venaria Reale, 27 March 2020

Domenico Petrone
President and Chief Executive Officer

LETTER FROM THE VICE PRESIDENT AND CHIEF FINANCIAL OFFICER

Dear Shareholders,

I am writing my letter of presentation of the separate financial statements for 2019 in a period where the Covid-19 pandemic has forced us to limit our freedom and slow down our business. All the main processes of the Group are in operation, and this will allow us to reduce the negative impacts of the pandemic and also be ready to capture the opportunities that will clearly arise when the height of the contagion decreases. The extraordinary process of growth in the last ten years was not the fruit of a lucky set of circumstances, but the achievement of a strategy that has rendered us more diversified, complex and, thus, less risky. A complexity that makes it more difficult to govern processes, but which, by offering diversification of our customer base, geographical areas, technology and commercial proposal increases the Group's resilience and enables us to take a long-term view.

The market and its players are increasingly marked by a dizzying rate of change and every new change seems to have its own price to pay. The time needed for a company to leave the market in this context continues to shorten. This pandemic is only one of the many challenges we are facing.

We will have to face the market and govern our companies with an "infinite" view and perspective. In an infinite perspective, what really counts is remaining on the market and not focusing on the short-term outcome of who is winning or who is the best or attempting to face potential crises without an overall, long-term plan.

Someone is sitting in the shade today because someone planted a tree a long time ago.

Warren Buffett

Venaria Reale, 24 March 2020

Massimo Getto
Vice President and Chief Financial Officer

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CONSOLIDATED FINANCIAL STATEMENTS /2019

as at 31 December

VIASAT GROUP

There are those who look at things the way they are, and ask why... I dream of things that never were, and ask why not

Robert Francis Kennedy

Insurtech

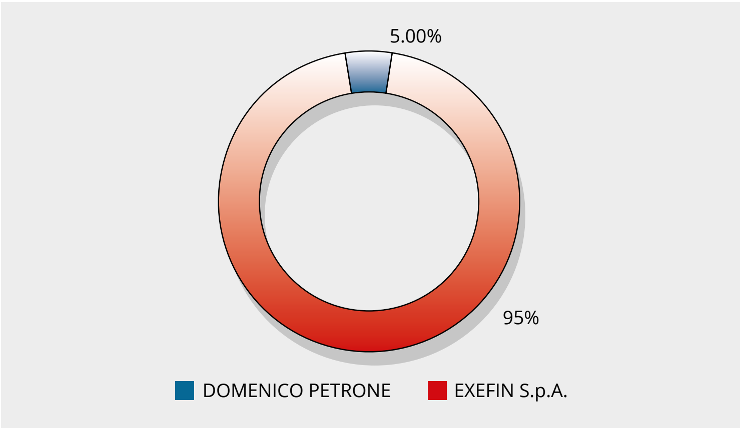
SHAREHOLDERS

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%**

* formerly BA.MA. s.r.l., transformed into company limited by shares with change of name in February 2018.

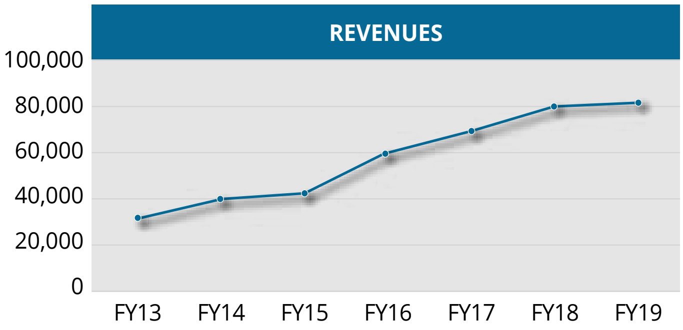


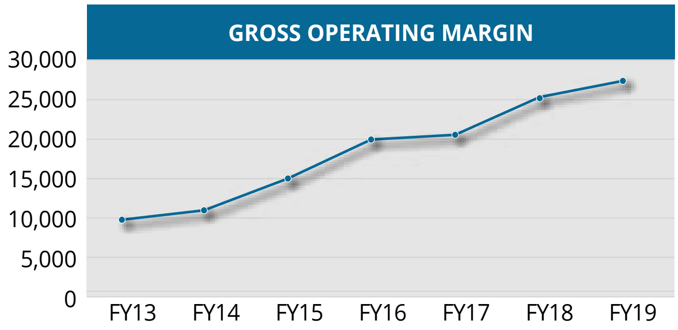
GROUP STRUCTURE

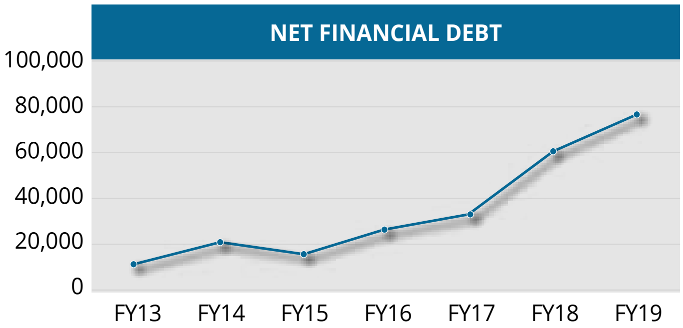
AVERAGE NUMBER OF PERSONNEL

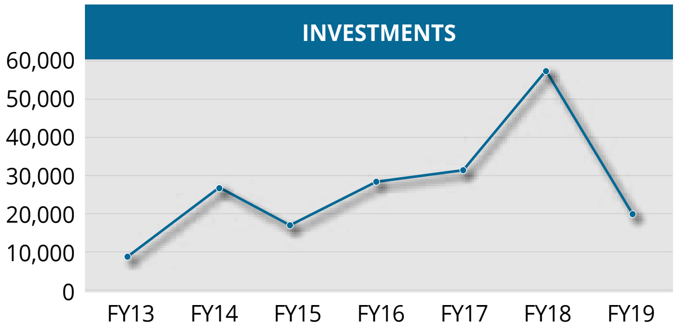
	2019	2018
Managers	86	82
Employees	524	559
Workers	94	77
Total	704	718

SUMMARY OF GROUP RESULTS









SUMMARY OF GROUP RESULTS

Economical Figures (thousands of euro)	**FY 2013**	**FY 2014**	**FY 2015**	**FY 2016**	**FY 2017**	**FY 2018**	**FY 2019**
Revenues	32,890	38,330	45,734	59,896	68,842	79,798	82,382
Gross Operating Margin	10,157	11,680	14,922	20,224	20,825	25,424	27,220
Result of the year	1,075	424	1,375	2,005	3,004	3,092	3,721
Main Balance Sheet Figures (thousands of euro)	**FY 2013**	**FY 2014**	**FY 2015**	**FY 2016**	**FY 2017**	**FY 2018**	**FY 2019**
Net invested capital	32,009	42,346	37,108	49,553	60,150	88,067	108,664
Net Financial Indebtedness	11,148	21,111	14,559	25,722	33,223	59,151	76,405
Net Financial Indebtedness IFRS 16 Adjusted	11,148	21,111	14,559	25,722	33,223	59,151	61,687
Shareholders' Equity	20,450	20,838	22,437	23,287	26,423	28,958	32,159
Personnel and Investment	**FY 2013**	**FY 2014**	**FY 2015**	**FY 2016**	**FY 2017**	**FY 2018**	**FY 2019**
Personnel at the end of the year (un)	291	342	379	523	655	777	777
Revenues per employee (euro)	137	138	149	121	116	114	119
Investment (.000 eur)	8,504	25,693	15,775	27,611	31,794	56,607	19,379
Main KPI	**FY 2013**	**FY 2014**	**FY 2015**	**FY 2016**	**FY 2017**	**FY 2018**	**FY 2019**
GROM / Revenues (%)	30.88%	30.47%	32.63%	34.06%	30.25%	31.86%	33.04%
Operating Result / Revenues (%)	7.06%	6.24%	5.71%	9.25%	7.15%	5.74%	6.44%
Result of the year / Revenues (%)	3.27%	1.11%	3.01%	3.35%	4.36%	3.87%	4.52%
Investment / Revenues (%)	25.86%	67.03%	34.49%	46.10%	46.18%	70.94%	23.52%
Net Financial Indebtedness / Equity	0.55	1.01	0.65	1.10	1.25	2.04	2.38
Net Financial Indebtedness / GROM	1.10	1.81	0.98	1.26	1.59	2.33	2.81
ROI	16.76%	14.81%	16.18%	20.31%	17.17%	15.81%	15.38%
ROE	5.25%	2.02%	6.35%	8.71%	12.11%	11.16%	12.18%
EVA (.000 eur)	4,707	6,859	8,329	11,866	13,357	14,347	18,407

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GROUP OVERVIEW

Viasat Group is a network of interconnected companies 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 focused on the future, technological innovation, sustainability and connected mobility; **Insurtech**, which supports insurance companies, fintech businesses and insurance brokers in the collection and advanced analysis of information to optimise risk management and the personalisation of the insurance range for customers; **Fleet & Waste Management**, which offers hi-tech services, based on IoT technology, for localisation, efficient management and protection of fleets for companies operating in goods haulage and logistics, urban hygiene, construction, assistance and maintenance, as well as for institutions and public administration; **Smart Connect**, which, through a set of technological solutions and applications that leverage Big Data connectivity, allows individuals, companies and public administration to remotely manage everyday life and the transport of people, while improving security, protection and operational efficiency; **IoT Solutions**, which designs, develops and produces high-end electronics in the FMCP industry, hardware, firmware and software for smart devices and sensors, software platforms, IoT solutions and analytics services on data processed, which are fundamental to increase 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. Our solutions provide added value, are based on proprietary algorithms and are highly personalised. For this reason, we make it possible to transform data into effectively strategic information, which increases our customers' competitiveness, improving the efficiency, security and quality of their businesses every day.

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 777 employees as at 31 December 2019, and its considerable research, innovation, development and electronic production activities.

	Fleet & Waste Management	Insurtech	Smart Connect	IoT Solutions
Customers	Transport & Logistics Companies Municipal Port and Maritime Authorities	Insurance Companies Insurance Intermediaries Financial Services	Private Customers Retail Car, motorbike, bicycle Dealers Car Rental Companies Financial Leasing Companies P.A. & Telco	TSP (Telematics Service Providers) Infotraffic Provider EMS Automotive Sector Home Automation P.A. and Defence Industry
Markets	EMEA LATAM	Italy, Bulgaria, Romania	Italy, Belgium, Bulgaria, France, Poland, Spain, UK	Italy, Bulgaria, Poland, Spain
Offer	Fleet Management solutions and services for companies dealing with Goods Transport and Logistics	Solutions and Services for the Insurance market and Fintech	Assistance, Protection, Security and Infotech Solutions and Services for companies dealing with the mobility of people, Smart Cities, Smart Home & Home Automation	Research & Development, Engineering and Production of Hardware, Firmware & Software, Big Data Management, Analysis & Data Monetization
Business	Transport & Logistics Waste Management Building & Constructions Assistance & Maintenance	Insurance telematics for b2c customers (private) and b2b2c customers (insurance and fintech operators)	Mobility & Security Applications Home & Smart Care People on the move (wearables)	Electronics production Telematics & IoT Devices Web & mobile Platforms Big Data

INSIGHT

- € 82.4 million in revenues in 2019
- 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
- 777 employees at Group level
- 6 owned Operations Centres: 2 in Italy, with 150 operators (Turin and Rome), 1 in Romania (Bucharest), 1 in Poland (Warsaw), 1 in Spain (Madrid) and 1 in Bulgaria (Sofia).
- More than 2.1 million devices produced and installed by VEM Solutions (2015-2019)
- 781,861 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)
- More than 2,600 connected buildings.

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 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 marginal 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.

The consolidation process under way on the satellite infotelematics market has, in recent years, seen a huge rise in M&A transactions. Since 2014, in line with this trend, the Group has implemented a process of expansion through acquisitions so as to position itself as one of the main players on the European market.

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 the base of parties that are not yet customers of the Group. It is also important to offer innovative solutions that the market does not yet know it needs, in order to greatly expand the new user base and conquer new segments of the market.

With this in mind, the Group is organised into four main Strategic Business Units (SBU). These units cover the various activities performed and constitute the aspect of fundamental data analysis, not only of an economic and financial nature, therefore extending beyond the national boundaries and the single legal entity logic.

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 services are also ensured by Viasat by means of an outsourced centre with operators of a Supervisory Authority. To these are added those owned by the network of subsidiaries in Romania (Bucharest), Poland (Warsaw), Spain (Madrid) and Bulgaria (Sofia), which guarantee an operative synergy and pan-European cover. The direct management of the telematics and assistance service ensures high levels of service in terms of reaction time to alarm signals and security systems with disaster recovery plans.

Some services (such as, for example, towing and/or medical assistance) are also provided, if the Customer has activated these services, throughout Italy and the rest of Europe, through companies having an arrangement. Viasat Group has an extensive network of Service Centres at European level, a fleet of mobile repair shops and breakdown vans and an affiliated circuit of repair and body shops consisting of 2100 installers in the network, including 1700 from the Viasat Assistance network, 100 of which are TUV ISO9001 certified in Italy, able to operate 7 days a week, 365 days a year, including at the premises of the Customer and on all types of vehicles.

Fleet & Waste Management SBU

The Fleet & Waste Management Strategic Business Unit offers a wide range of technological solutions, data-driven services and satellite infotelematics, 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.

The satellite systems sold within the solutions offered to clients are mainly developed and produced by Viasat Group (in particular by the IoT Solutions SBU - see relevant section below), according to ISO TS 16949:2009.

In the area of Waste Management, Viasat'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) 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. We provide 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 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, 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 safety and security behind the wheel and on policies personalised based on mileage, driving style and the assessment of actual risk.

Viasat Group offers insurance companies and, more generally, insurance brokers and fintech businesses (i.e. finance or lease companies looking to combine their financial and insurance products with systems and technologies, in order to offer value-added services to customers), as well as to their end customers, services and technological solutions that are included in a telematics policy in order to receive, in exchange for a significant discount on insurance premiums, a set of information on insured parties that can be used to:

- reconstruct the dynamics of any accidents, with a view to preventing and countering insurance fraud (telematics expertise);
- record the position of the vehicle in order to facilitate finding it in the event of theft, through the Viasat H24 Operations Centre;
- profile the behaviour of end customers so as to be able to create custom policies based on the number of kilometres travelled (PAYD [pay-as-you-drive] policies) or on driving style, rewarding those who are better behind the wheel (PHYD [pay-how-you-drive] policies);
- provide partner companies with processed data and information that can be used to improve operational processes, in addition to a wide range of value-added services for end-customer assistance, protection and security, in order to make their

range distinctive and more attractive (such as, for example, assistance with correctly and comprehensively completing the mutually agreed accident report [CAI, or '*constatazione amichevole di incidente*'], implementation of an emergency service agreement, information on claim settlement procedures, management of automatic emergency call in the event of an accident [eCall]).

The information gathered by the on-board devices enables insurance companies to reduce the costs of managing third-party car insurance policies, through the automatic recording of data relating to accidents (time, place, speed, acceleration), in particular as a result of greater effectiveness in combating the phenomenon of insurance fraud (faked accidents or accident dynamics that do not match what has been stated); furthermore, statistical analysis of vehicle use by end customers and the automatic recording of the data thereof, in an aggregate and anonymised manner, carried out by means of the satellite equipment installed, allows insurance companies to look into new types of telematics policies. The assistance, protection and security services, included in the telematics policy, are delivered directly to the end customer of the insurance company, with a view to increasing loyalty, improving driving style and increasing the safety of the insured party, above all in order to prevent accidents, reducing the costs of managing and settling claims. 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 turn off the 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, territorial integrated management platform and many other flexible solutions designed to meet the needs of all types of public administration.

The Smart Connect SBU targets its commercial offer to end consumers, the retail channel, the dealer and car dealer network, car rental and lease companies, public administrations and telecommunications companies. 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 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 people on unemployment benefit. With the help of increasingly extensive connectivity, these solutions make everyday life easier and allow it to be managed remotely, both in the public sector and as regards 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, we are able to create new hardware, firmware and software, next-generation mobile apps, high-end electronics in the FMCP industry, increasingly advanced satellite positioning infotelematic 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 positioning, 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 a partnership agreement was signed with 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 as strengths of the new production strategy.

The skills developed within this SBU as regards satellite 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.

The possibility of collecting and processing a huge amount of accurate information allows the Group set up (anonymised and aggregated) statistical analyses which it can use to develop and offer new services, as well as market these to different types of customers (i.e. suppliers of real-time traffic information and other road information, towns, large-scale retailers, oil companies - refuelling station operator network). In the car and insurance sectors, the possibility of having analyses of data collected in real time, from motor vehicles connected to operations centres, and rearranged in an anonymous and aggregate manner into a single platform makes it possible to study and develop new products and solutions capable of meeting requirements and needs, even beyond the original business sector of reference.

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.

The raw data, i.e. the information gathered by the on-board devices and received by the Operations Centres and the Application Platforms, developed and operated by the Viasat Group and the various SBUs, is subsequently prepared, using proprietary algorithms, anonymised and integrated with other information/data from other sources, on a platform functionally dedicated to Big Data services. The purpose of this is to create a reliable and substantial, statistically significant database with the aim of using it to provide Big Data analysis services (e.g. predictive information on the potential geo-referenced risks of the street the driver is travelling on, Chrono-tachograph data analysis to optimise driver activity and journey planning), as well as for data monetisation purposes.

The data from all the devices installed on-board the cars and commercial vehicles managed and monitored by Group companies, smart sensors and apps are collected, in anonymous and aggregate form and always in compliance with current regulations, in a data lake in order to enable the subsequent provision of Big Data services and analysis. This area includes the structured analysis performed on the spatial and temporal data (such as, for example, Origin/Destination Matrices, calculation of routes according to stop areas/periods, virtual gates, virtual entry/exit portals at certain Points of Interest, graphics, videos, layers on cartographic maps, the state of roads - potholes, humps and dangerous points).

The Group offers the different markets of Satellite Infotelematics a wide range of technologies with benefits rarely found in the offers of other players in the sector such as the complete supply of sector advantages and services (SIM, data traffic, training, installation, marketing support, post-sale assistance, maintenance, repair, etc.); the supply of devices and connectivity with standard protocols between devices and TSP and between TSP and TSP, developed under the patronage of the TSP Association and in line with the main corporate directives on portability and interoperability (Ministry for Economic Development, IVASS, Privacy Authority, ANIA Foundation); the important and appreciated function of Viasat as a collector and "harmoniser" of data flows; the training for partners (e.g. dealers) and the support to their Marketing Network (as already happens for the agency networks of Insurance Companies) to encourage the distribution of these solutions onto the market. The devices produced by the Viasat Group use an open source proprietary protocol developed by VEM Solutions to enable communication with own and third-party service platforms.

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 four members. The mandate of the Board of Directors resolved by the shareholders' meeting held on 28 June 2019 has an expiry envisaged as of the date of the shareholders' meeting for the approval of the 2021 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 Vice President of the Board of Directors

The President and Vice President are the legal representatives of the company. 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 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 has all 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

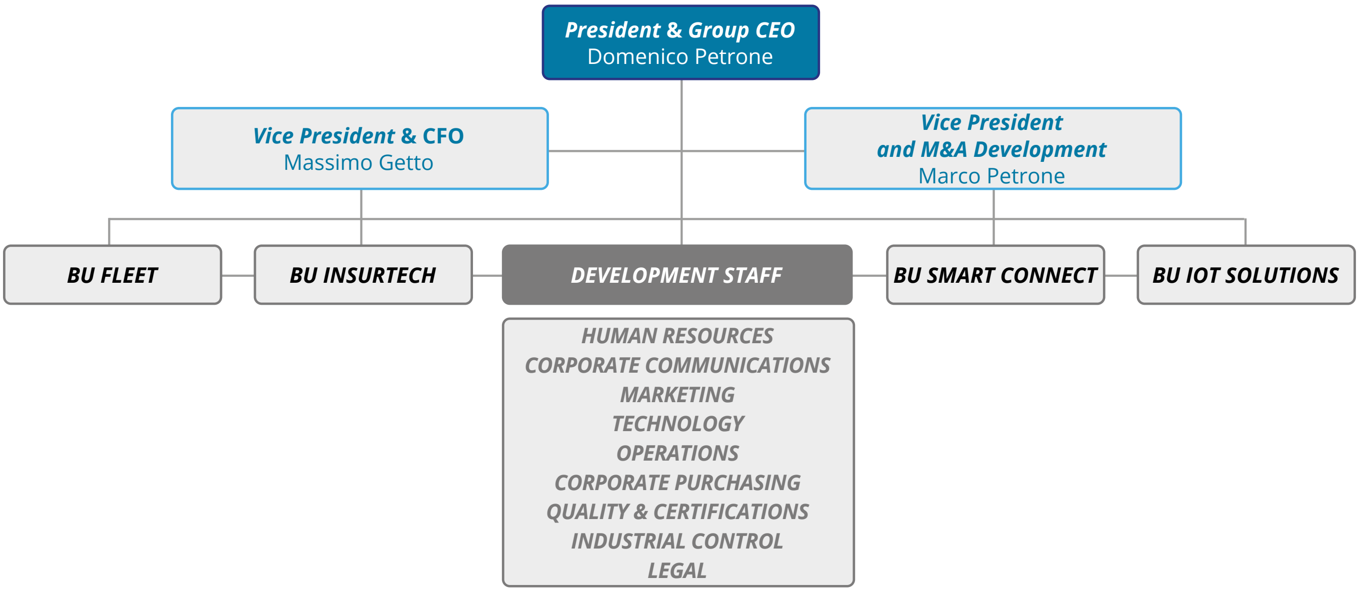
Pursuant to Article 20 of the Articles of Association, the Board of Statutory Auditors consists of three effective auditors and two alternate auditors. The Ordinary Shareholders' Meeting held on 28 June 2019 appointed three effective auditors and two alternate auditors for 2019, 2020 and 2021. All five 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 processes at Group level defining a common approach for all units. The Development Staff areas, depending on their diverse characteristics, support local activities.
- **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 to 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, not mandatory, but useful for carrying out operational work) structure.



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

The performance of revenues is substantially in line with the previous year, reaching a value of more than € 80 million. As shown in the dedicated diagram, the increase in revenues on a like-for-like basis and constant exchange rates would have been slightly down on the comparison period.

More specifically, 37% of consolidated revenues derive from the Fleet & Waste Management Business Unit, which closed the year with a 6.5% decrease compared to 2018 (from € 32,924 thousand to € 30,770 thousand), though remaining the leading BU in terms of revenues, while Insurtech recorded growth of 4% on the previous year (from € 28,358 thousand to € 29,487 thousand).

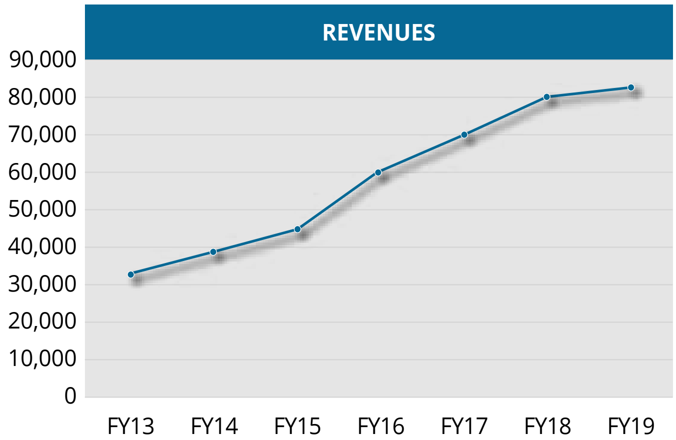
The Smart Connect Business Unit showed an increase of 38.9% compared to the previous year (from € 9,182 thousand to € 12,753 thousand) as a result of a company acquisition and a series of new trading initiatives that have led to an increase in the customer base. The revenues of the IoT Solutions BU decreased by 10.3% (from € 9,165 thousand to € 8,217 thousand). This decrease is mainly due to the sale during 2018 of licences for the use of software platforms developed internally by the Group for an amount higher than in 2019, and the reduction in volumes of manufacturing activities. During 2019 the Group management revised the scope of operations of the various business units, which resulted in a change in the balances for the previous years, as a result of the standardisation of revenues according to the new approach.

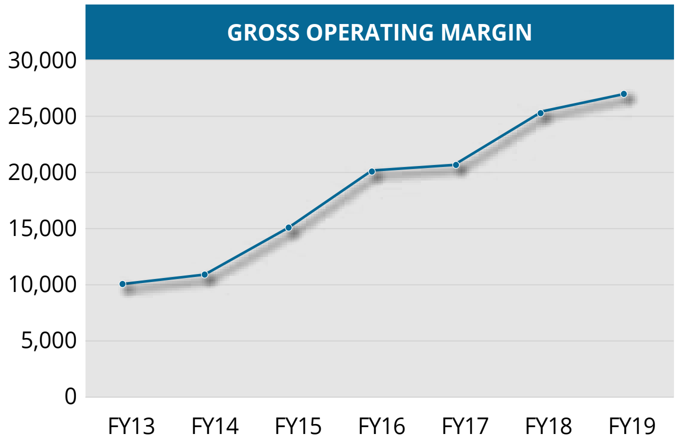
Geographically, the change in revenues concerned both the domestic and the foreign market, with substantially unchanged weights compared to 2018, of 65% and 35%, respectively. The most significant contributions to revenues outside Italy's borders derive from Spain and the United Kingdom, as shown in the specific table.

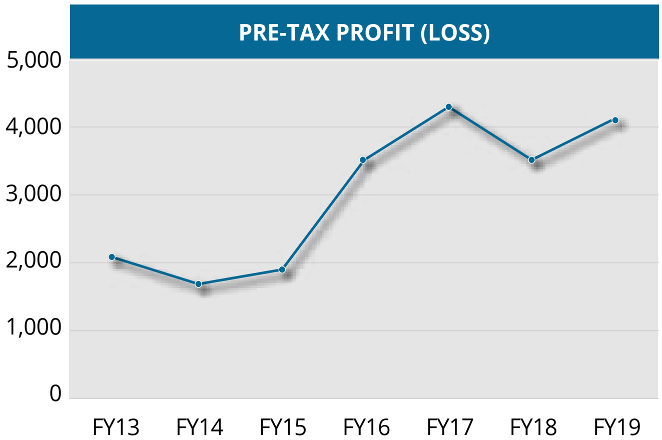
The gross operating margin, calculated as the difference between net revenues and operating costs, excluding non-monetary costs for depreciation/amortisation and write-downs on current and non-current assets, net of any write-backs, recorded a 7% increase reaching a value of € 27,220 thousand against € 25,424 thousand in 2018. The incidence of the change in the scope of consolidation is less significant compared to that of revenues, as highlighted in the like-for-like table reported below. The change on a like-for-like basis and constant exchange rates would have actually been an increase of 2%. This is due to the effects resulting from the increase of several businesses with higher added value and the result of optimising costs, which will further demonstrate its effects during the next few years.

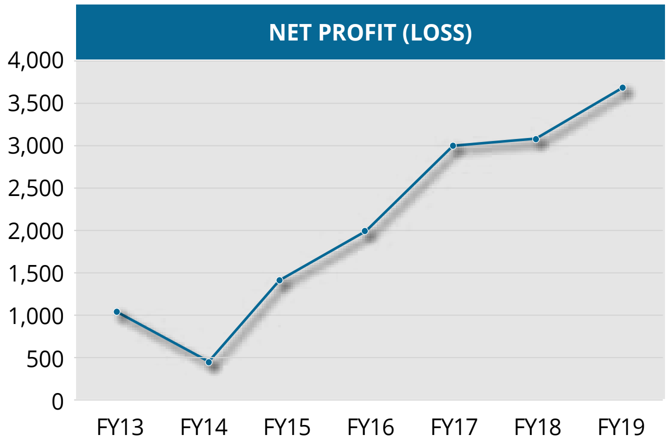
Historical data

(thousands of euro)	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Revenues	32,890	38,330	45,734	59,896	68,842	79,798	82,382
Gross Operating Margin	10,157	11,680	14,922	20,224	20,825	25,424	27,220
Pre-tax profit (loss)	2,103	1,623	1,853	3,472	4,427	3,461	4,198
Net profit (loss)	1,075	424	1,375	2,005	3,004	3,092	3,721



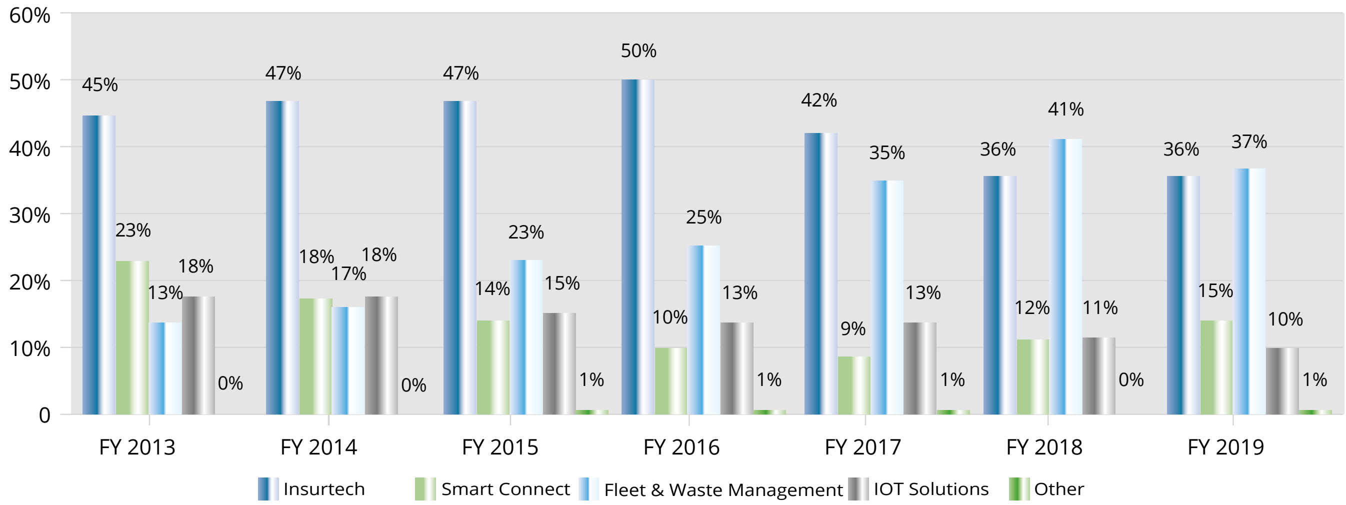






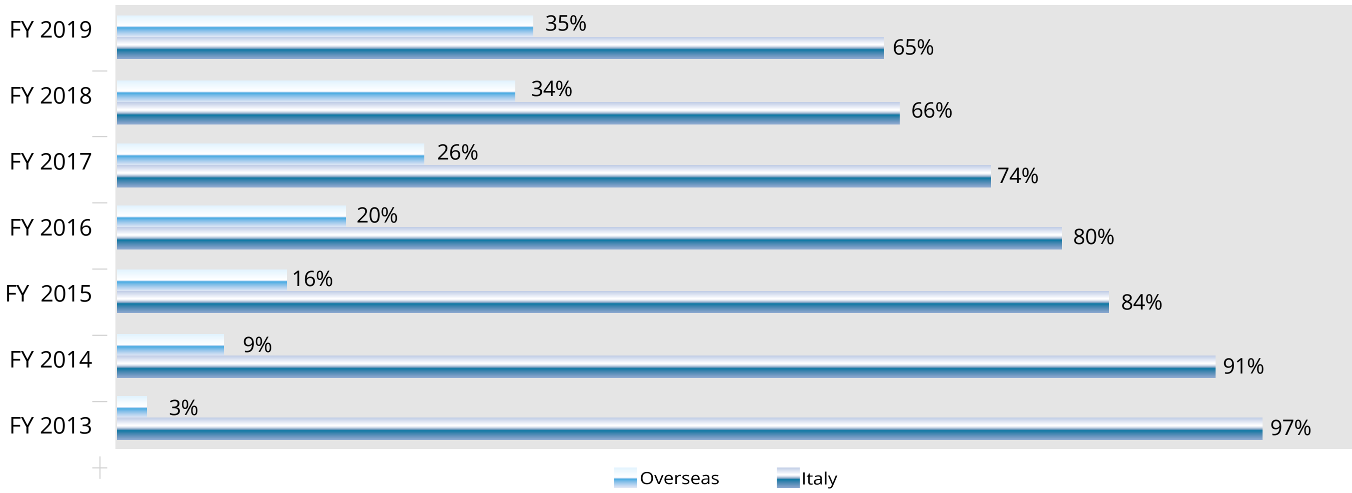
Revenues by Business Unit

Business (thousands of euro)	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Insurtech	14,737	17,980	21,479	30,201	28,940	28,358	29,487
Smart Connect	7,697	6,761	6,413	5,845	6,310	9,182	12,753
Fleet & Waste Management	4,301	6,469	10,492	15,067	23,965	32,924	30,770
IOT Solutions	6,071	7,023	7,074	8,018	8,850	9,165	8,217
Other	84	97	275	764	776	169	1,155
Total	**32,890**	**38,330**	**45,734**	**59,896**	**68,842**	**79,798**	**82,382**

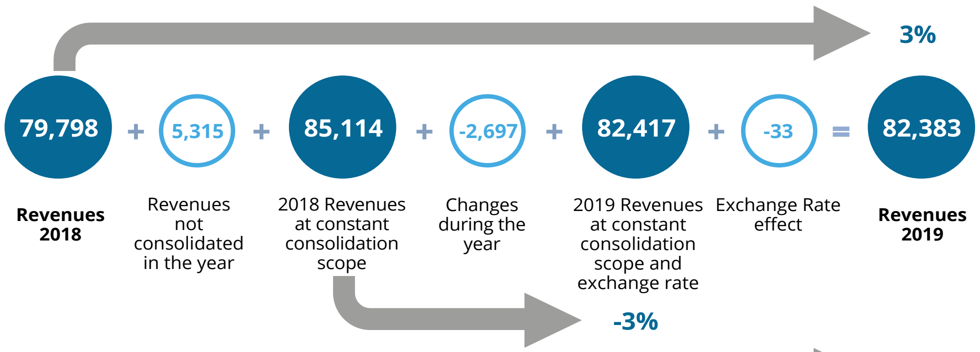


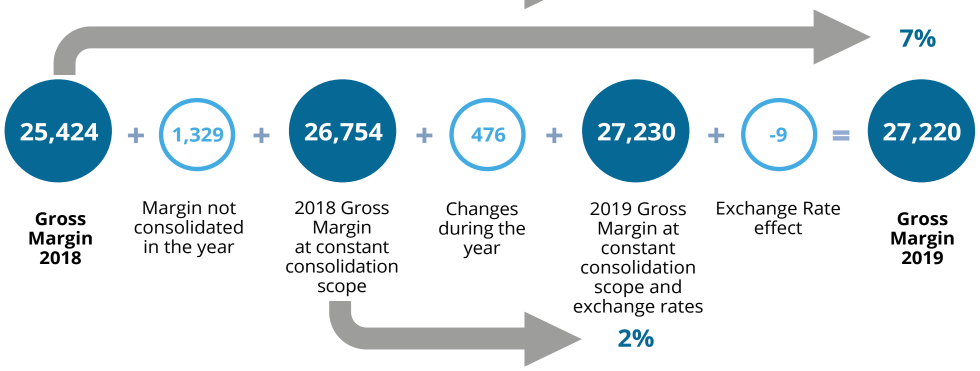
Revenues by geographic area

Revenues (thousands of euro)	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Italy	31,938	34,903	38,235	47,910	51,008	52,317	53,456
Spain	-	-	-	26	530	3,436	6,117
UK	-	3,029	5,800	5,154	4,890	4,838	4,301
Poland	-	-	-	3,262	4,442	4,320	4,060
France	-	-	-	40	100	3,658	3,763
Belgium	-	-	-	1,486	2,778	3,246	3,332
Bulgaria	-	-	-	-	1,504	3,761	1,756
Asia	-	149	510	262	363	409	1,461
Portugal	-	-	-	-	14	398	1,058
Africa	-	245	755	590	849	839	900
Other Europe	952	4	219	561	1,019	1,345	802
Romania	-	-	215	547	538	629	786
America	-	-	-	56	807	602	591
Oceania	-	-	-	-	-	-	1
Total Revenues	**32,890**	**38,330**	**45,734**	**59,896**	**68,842**	**79,798**	**82,382**



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





Profitability indicators

	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY2018	FY 2019
R.O.E	5.25%	2.02%	6.35%	8.71%	12.11%	11.16%	12.18%
R.O.I.	16.76%	14.81%	16.18%	20.31%	17.17%	15.81%	15.38%
R.O.A.	16.40%	13.70%	16.71%	20.29%	17.38%	16.47%	15.31%
R.O.S.	26.32%	26.57%	26.47%	33.44%	29.49%	29.89%	32.57%
E.V.A. *	4,707	6,859	8,329	11,866	13,357	14,347	18,407

* Thousands of euro

Productivity indicators

	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Revenues per employee *	137	138	149	121	116	114	119
Personnel costs per employee*	40	40	41	33	33	35	38
Operating margin per employee *	35	36	41	40	34	35	39
Investment Rate	21.57%	55.99%	28.90%	45.63%	45.56%	69.32%	17.01%
Depreciation Rate **	10.35%	10.62%	11.55%	12.26%	10.42%	9.96%	10.03%
% Depreciation	56.59%	55.66%	56.73%	60.70%	65.90%	71.18%	67.39%
Turnover	0.64	0.54	0.61	0.60	0.58	0.53	0.47

* Thousands of euro ** Ordinary depreciation rate (tangible fixed assets)

FINANCIAL DATA

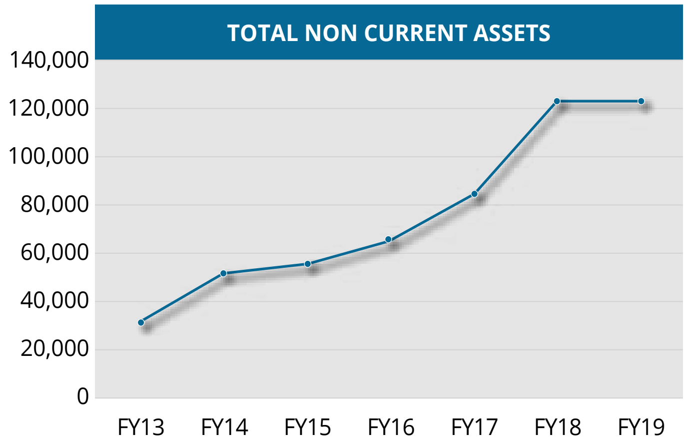
In 2019, the Group again retained its equity and financial stability, through careful management of working capital, which made it possible to generate the necessary resources to cover part of investment activities for the purpose, on one hand, of keeping the business running and, on the other, increasing the range of products and services offered through increasingly innovative technological solutions in the areas with greater added value.

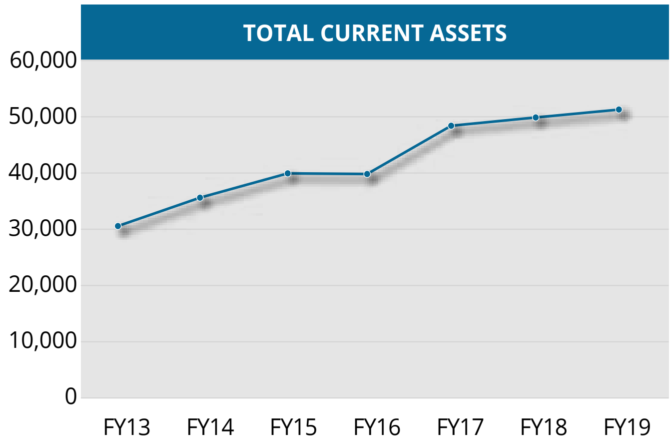
In fact, the main indicators also show that the net financial position is in absolute equilibrium both with regard to the margins and with regard to shareholders' equity standing at levels that guarantee also for future years the possibility of pursuing strategic objectives. In relation to investment activities of € 19.3 million, net financial indebtedness grew by € 2.5 million, net of the effect of the adoption of the accounting standard IFRS 16, shown separately in the dedicated tables.

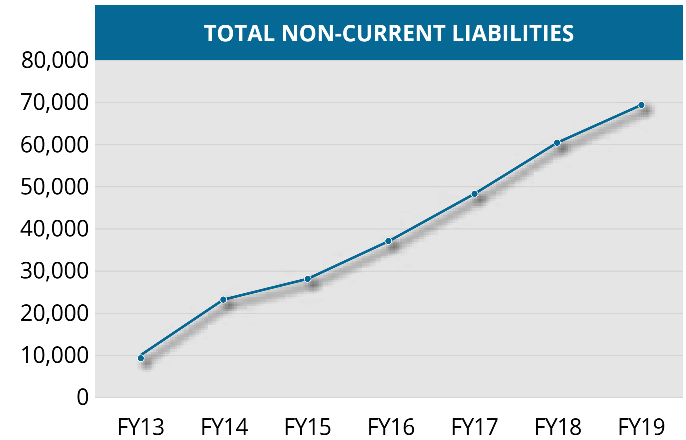
The resources necessary for the investment activities not covered by self-financing above were obtained by signing new medium/long-term loan agreements as shown by the statements related to the analysis of the net financial position in order to adapt the technical form of financing to the type of use of resources.

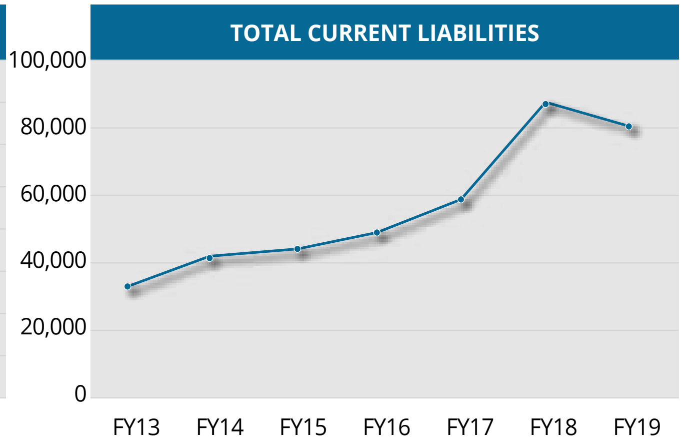
Historical data

(thousands of euro)	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY2018	FY 2019
Total Non Current Assets	33,163	50,888	53,973	67,989	85,431	127,388	127,301
Total current assets	28,749	34,340	39,342	39,458	46,838	49,083	51,896
Total assets	**61,912**	**85,228**	**93,315**	**107,447**	**132,269**	**176,471**	**179,197**
Total Shareholders' Equity	20,450	20,838	22,437	23,287	26,423	28,958	32,159
Total non-current liabilities	9,019	23,332	27,245	36,076	47,910	60,619	67,978
Total current liabilities	32,443	41,058	43,633	48,084	57,936	86,895	79,060
Total liabilities and Shareholders' Equity	**61,912**	**85,228**	**93,315**	**107,447**	**132,269**	**176,471**	**179,197**



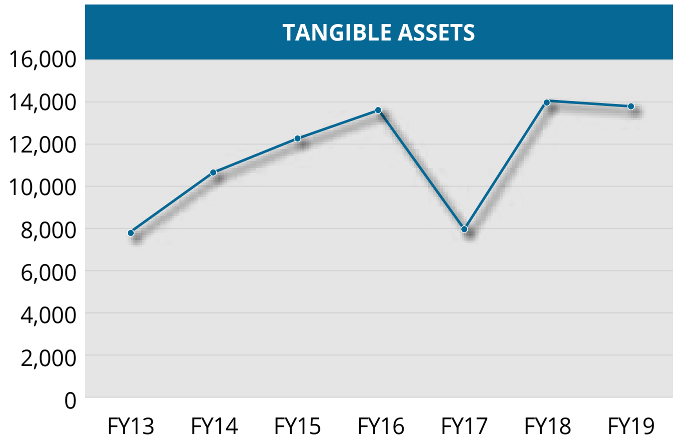


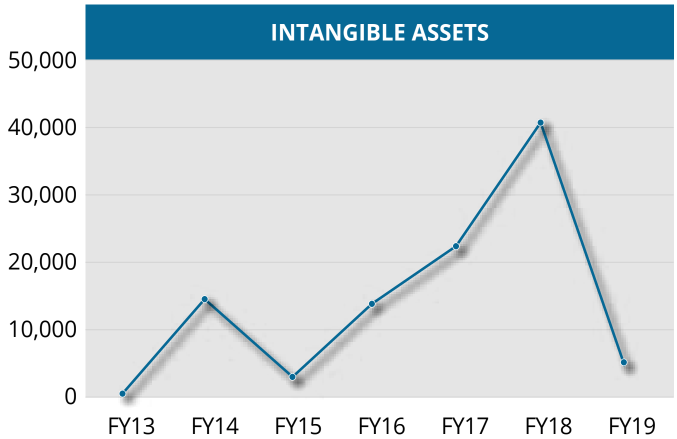




Investments

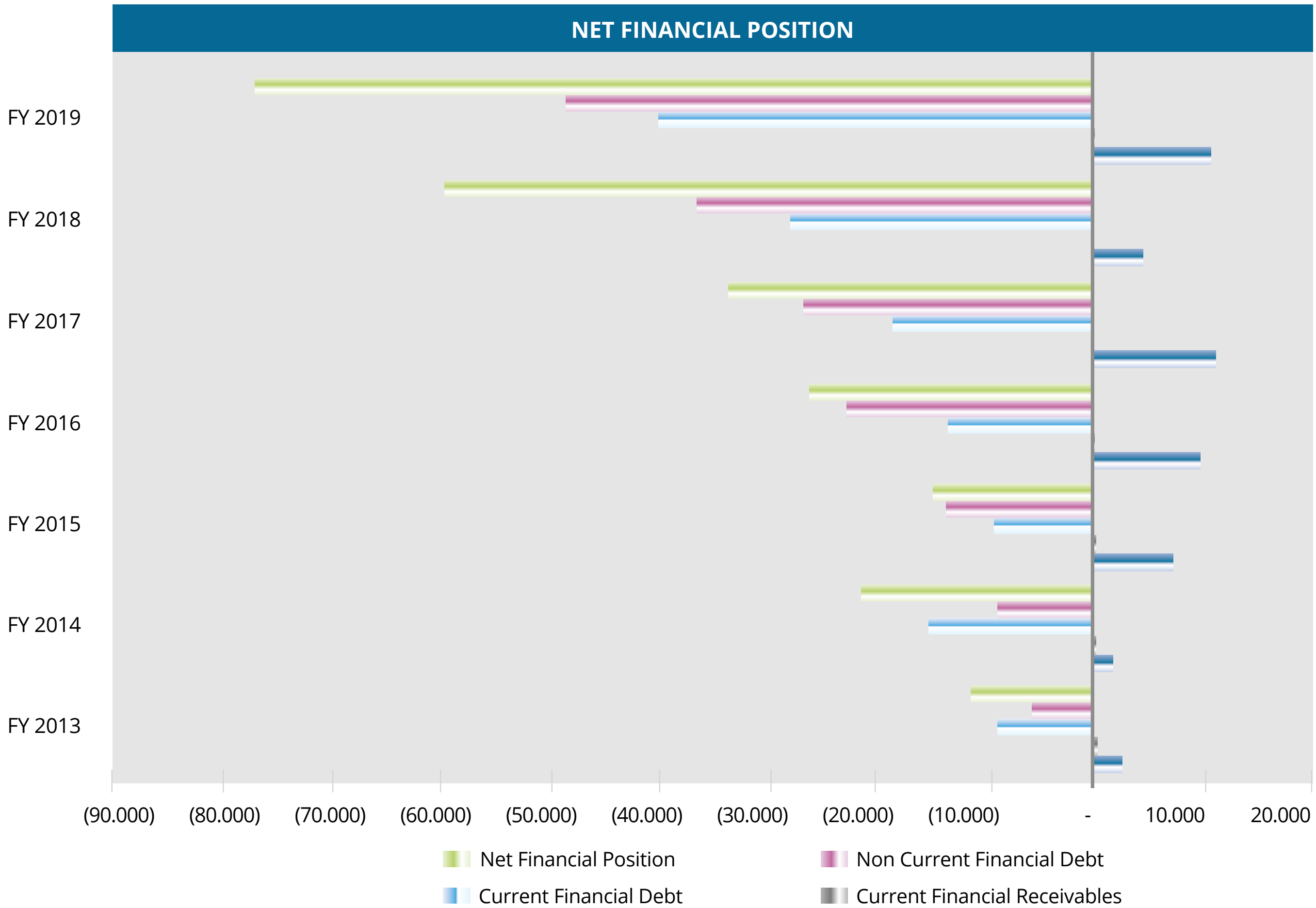
(thousands of euro)	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY2018	FY 2019
in tangible assets	7,732	10,690	12,265	13,392	7,974	14,089	13,927
in intangible assets	772	15,003	3,510	14,219	23,820	42,517	5,453



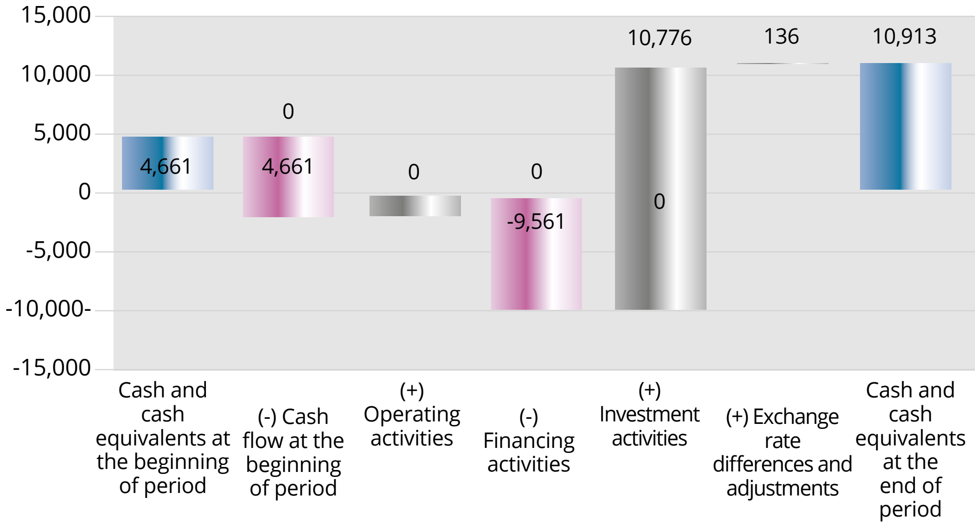


Net Financial Position

(thousands of euro)	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY2018	FY 2019
Liquidity	2,630	1,948	7,439	9,838	11,344	4,662	10,913
Current Financial Receivables	415	395	377	226	24	71	275
Current Financial Debt	(8,685)	(14,910)	(8,968)	(13,234)	(18,211)	(27,745)	(39,533)
Non Current Financial Debt	(5,508)	(8,544)	(13,407)	(22,552)	(26,380)	(36,138)	(48,060)
Net Financial Debt	**(11,148)**	**(21,111)**	**(14,559)**	**(25,722)**	**(33,223)**	**(59,151)**	**(76,405)**
IFRS 16 impact	-	-	-	-	-	-	14,718
Net Financial Debt without IFRS 16 impact	**(11,148)**	**(21,111)**	**(14,559)**	**(25,722)**	**(33,223)**	**(59,151)**	**(61,687)**



Changes in cash flows for the year



Change in net financial position

(thousands of euro)	FY 2019	FY 2018
INITIAL NET FINANCIAL ASSETS	**(59,150)**	**(33,223)**
Changes during the year:		
– from operating activities	21,009	19,356
– from investment activities	(20,164)	(40,869)
– from interest expense	(1,440)	(830)
– dividends paid to shareholders	-	(210)
– exchange rate differences and adjustments	51	(85)
– IFRS 16 impact	(14,718)	-
– other changes	(1,993)	(3,289)
Total changes of the year	(17,254)	(25,927)
NET FINANCIAL ASSETS	**(76,405)**	**(59,150)**

Breakdown of net financial position

(thousands of euro)	FY 2019	FY 2018
Financial debt to banks and other financiers	(72,754)	(63,308)
Financial debt for leases	(14,839)	(575)
Other financial liabilities	-	-
Other financial assets	275	71
Liquidity	10,913	4,661
NET FINANCIAL ASSETS	**(76,405)**	**(59,151)**

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	**4,661**	**71**	**(63,883)**	**(59,151)**
From operating activities	21,009	-	-	21,009
From investment activities	(20,164)	-	-	(20,164)
New Loans	34,990	-	(34,990)	-
Other Financing activities	-	-	-	-
Loans repayment	(25,558)	-	25,558	-
Interest expense	(1,440)	-	-	(1,440)
Dividend payment	-	-	-	-
Changes due to IFRS 16 impact	-	-	(14,718)	(14,718)
Other minor changes	(2,636)	203	439	(1,993)
Exchange rate differences	51	-	-	51
CLOSING BALANCE	**10,913**	**275**	**(87,593)**	**(76,405)**

Liquidity ratios

	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Availability Index	1.24	1.12	1.40	1.07	1.12	0.74	0.82
Liquidity Index	0.98	0.90	1.12	0.88	0.93	0.60	0.67
Availability margin *	5,562	3,763	11,272	2,389	5,001	(16,724)	(11,401)
Treasury margin *	(412)	(3,097)	3,361	(4,513)	(3,061)	(26,358)	(20,540)
Short-term asset intensity	72.92%	74.83%	67.50%	65.08%	61.84%	58.73%	60.12%
Days sales outstanding (d.s.o.)	171	175	136	107	104	105	102
Days inventory outstanding (d.i.o.)	241	221	211	218	209	236	390
Days payable outstanding (d.p.o.)	156	126	124	119	123	110	100
Working capital (days)	256	270	223	206	189	231	392

* Thousands of euro

Financial soundness indicators

	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Debt ratio	3.03	4.09	4.16	4.57	5.00	6.09	5.57
Debt cover	1.10	1.81	0.98	1.26	1.59	2.32	2.81
Net gearing	0.55	1.01	0.65	1.10	1.25	2.04	2.38
Capitalisation level	1.44	0.89	1.00	0.66	0.60	0.46	0.44
Percentage of financial debt	0.10	0.15	0.01	0.03	0.05	0.13	0.14
Short-term bank loan intensity	0.21	0.32	0.16	0.22	0.26	0.34	0.44

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
Cost of capital	7.63%	8.77%	10.65%	7.82%	13.97%	12.81%
Net cost of debt	2.17%	1.62%	1.09%	0.88%	0.76%	0.93%
Portion of Shareholders' equity	*50.52%*	*50.00%*	*47.63%*	*44.91%*	*32.88%*	*29.60%*
Portion of borrowed capital	*49.48%*	*50.00%*	*52.37%*	*55.09%*	*67.12%*	*70.40%*
WACC	**5.08%**	**5.20%**	**5.65%**	**3.99%**	**5.10%**	**4.45%**

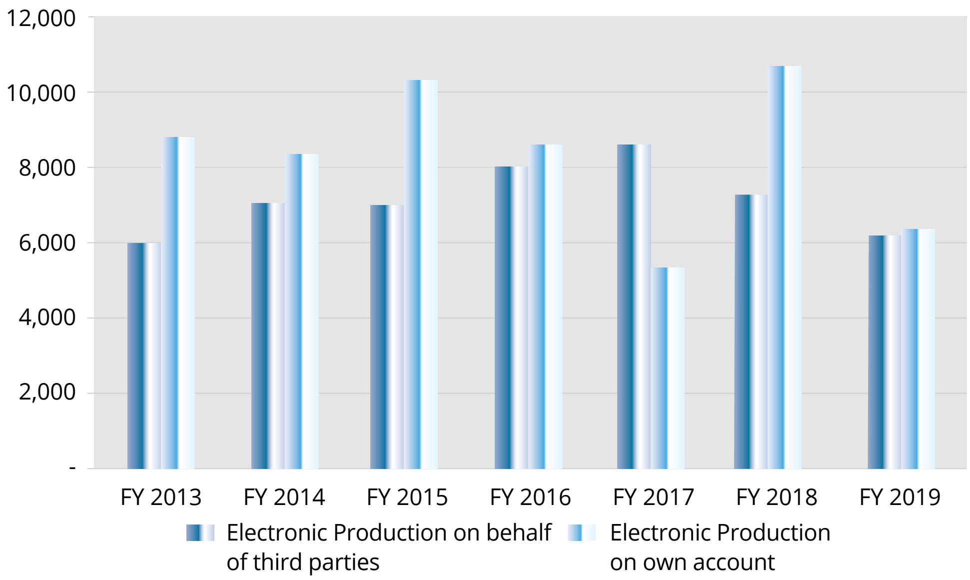
Fleet Management

GROUP OPERATING COMPANIES

R&D and Manufacturing

Electronics Production on own account and on behalf of third parties

(thousands of euro)	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Electronic Production on behalf of third parties	6,071	7,023	7,085	8,037	8,628	7,168	6,126
Electronic Production on own account	8,765	8,221	10,608	8,683	5,360	10,915	6,278



			Revenues* (euro)	EBITDA* (euro)	Net Profit* (Loss)	Workforce (Units)	Field of competence	Presence
Vem Solutions S.p.A.	2019	EUR	13,459,565	(3,374,472)	(2,004,679)	111	Big Data Management IOT Solutions	Belgium, Czech Republic, France, Germany, Israel, Italy, Netherlands, Sweden, Taiwan, United States
	2018	EUR	18,083,012	1,413,413	17,487	108		

Entity's description

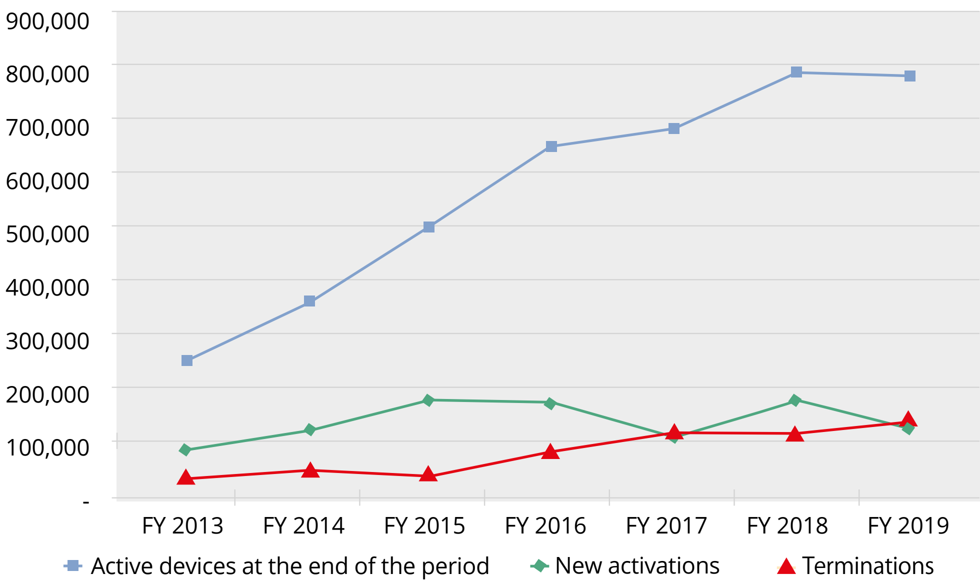
Vem Solutions S.p.A. is the company, with 3 offices in Italy, which deals with R&D, Engineering and Manufacturing in the Viasat Group.
Its purpose is to create, develop and produce smart telematics devices and sensors with IoT technologies, platforms and telematic services for the B2B world and apps for smartphones and tablets. The company offers effective and innovative solutions both for the companies of the Group and for third parties, with a significant positioning on the reference market.

** IFRS GAAP*

Telematics Services

Viasat Group satellite device fleet

(Units)	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Active devices at the end of the period	250,922	365,059	502,672	641,191	688,264	796,175	781,861
New activations	88,601	129,961	181,919	174,557	120,425	179,396	125,472
Terminations	39,783	51,014	45,846	91,703	128,953	117,520	139,786
Change of Consolidation Scope	-	35,190	1,540	55,665	55,601	46,035	
CAGR (Compound Annual Growth Rate)							
3 Year growth rate	13.70%	24.12%	35.49%	36.72%	23.54%	16.57%	6.84%



Viasat S.p.A.

		Revenues* (euro)	EBITDA* (euro)	Net Profit* (Loss)	Workforce (Units)	Field of competence	Presence
2019	EUR	47,307,574	24,122,870	7,846,836	249	Insurtech Big Data Management Smart Connect Fleet Waste Management Assistance IoT Solutions Workforce Management	Germany, Italy, Romania, San Marino, Switzerland,
2018	EUR	44,497,509	20,428,249	7,134,499	264		

Entity's description

From 2002 the company belongs to the actual Group and is the leading company in the field of on-board telematics and satellite tracking not only for the number of customers, but also for the number of countries reached.
In addition, Viasat is a leader in the management of Big Data, thanks to a consolidated experience of 30 years in the LBS (Local Based Services) market.
In 2019 he incorporated four group companies:

- Datamove Srl: Italian company specialised in the design, implementation and management of software platforms dedicated to monitoring and certification of services and activities carried out by companies operating in the world of environmental health services, also providing tools for the management of the customer care.
- Anthea Srl: company in the waste management information systems sector. It evolves with ever current and innovative products such as pay as you throw
- Sherlock Srl: Italian company that has developed a GPS module for localization that wants to set cyclists free from the fear of theft by allowing them retrieve their bikes.
- Helian Srl: develops solutions dedicated to territorial and environmental monitoring through WSN (wireless sensor network) and is the creator of the Street Control, a system that allows vehicle control and sanctioning on the go.

Enigma Vehicle Systems Ltd

		Revenues* (euro)	EBITDA* (euro)	Net Profit* (Loss)	Workforce (Units)	Field of competence	Presence
2019	GBP	4,173,310	1,527,286	916,032	36	Big Data Management Fleet IoT Solutions	Burundi, Cote d'Ivoire, Ireland, Kenya, Kuwait, Lebanon, Malawi, Mauritius, Nigeria, United Kingdom,
2019	EUR	4,754,440	1,739,960	1,043,589	36		
2018	GBP	4,712,019	1,777,704	1,189,738	34		
2018	EUR	5,326,061	2,009,363	1,344,777	34		

Entity's description

Enigma Vehicle Systems is one of the main players in UK, ME and Africa, supplying web-based telematics solutions that allow to: trace and track different types of vehicles operating in the following business areas: fleet management, monitoring construction and agricultural vehicles, utilities and waste management.
Enigma is widely present overseas particularly in more than 25 countries in emerging African markets and in the Middle East.
Regarding the safety of people and assets, the company cooperates with local government institutions, such as the Metropolitan Police's Plant or the Agricultural National Intelligence Unit (PANIU).

** IFRS GAAP*

Viasat Monitoring Sp.Z.o.o

		Revenues* (euro)	EBITDA* (euro)	Net Profit* (Loss)	Workforce (Units)	Field of competence	Presence
2019	PLN	17,954,926	5,255,647	1,437,673	88	Big Data Management Fleet Assistance IoT Solutions	Finland, Guinea, Israel, Netherlands, Poland, South Africa,
2019	EUR	4,177,878	1,222,921	334,528	88		
2018	PLN	19,900,922	5,721,489	2,848,224	89		
2018	EUR	4,669,934	1,342,600	668,362	89		

Entity's description

Viasat Monitoring operates in Poland in the fleet segment, which accounts for 95% of the revenues (the remaining is done on the market of monitoring private and commercial buildings), with over 19,000 assets connected to their platform.
Two head offices, Warsaw and Bytom (Katowice), 6 commercial offices, 88 employees and a Security Operation Center operating 24x7x365.
The Polish market is one of the fastest growing markets in Europe, where satellite telematics is booming, no doubt encouraged by its strategic geographical position which places Poland at the center of European trade routes.

Viasat Servicios Telematicos S.L.

		Revenues* (euro)	EBITDA* (euro)	Net Profit* (Loss)	Workforce (Units)	Field of competence	Presence
2019	EUR	1,120,544	188,443	(88,106)	8	Smart Connect IoT Solutions	Andorra, Poland, Portugal, Romania, Spain, United Kingdom, United States
2018	EUR	1,117,899	11,469	218,437	12		

Entity's description

Viasat Servicios Telamàticos was established in Madrid in 2012 with the aim of replicating the Italian business model on the Iberian territory, taking advantages from the synergies deriving from belonging to the Viasat Group, in terms of commercial, operational and technological know-how. Its main activity is focused on assistance, protection and safety services to goods and people, as well as Fleet Management System (FMS) services. Nel 2019 ha incorporato la società Personalización y Seguridad Professional S.L also know as MobileFleet, based in Alcalá de Henares (Madrid), is a company specialized in the provision of telematics services for fleets, with a strong network of installers and great experience in the manufactory, developing and managing solutions for vehicle security , M2M and tracking throught GPS.

Viasat Systems S.r.L.

		Revenues* (euro)	EBITDA* (euro)	Net Profit* (Loss)	Workforce (Units)	Field of competence	Presence
2019	RON	4,786,528	310,999	(452,921)	19	Insurtech Smart Connect Fleet Assistance	Romania, Portugal
2019	EUR	1,008,678	65,538	(95,445)	19		
2018	RON	4,146,824	236,178	(103,139)	16		
2018	EUR	891,024	50,747	(22,161)	16		

Entity's description

Viasat Systems operates in the field of fleet management (fleet management, monitoring of site and agricultural vehicles, utilities and waste management).
The company provides telematic services, developed by Viasat Group's R&D, with a focus on the markets of Romania, Hungary, Bulgaria and Turkey.

** IFRS GAAP*

Entity	Year	Currency	*Revenues** (euro)	EBITDA* (euro)	Net Profit* (Loss)	Workforce (Units)	Field of competence	Presence
BF Engineering S.A.	2019	EUR	989,481	112,887	(112,665)	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, UK
	2018	EUR	1,266,233	112,764	38,147	2		
Emixis S.A.	2019	EUR	3,504,750	7,873	(811,799)	19		
	2018	EUR	3,752,265	1,095,759	1,263,591	19		

Entity's description

Develop, manufacture and distribute technologies that allow better management and safety for people, vehicles and moving assets.
Combining GPS, smart phone apps and cloud computing applications, the Emixis technology allows to verify temperature-controlled supply chains, protect vehicles against theft and unauthorized usage, detect fuel theft, monitor position and usage of moving objects (i.e. containers, trailers...), or to plan and follow up on the activities of technicians (workforce management), social workers and nurses through a smartphone.

Team,Ind Solutions S.r.L.

Year	Currency	Revenues* (euro)	EBITDA* (euro)	Net Profit* (Loss)	Workforce (Units)	Field of competence	Presence
2019	EUR	1,516,911	(995,841)	(1,300,626)	12	Fleet Workforce Management	Bulgaria, Italy Romania, Slovenia
2018	EUR	3,357,235	373,020	(88,609)	9		

Entity's description

Teamind Solution is a System Integrator specialised in intelligent technological solutions for the world of mobility that allow automating the planning, management, monitoring and hesitation of the activities of vehicles and drivers, optimizing resources activities and time.
"*Trasporto Semplice*" (easy transport) is the suite proposed by Teamind that allows to automate the operational activities of Transport companies and Logistics Operator with highly reliable integrated solutions and services.

Mobile Fleet Chile S.p.A.

Year	Currency	Revenues* (euro)	EBITDA* (euro)	Net Profit* (Loss)	Workforce (Units)	Field of competence	Presence
2019	CLP	417,421,906	88,090,688	(3,282,642)	4	Smart Connect IoT Solutions	Argentina, Belgium, Bolivia, Ecuador, Guatemala, Mexico
2019	EUR	530,468	111,947	(4,172)	4		
2018	CLP	361,056,678	(10,307,098)	(69,480,537)	7		
2018	EUR	476,995	(13,617)	(91,791)	7		

Entity's description

The company offers telematic services to customers operating in commercial distribution, security and also in maritime transport with a solution able to gathering all the necessary informations related to a boat through the use of a smartphone.

* *IFRS GAAP*

Icom OOD

		Revenues* (euro)	EBITDA* (euro)	Net Profit* (Loss)	Workforce (Units)	Field of competence	Presence
2019	BGN	5,679,839	1,456,638	432,911	65	Big Data Management Fleet Assistance IoT Solutions	Belgium, Bulgaria, Israel Macedonia, Netherlands, Romania, United Kingdom
2019	EUR	2,904,100	744,779	221,347	65		
2018	BGN	8,332,385	4,728,289	3,591,560	61		
2018	EUR	4,260,346	2,417,573	1,836,364	61		

Entity's description

Viasat Technology, based in Bulgaria (Sofia), is a Leader company on the regional market (SEE) for products and services for fleet management of corporate fleeets.
Viasat Technology offers a complete a fleet management solution to its clients, through the optimization of their logistics operations with the aim of reducing operating costs. The solutions are based on the EuroGPS eVehicle, an integrated telematic software platform, which, together with SmartTracker (GPS monitoring device), allow to customize and integrate products and services to the best of client needs.

Tel & Tel SaS (Locster)

		Revenues* (euro)	EBITDA* (euro)	Net Profit* (Loss)	Workforce (Units)	Field of competence	Presence
2019	EUR	3,723,069	1,015,944	425,304	32	Fleet	Belgium, Czech Republic, France, Mali, Malta, Morocco, Netherlands, Switzerland
2018	EUR	3,586,810	333,578	(524,598)	29		

Entity's description

The company, acquired in December 2017, is one of the main players in B2B telematics in France (fleet management and field personnel management).
The solutions offered by Locster are available in Software as a Service (SaaS) and are characterized by a high level of intuitiveness that ensures a quick start, despite the high level features.
Locster specializes in offers for SMEs and ETIs. The company is based in the Toulouse region where it develops its solutions and provides customer service.

Detector de Seguimiento y Transmisión. S.A.

		Revenues* (euro)	EBITDA* (euro)	Net Profit* *(Loss)*	Workforce (Units)	Field of competence	Presence
2019	EUR	6,579,865	1,959,009	(593,689)	71	Big Data Management Smart Connect Fleet IoT Solutions	Spain
2018	EUR	6,530,711	2,334,857	155,638	67		

Entity's description

Detector is a company located in Spain (Madrid) provider of telematics solutions with over 15 years of experience in mobility and safety market. Innovative services tailored to the needs of its customers and an important expertise in the solutions and recovery systems of stolen vehicles are the main elements of the customer base. Grupo Detector is made up of two interrelated trademarks: DETECTOR and EVECTIA.

Trackit Consulting Lda

		Revenues* (euro)	EBITDA* (euro)	Net Profit* (Loss)	Workforce (Units)	Field of competence	Presence
2019	EUR	1,057,303	252,402	66,298	19	Fleet	Portugal
2018	EUR	841,348	148,746	32,924	18		

Entity's description

TRACKiT Consulting is a Portuguese company located near Lisbon (Setúbal) whose core is composed of element with more than 10 years' experience in solutions and consulting services for fleet management. The internal autonomy and capability to develop software solutions and the strong attention to customer's requirements make it a privileged partner for, among others, Tracking, Security, Cold chain transport, Tachograph and Ecodrive markets.

** IFRS GAAP*

DEVELOPMENT AND INNOVATION

Activities related to developing innovative products, services and technologies are considered to be a key success factor for growth in the Group policy. Therefore, the analysis of this vital topic was handled in great detail in the Sustainability Report attached to this document, in the report on intangibles in the section dedicated to Ability to Innovate and Process Improvement.

HUMAN RESOURCES

At the end of the year, the Group had 777 employees, unchanged compared to the previous year. The analysis and presentation of data related to human resources, considered an essential asset, is handled in greater detail in the Sustainability Report, in the *report on intangibles* in the section dedicated to *human resources*.

ENVIRONMENTAL RESPONSIBILITY

The Group implements policies aimed at careful ecological management of its buildings and its production cycles. Therefore, to highlight the importance and attention dedicated to this issue, a section of the Sustainability Report, titled *The Environmental Report*, provides the most important data on this matter and related sources.

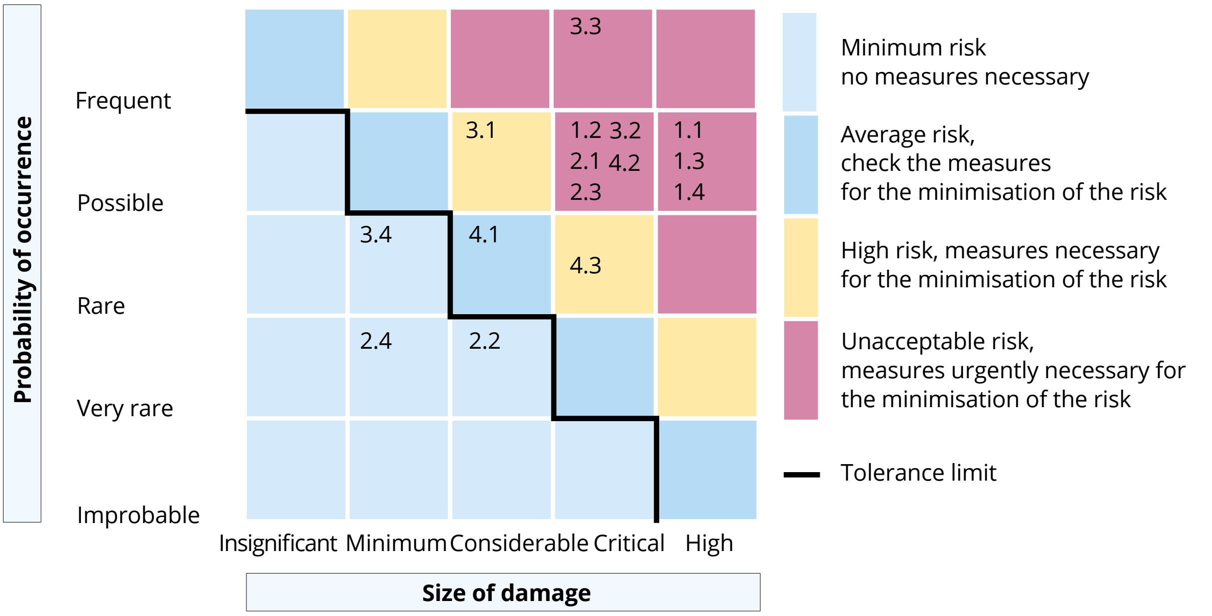
REPORT ON RISK FACTORS

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**	**Audit frequency**
1	**Strategic threat**						
1.1		Risk associated with technological innovation and introduction of new products and services	Possible	High	Technology staff	Maintenance of level of excellence of technical structure	Monthly
1.2		Risks associated with competition	Possible	Critical	Commercial staff	Analysis of competitors' products and services and interaction with technology staff	Quarterly
1.3		Risks associated with insurance companies' commercial policies	Possible	High	Commercial staff	High number of counterparts, boost for internationalisation	Quarterly
1.4		Reputational risk	Possible	High	DPO	Maintenance of level of excellence of Group structure	Quarterly
2	**Operational threat**						
2.1		Risk associated with the Group's electronic infrastructure and relationships with service providers	Possible	Critical	Technology staff	Risk outsourced to service industry	Weekly
2.2		Risk associated with product liability	Very rare	Considerable	Technology staff	Risk outsourced to service industry	Six-monthly
2.3		Cyber risks and data protection	Possible	Critical	BOD DPO	Active alignment with the GDPR	Quarterly
2.4		Risks associated with accidents pertaining to premises, goods and equipment	Very rare	Minimum	Finance department	Risk outsourced to service industry	Six-monthly

TABLE OF BUSINESS RISKS							
No.	**Sphere of danger**	**Description of risk**	**Probability of occurrence**	**Damage potential**	**Unit responsible**	**Measures**	**Audit frequency**
3	**Finance threat**						
3.1		Credit risk	Possible	Considerable	Finance department	Adoption of credit management procedures	Monthly
3.2		Liquidity risk	Possible	Critical	Finance department	Careful working capital management, high quality of financial communication, prompt planning	Monthly
3.3		Exchange rate risk	Frequent	Critical	Finance department	Protection with derivative products of 50% of the requirement not protected by natural hedge	Monthly
3.4		Interest rate risk	Rare	Minimum	Finance department	Medium/long-term hedging with specific derivatives (IRS-CAP)	Ad Hoc
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-binding policies	Ad Hoc
4.2		Human resource management (accidents/ injuries - labour disputes)	Possible	Critical	Strategic Committee	Risk outsourced to service industry	Ad Hoc
4.3		Risks associated with third party liability of management and audit bodies	Rare	Critical	Strategic Committee	Risk outsourced to service industry	Ad Hoc

Risk analysis profile



PROBABILITY OF OCCURRENCE	
Frequent	Weekly
Possible	Monthly
Rare	Annually
Very Rare	every 5 years
Improbable	beyond 5 years

DAMAGE POTENTIAL (less than Euro)	
Insignificant	5,000
Minimum	50,000
Considerable	100,000
Critical	250,000
High	>250,000

Risk associated with technological innovation and the introduction of new products and services

The market in which the Group operates is characterised by continual technological innovation and innovation is the main growth factor.

Actions. During 2017, two historical Group companies merged to form Vem Solutions, with the objective of further improving the ability to innovate, plan, develop and realise Group products and services, with particular focus on the Internet of Things sector and the treatment of data.

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 has undertaken an internal reorganisation that, through a neural matrix structure and due to the increased number of employees, has made it possible to leave a hierarchical structure behind in favour of a less verticalised structure oriented towards value streams. All this was in order to favour a process of innovative auto-organisation and a 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, thereby 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 2019, 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 made the probability of occurrence of the risk rise from “very rare” to “possible”, with a concurrent increase in the damage potential from “considerable” to “critical”.

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 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.

Risks associated with insurance companies' commercial policies

Some insurance companies with which the Group has entered into commercial co-marketing and co–branding collaboration agreements include the subscription to satellite positioning, security and protection services as a condition for applying a discount to the insurance premium. In the Group's opinion, the demand for these services and the revenues generated by them is and will be influenced by the commercial policies of the leading insurance companies, who provide incentives to their customers to subscribe to these services. Any change in these incentive policies by the insurance companies could mean that the forecast economic benefits from these agreements are not achieved, with a resulting effect on the Group's financial situation and its growth prospects.

Actions. The Group has initiated collaboration relationships with all the major Italian insurance companies, diversifying the aforementioned risk of possible changes in strategy by the insurance companies. The percentage weight on the consolidated revenues figures from insurance companies has an ever decreasing impact because of the development of other initiatives.

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. In the Group's Sustainability Report, the subjects related to management of reputational risk are fully discussed so that the documents' readers have all the information on this matter. Pro-active and effective communication is the best tool for growing this fundamental company asset and preserving it over time.

Risk associated with the Group's telematic infrastructure and the relationships with service providers

The Group's ability to effectively manage positioning services depends to a large extent on the reliability and security of the telematic infrastructure that it uses (including the Operational Centres in Venaria Reale and Rome). This telematic infrastructure is potentially subject to loss and interruptions caused by problems with the telecommunications system, natural disasters, sabotage, software viruses and similar events. In addition, the satellite devices use GSM/GPRS technology to communicate with the Operations Centres and, therefore the Group's ability to provide satellite positioning, security and protection services also depends on the proper functioning of communications through this technology. Any system interruptions or delays, malfunctions and/or lack of service in connecting with the GSM/GPRS network could have a negative impact on the quality of services offered and, hence, on the customer demand and sales volumes. In addition, punctuality, precision and reliability of the ERP software – and, of course, of all the hardware infrastructure that supports it – represent a potentially critical issue in that any malfunction may result in the inability of the Group to carry out administrative functions or make them inaccurate and unreliable.

Actions. The Group planned and implemented its technology infrastructure according to redundancy criteria, specifically in terms of defence against IT piracy attacks. As regards the proper functioning of the GSM/GPRS networks, the Group implemented auxiliary technologies with the aim of full customer satisfaction (in the event of external problems), such as, for example, radio and software systems of the Operations Centres that redefine the geo-referencing of vehicles, even if mobile telephone coverage is not available. With regard to ERP, over the years the Group approved investments in order to ensure always the maximum reliability, the result of the choice to operate with the best global players both in terms of hardware and software.

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 an insurance policy that includes coverage up to a maximum amount of € 5 million.

Cyber risks and data protection

In handling and archiving sensitive data on the Group's customers, all the minimum security measures required in relation to risks provided for in Article 31 of Legislative Decree No. 196/03 (Personal Data Protection Code) and in accordance with the ISO/IEC 27001 standard which defines the requirements for a ISMS (Information Security Management System) are adopted. The Group has adopted the provisions relating to EU regulation no. 679/16 (GDPR).

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. Sensitive data related to Group personnel, similar to that related to customers, is handled with equipment and use standards that ensure that the data management is compliant with legislation (Legislative Decree 196/03). 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, 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. With regard to information security, all the offices of Group companies use a common network that is regulated by a firewall system, to ensure only the necessary traffic to manage the information flows. This firewall system, along with a series of proxy machines, protects and regulates the network from external access. In addition, the clients and servers of the technology structure are protected by a centralised, next-generation anti-virus programme, with virus updates performed hourly on the database. Data that is particularly sensitive and important is managed by individual users through direct access through company servers that are configured to automatically perform back-ups to CDs every hour for those files that are modified and daily back-ups on tape units. As regards the above, the company policy requires individual users to perform back-ups on company servers for all important data that resides exclusively on their PCs. All of the Group's PC operating systems were provided along with the hardware and are properly licensed. In the same way, in reference to office software packages (MS Office) and operational programmes, licenses for individual PCs are carefully managed by the technology infrastructure.

Further improvement measures:

- reduction of the vulnerability of the IT system and improvement of the protection factors by activating new services rendered by external companies that, together with the internal structure of the Group, are able to provide a global and integrated IT Security consultancy for the entire IT security cycle, from risk assessment to business continuity;

- transferring losses to third parties, related to cyber risks, through specific insurance coverage for possible direct costs and expenses suffered by the Group for various reasons (legal costs and fees, IT experts and services for the resetting of data, communication, etc.) in case of attack to the Group's IT system and/or subsequent unauthorised violation of the system.

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 valuables present in the premises, mainly represented by goods stored in them and by manufacturing machines, the Finance Department communicates to 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 increase the potential level of risk from "minimum" to "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 doubtful and outstanding portion. In particular, the

Group launched a process that in the coming months will adopt a new procedure that, also with the help of advanced IT tools, will allow to further increase the qualitative level of the Group's business.

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. In this context of macroeconomic uncertainty due to the ongoing pandemic, and considering a future that is not very rosy for many companies throughout the world, we are aware of a market scenario with access to credit that is tightening and complicated, at least in the short term. Though we are aware of the equity and financial soundness of the Group, mainly deriving from the recurring nature of the company's core-business, and the soundness of its main customers, we decided to modify the probability of occurrence of the risk from "rare" to "possible".

Actions. The Group has evolved to centralised liquidity management in order to ensure that resources are optimised. The financial structure, including at the balance sheet date and despite significant investments made, is well balanced and consistent with the prior year, thereby making it possible to make use of banking leverage and further access new credit lines, should that become necessary.

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 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 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.

Waste Management

OUTSTANDING LEGAL ACTIONS AGAINST THE GROUP

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

	FY 2013	FY2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Disputes brought vis-à-vis the Group (total number)	21	15	20	17	14	22	26
Disputes brought vis-à-vis the Group (specific)	5	8	7	2	2	8	7
Disputes brought vis-à-vis the Group (concluded)	12	14	2	5	5	0	3

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

Following the closing date of 2019, an unprecedented health crisis occurred, the likes of which have not been seen since WWII, generated by the large scale spread of a virus of animal origin from China, named Sars-CoV-2. Within a very short time, that event exploded into a global pandemic crisis, with clear repercussions on the economies of all countries. It is putting the strength of the main global economies to the test, as they will most likely see their growth in productivity decrease.

According to the most recent estimates, there are very few sectors which will be only partially impacted by the global pandemic or even benefit from new market opportunities. These definitely include the biotechnology segment, involved in the search for a vaccine, in addition to large-scale retailers, e-commerce and waste management. The correct functioning of the latter segments regards distribution logistics and the entire transport segment, of which Viasat Group is one of the main European partners.

STRATEGY, GROWTH AND OPERATING PERFORMANCE IN THE BUSINESS SEGMENTS

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.

In the previous year the Viasat Group began a process to increase the synergies between the different companies acquired, harmonising and synergising commercial activities and technical solutions. After years of acquisitions, the Group effectively slowed its M&A operations in the year just ended, focusing its efforts on extracting the maximum possible value from the synergies achieved among the various companies, with the end goal to increase overall margins.

The Group currently oversees the entire chain of value creation: design and production of devices, the ability to install the devices in a professional and reliable manner, the development of the electronic process, data management, the offer of services and the distribution of its solutions in all markets and segments. Improving in each of these areas is a primary strategic objective.

The general system defined by the political, legislative, cultural and economic conditions has rapidly changed leading to new restrictions and opportunities within which the Group has found and will have to find room to develop its activities and functions.

A significant example of this is the entry into force of European regulation 679/16, known as GDPR (General Data Protection Regulation). On 25 May we celebrated two years since its entry into force. This legislation transformed the competitive environment, offering companies an innovative instrument to improve their typical processes as regards the handling of data and offer their stakeholders more guarantees and securities.

The large amount of data held by the Group and its high quality are able to effectively supply artificial intelligence systems and predictive, statistical and stochastic models that can anticipate future behaviour and therefore reduce uncertainty. Less uncertainty means greater value. To compete effectively in this context, the Group further increased its industrial research and development activities in order to implement products and services aimed at increasingly better solutions for growing and diversified needs of our customers. New areas of application and use of satellite technology are taking place in many different areas allowing us to look with optimism and confidence to the development of the company in the coming years. The end consumer, the insurance companies and the managers of fleets of vehicles are the three main partners of our commercial operation. Each of these subjects has very peculiar needs and requirements; to be able to interpret at best these specificities requires constant commitment and understanding of specific issues. The Viasat Group, unique in the Italian scenario, plays a role of absolute leader in all three areas.

Given the noteworthy results described in this document, our aim for the coming financial years is to obtain a strong increase in volumes, revenues and margins, also counting on growth by external lines, returning to the acquisition process, which, according to the plans, should place the Group among the leading players at the European level.

In a competitive and challenging market, it is fundamental to be able to grow with a specific, priority strategic objective. Growth to mitigate risks, to improve and diversify the sources of funding, to attract the best talent.

In comparison with competitors on the Italian market and considering their financial results, the Group's key financial figures are characterised by notable stability and the experience gained in the satellite positioning and protection services market is based on a history and tradition that no other company can claim.

The processes of acquisition, selection, verification, processing and use of data to feed predictive models, to focus our customers' objectives, to move closer to the frontiers of very advanced technological development, will constitute our environment for more relevant growth and expansion in the future.

TREASURY SHARES

As at the closing of the financial statements on 31 December 2019, 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 2018, 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

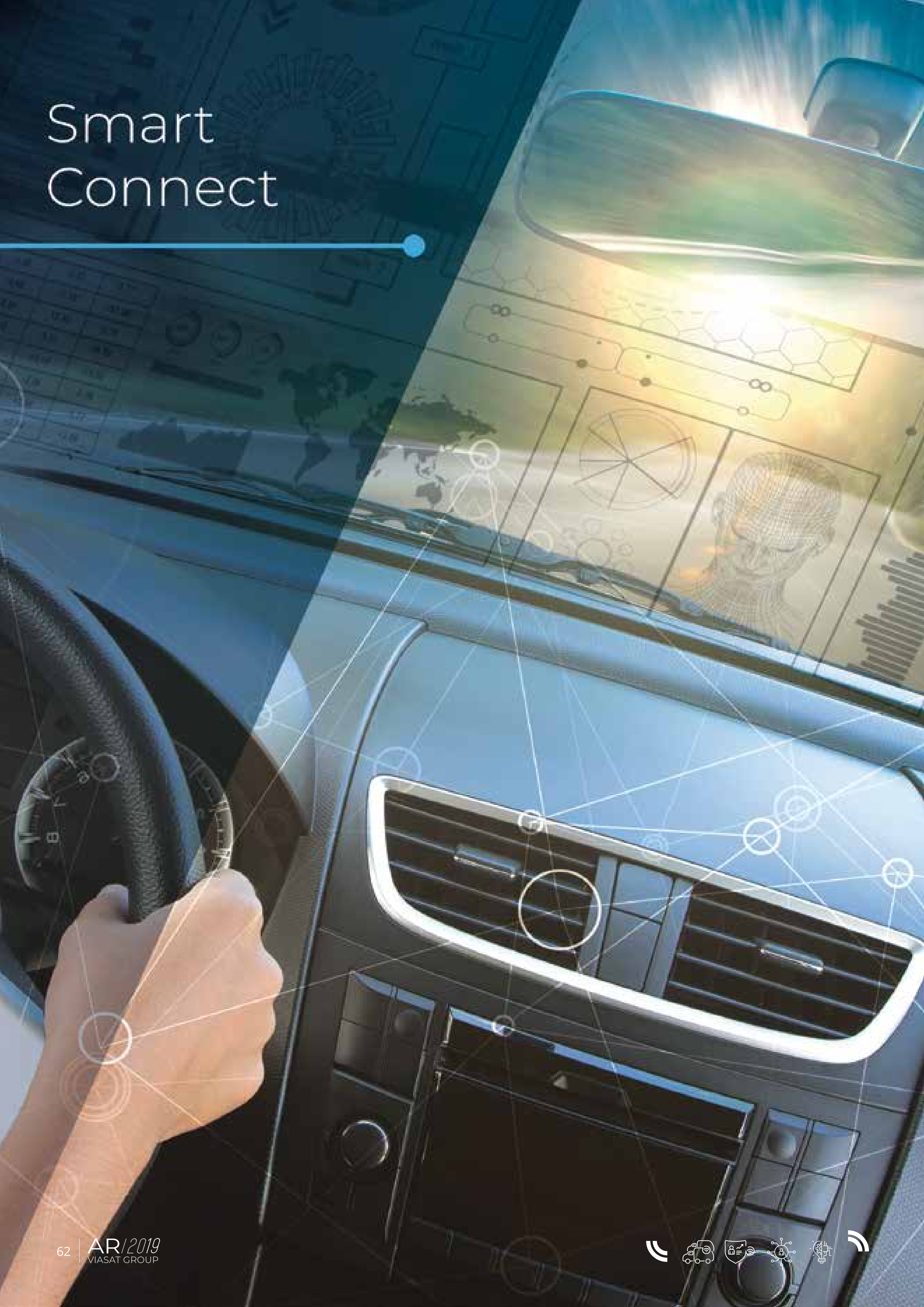
Dear Shareholders,

We submit for your review the financial statements as at 31 December 2019 and propose that the net profit of € 5,796,910 be allocated to the extraordinary reserve.

Venaria Reale, 30 April 2020

The Board of Directors

Smart Connect



CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME[1]	Notes	FY 2019	FY 2018
(thousands of euro)			
Revenues	1	82,382	79,798
Other income	2	1,592	1,867
Total Revenues		**83,975**	**81,665**
Materials consumption	3	(8,030)	(8,730)
Services	4	(18,253)	(17,850)
Operating rentals and leases	5	(455)	(1,975)
Personnel costs	6	(26,841)	(24,845)
Other operating costs	7	(3,176)	(2,841)
Total operating costs		**(56,755)**	**(56,241)**
Gross Operating Margin		**27,220**	**25,424**
Provisions, write-downs and other income (expenses) non-recurrent	8	(983)	(4,792)
Amortisation and depreciation	9	(20,932)	(16,053)
Operating result		**5,305**	**4,580**
Financial income	10	789	225
Financial charges	11	(1,656)	(1,344)
Net financial income (charges)		**(867)**	**(1,119)**
Financial income (charges) from equity investments	12	(240)	-
Pre-tax profit (loss)		**4,198**	**3,461**
Income taxes	13	(477)	(369)
Net results of operating activities		**3,721**	**3,092**
Results of assets disposed of and/or destined to be disposed of		-	-
Net profit (loss)		**3,721**	**3,092**

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME[1]	Notes	FY 2019	FY 2018
(thousands of euro)			
OTHER COMPREHENSIVE INCOME			
Available-for-sale assets	14	12	(2)
Hedging instruments	15	(44)	(136)
Actuarial income / (loss)	16	(15)	165
Exchange rate differences due to valuation of available-for-sale assets			
Exchange rate differences due to translation differences for foreign companies	17	(476)	(284)
Deferred tax on revenues not transferred through income statement	18	10	(7)
Total other comprehensive income components		**(513)**	**(264)**
Comprehensive net income (loss)		**3,209**	**2,828**
of which subsequently reclassified in the income statement		(509)	(278)
of which subsequently not reclassified in the income statement		(3)	14
Net profit (loss) attributable to:	**19**		
net profit (loss) attributable to third parties		(1)	(61)
net profit (loss) attributable to the Group		3,723	3,153
Other components of comprehensive income atributable to			
net profit (loss) attributable to third parties		2	4
net profit (loss) attributable to the Group		(515)	(268)
Earning per share (Euro)	20		
From operating activities:			
Basic		0.11	0.10
Diluted		0.11	0.10

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

CONSOLIDATED STATEMENT OF EQUITY AND FINANCIAL POSITION(1)	Notes	FY 2019	FY 2018
(thousands of euro)			
Non-current assets			
Goodwill	21	46,997	52,421
Other intangile assets	22	33,758	34,665
Property, plant and equipment	23	35,100	30,227
Equity investments	24	5	5
Other financial assets	25	1,477	422
Tax assets	26	354	354
Deferred tax assets	27	9,600	9,281
Other receivables and miscellaneous non curret assets	28	12	12
Total non-current assets		**127,301**	**127,388**
Current assets			
Inventory	29	9,138	9,634
Trade receibvables	30	27,392	31,244
Other receivables and miscellaneous curret assets	31	1,381	1,397
Other current financial assets	32	300	96
Tax assets	33	2,772	2,051
Cash and cash equivalents	34	10,913	4,661
Total current assets		**51,896**	**49,083**
Available-for-sale assets		-	-
Total assets		**179,197**	**176,471**
Capital and reserves			
Share capital		1,500	1,500
Reserves		*20,568*	*17,266*
Unallocated profits		*10,121*	*10,236*
Shareholder's Equity pertaining to the Group		**32,189**	**29,002**
Shareholders' Equity attributable to the minority shareholders/ Minority interests		(30)	(44)
Total Shareholders' Equity	**35**	**32,159**	**28,958**

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.

CONSOLIDATED STATEMENT OF EQUITY AND FINANCIAL POSITION(1)	Notes	FY 2019	FY 2018
(thousands of euro)			
Non-current liabilities			
Payables to banks and other financiers	36	35,865	35,608
Finance lease liabilities	37	12,019	419
Other liabilities	38	8,647	14,817
Liabilities for pensions and employee severance indemnity	39	2,315	2,243
Deferred tax liabilities	40	8,460	6,974
Provisions for risks and charges	41	672	558
Total non-current liabilities		**67,978**	**60,619**
Current liabilities			
Payables to banks and other financiers	42	36,713	27,589
Finance lease liabilities	43	2,820	156
Trade payables	44	12,336	16,111
Tax liabilities	45	2,270	1,865
Other liabilities	46	24,921	41,175
Total current liabilities		**79,060**	**86,895**
Liabilities directly related to avalilable-for-sale assets		-	-
Total liabilities		**147,038**	**147,513**
Total liabilities and Shareholders' Equity		**179,197**	**176,471**

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.

CONSOLIDATED CASH FLOW STATEMENT(1)	Notes	FY 2019	FY 2018
(thousands of euro)			
A) CASH FLOW FROM OPERATIONS			
Amounts collected from customers		102,613	93,456
Other amount collected		169	83
Total amounts collected from operations		**102,783**	**93,539**
Payments to suppliers*		(40,169)	(34,727)
Payments relating to staff*		(27,944)	(25,813)
Payments for taxes		(11,452)	(11,807)
Payments for banking services		(253)	(250)
Other payments		(1,955)	(1,587)
Total payments from operations		**(81,774)**	**(74,183)**
Total payments from operations relating to asset destined to be sold		**-**	**-**
Cash flow balance from operations	**47**	**21,009**	**19,356**
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		-	5
Price from disposal of equity investments**		-	-
Amounts collected for interest income on bank deposits and other assets		8	11
Amounts collected for dividends		3	3
Price from disposal other assets		352	38
Total amounts collected from investment activities		**362**	**57**
Payments for acquisitions of disposal of patents - licenses - trademarks - intellectual property rights		(484)	(390)
Payments for development costs		(3,655)	(3,583)
Payments for the purchase of land and buildings		-	(43)
Payments for the purchase of plant - machinery - equipment		(644)	(283)
Payments for assets on free loan basis and leased		(6,232)	(11,538)
Payments for the purchase of equity investments***		(8,673)	(24,194)
Payments for the purchase of other assets		(839)	(896)
Total payments for investment activities		**(20,527)**	**(40,926)**
Cash flow balance from investment activities	**48**	**(20,164)**	**(40,869)**

* 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.

CONSOLIDATED CASH FLOW STATEMENT[1]	Notes	FY 2019	FY 2018
(thousands of euro)			
C) CASH FLOW FROM FINANCING ACTIVITIES			
Amounts collected relating to the issue of equities		-	-
Other contributions from shareholders		-	20
Increases in cash and cash equivalents for long-terms loans		32,292	36,190
Increases in cash and cash equivalents for short-terms loans		2,698	3,646
Amounts collected from other financing activities		115	377
Total amounts collected from financing activities		**35,105**	**40,232**
Repayment of medium/long term amounts due to banks		(25,556)	(23,216)
Repayment of short term amounts due to banks		(3)	(821)
Payments relating to financial leases		(1,627)	(138)
Interest payment		(1,440)	(830)
Dividend payment		-	(210)
Payments relating to other financial activities		(1,124)	(100)
Total cash outflows relating to financing activities		**(29,749)**	**(25,316)**
Cash flow balance from financing activities	**49**	**5,356**	**14,916**
Cash at the beginning of the period		4,661	11,343
Cash flow balance from operations		**21,009**	**19,356**
Cash flow balance from investment activities		**(20,164)**	**(40,869)**
Cash flow balance from financing activities		**5,356**	**14,916**
Adjustments		51	(85)
Cash at the end of the period		**10,913**	**4,661**

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	Unallocated profits	Group Profit of the year	Sharehol-der's Equity pertaining to the Group	Profit of the year Minority	Reserves Minority	Sharehol-der's equity attributable to third parties/ minority interest	**Total Shareholders' Equity**
Balance as at 31/12/2018	**1,500**	**300**	**(171)**	**17,138**	**7,082**	**3,153**	**29,002**	**(62)**	**17**	**(44)**	**28,958**
Net profit (loss) for the year	-	-	-	-	-	3,723	3,723	(1)	-	(1)	**3,721**
Available for sale assets*	-	-	-	9	-	-	9	-	-	-	**9**
Hedging instruments*	-	-	(35)	2	-	-	(33)	-	-	-	**(33)**
Actuarial profit / (loss)*	-	-	-	(13)	-	-	(13)	-	-	-	**(13)**
Exchange rate differences due to translation differences for foreign companies	-	-	-	(478)	-	-	(478)	-	2	2	**(476)**
Exchange rate differeces due to valuation of available for sale assets	-	-	-	-	-	-	-	-	-	-	**-**
Comprehensive net income (losses)	**-**	**-**	**(35)**	**(480)**	**-**	**3,723**	**3,208**	**(1)**	**2**	**1**	**3,209**
Net Profit distribution	-	-	-	3,827	(563)	(3,264)	-	49	(49)	-	**-**
Dividends	-	-	-	-	-	-	-	-	-	-	**-**
Changes in Consolidation Scope	-	-	-	-	(55)	-	(55)	-	40	40	**(15)**
Other Movements	-	-	-	(11)	(65)	110	34	13	(40)	(27)	**7**
Balance as at 31/12/2019	**1,500**	**300**	**(206)**	**20,474**	**6,398**	**3,723**	**32,189**	**(1)**	**(29)**	**(30)**	**32,159**

* After the tax effect

CONSOLIDATED NET FINANCIAL INDEBTEDNESS

(thousands of euro)	FY 2019	FY 2018
A) Cash	(12)	(19)
B) Other cash equivalent	(10,901)	(4,642)
C) Securities held for trading	-	(1)
D) Liquiditity (A) + (B) + (C)	**(10,913)**	**(4,661)**
E) Current financial receivables	**(275)**	**(71)**
F) Current bank payables	6,341	4,098
G) Current portion of non-current financial debt*	33,193	23,646
H) Other current financial payables	-	-
I) Current financial debt (F) + (G) + (H)	**39,533**	**27,745**
J) Net current financial debt (I) + (E) + (D)	**28,346**	**23,013**
K) Non-current bank payables	35,753	35,476
L) Bond issued	-	-
M) Other non-current payables	12,307	662
N) Non-current financial debt (K) + (L) + (M)	**48,060**	**36,138**
O) Net financial debt (J) + (N)	**76,405**	**59,151**
G) Current portion of non-current financial debt*	**33,193**	**23,646**
G.1) Financial debt for operating leasing IFRS16)	2,707	-
M) Other non-current payables	**12,307**	**662**
M.1) Financial debt for operating leasing IFRS16)	12,011	-
Net financial debt (J) + (N) without debts for operating leasing	**61,687**	**59,151**

* of which 30,373 thousands of euro short-term portion of ML-term loans as at 31.12.2019

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
In accordance with CONSOB Resolution no. 15519 of 27 July 2006

(thousands of euro)	FY 2019	of which related parties	%	FY 2018	of which related parties	%
Revenues	82,382			79,798		
Other income	1,592			1,867		
Total Revenues	**83,975**			**81,665**		
Materials consumption	(8,030)			(8,730)		
Services	(18,253)	(1,728)	9.47%	(17,850)	(2,511)	14.07%
Operating rentals and leases	(455)			(1,975)	(390)	19.75%
Personnel costs	(26,841)	(2,239)	8.34%	(24,845)	(2,173)	8.75%
Other operating costs	(3,176)			(2,841)		
Total operating costs	**(56,755)**			**(56,241)**		
Gross Operating Margin	**27,220**			**25,424**		
Provisions, write-downs and other income (expenses) non-recurrent	(983)			(4,792)		
Amortisation and depreciation	(20,932)	(353)	1.69%	(16,053)		
Operating result	**5,305**			**4,580**		
Financial income	789			225		
Financial charges	(1,656)	(126)	7.60%	(1,344)		
Net financial income (charges)	**(867)**			**(1,119)**		
Financial income (charges) from equity investments	(240)					
Pre-tax profit (loss)	**4,198**			**3,461**		
Income taxes	(477)			(369)		
Net results of operating activities	**3,721**			**3,092**		
Results of assets disposed of and/or destined to be disposed of				-		
Net profit (loss)	**3,721**			**3,092**		

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
In accordance with CONSOB Resolution no. 15519 of 27 July 2006

(thousands of euro)	FY 2019	of which related parties	%	FY 2018	of which related parties	%
OTHER COMPREHENSIVE INCOME						
Available-for-sale assets	12			(2)		
Hedging instruments	(44)			(136)		
Actuarial income / (loss)	(15)			165		
Exchange rate differences due to valuation of available-for-sale assets						
Exchange rate differences due to translation differences for foreign companies	(476)			(284)		
Deferred tax on revenues not transferred through income statement	10			(7)		
Total other comprehensive income components	**(513)**			**(264)**		
Comprehensive net income (loss)	**3,209**			**2,828**		
of which subsequently reclassified in the income statement	(509)			(278)		
of which subsequently not reclassified in the income statement	(3)			14		

CONSOLIDATED STATEMENT OF EQUITY AND FINANCIAL POSITION
In accordance with CONSOB Resolution no. 15519 of 27 July 2006

(thousands of euro)	FY 2019	of which related parties	%	FY 2018	of which related parties	%
Non-current assets						
Goodwill	46,997			52,421		
Other intangile assets	33,758			34,665		
Property, plant and equipment	35,100	3,383	9.64%	30,227		
Equity investments	5			5		
Other financial assets	1,477			422		
Tax assets	354			354		
Deferred tax assets	9,600			9,281		
Other receivables and miscellaneous non curret assets	12			12		
Total non-current assets	**127,301**			**127,388**		
Current assets						
Inventory	9,138			9,634		
Trade receivables	27,392			31,244		
Other receivables and miscellaneous curret assets	1,381			1,397		
Other current financial assets	300			96		
Tax assets	2,772			2,051		
Cash and cash equivalents	10,913			4,661		
Total current assets	**51,896**			**49,083**		
Available-for-sale assets						
Total assets	**179,197**			**176,471**		
Capital and reserves						
Share capital	1,500			1,500		
Reserves	20,568			17,266		
Unallocated profits	10,121			10,236		
Shareholder's Equity pertaining to the Group	**32,189**			**29,002**		
Shareholders' Equity attributable to the minority shareholders/Minority interests	(30)			(44)		
Total Shareholders' Equity	**32,159**			**28,958**		

CONSOLIDATED STATEMENT OF EQUITY AND FINANCIAL POSITION
In accordance with CONSOB Resolution no. 15519 of 27 July 2006

(thousands of euro)	FY 2019	of which related parties	%	FY 2018	of which related parties	%
Non-current liabilities						
Payables to banks and other financiers	35,865			35,608		
Finance lease liabilities	12,019	3,130	26.04%	419		
Other liabilities	8,647	4,148	47.97%	14,817	7,202	48.60%
Liabilities for pensions and employee severance indemnity	2,315	97	4.19%	2,243	89	3.98%
Deferred tax liabilities	8,460			6,974		
Provisions for risks and charges	672			558	135	24.25%
Total non-current liabilities	**67,978**			**60,619**		
Current liabilities						
Payables to banks and other financiers	36,713	9	0.02%	27,589	19	0.07%
Finance lease liabilities	2,820	308	10.92%	156		
Trade payables	12,336	112	0.91%	16,111	402	2.50%
Tax liabilities	2,270			1,865		
Other liabilities	24,921	774	3.11%	41,175	5,572	13.53%
Total current liabilities	**79,060**			**86,895**		
Liabilities directly related to avalilable-for-sale assets	-			-		
Total liabilities	**147,038**			**147,513**		
Total liabilities and Shareholders' Equity	**179,197**			**176,471**		

CONSOLIDATED CASH FLOW STATEMENT In accordance with CONSOB Resolution no. 15519 of 27 July 2006

(thousands of euro)	FY 2019	of which related parties	%	FY 2018	of which related parties	%
A) CASH FLOW FROM OPERATIONS						
Amounts collected from customers	102,613			93,456		
Other amount collected	169			83		
Total amounts collected from operations	**102,783**			**93,539**		
Payments to suppliers*	(40,169)	(546)	1.36%	(34,727)	(1,744)	5.02%
Payments relating to staff*	(27,944)	(2,110)	7.55%	(25,813)	(2,196)	8.51%
Payments for taxes	(11,452)			(11,807)		
Payments for banking services	(253)			(250)		
Other payments	(1,955)			(1,587)		
Total payments from operations	**(81,774)**			**(74,183)**		
Total payments from operations relating to asset destined to be sold				**-**		
Cash flow balance from operations	**21,009**			**19,356**		
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	-			5		
Price from disposal of equity investments**	-			-		
Amounts collected for interest income on bank deposits and other assets	8			11		
Amounts collected for dividends	3			3		
Price from disposal other assets	352			38		
Total amounts collected from investment activities	**362**			**57**		
Payments for acquisitions of disposal of patents - licenses - trademarks - intellectual property rights	(484)			(390)		
Payments for development costs	(3,655)			(3,583)		
Payments for the purchase of land and buildings	-			(43)		
Payments for the purchase of plant - machinery - equipment	(644)			(283)		
Payments for assets on free loan basis and leased	(6,232)			(11,538)		
Payments for the purchase of equity investments***	(8,673)	(5,842)	67.36%	(24,194)	(1,896)	7.84%
Payments for the purchase of other assets	(839)			(896)		
Total payments for investment activities	**(20,527)**			**(40,926)**		
Cash flow balance from investment activities	**(20,164)**			**(40,869)**		

* 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 2019	of which related parties	%	FY 2018	of which related parties	%
C) CASH FLOW FROM FINANCING ACTIVITIES						
Amounts collected relating to the issue of equities	-			-		
Other contributions from shareholders	-			20		
Increases in cash and cash equivalents for long-terms loans	32,292			36,190		
Increases in cash and cash equivalents for short-terms loans	2,698			3,646		
Amounts collected from other financing activities	115			377		
Total amounts collected from financing activities	**35,105**			**40,232**		
Repayment of medium/long term amounts due to banks	(25,556)			(23,216)		
Repayment of short term amounts due to banks	(3)			(821)		
Payments relating to financial leases	(1,627)	(298)	18.30%	(138)		
Interest payment	(1,440)	(126)	8.74%	(830)		
Dividend payment	-			(210)		
Payments relating to other financial activities	(1,124)	(10)	0.89%	(100)		
Total cash outflows relating to financing activities	**(29,749)**			**(25,316)**		
Cash flow balance from financing activities	**5,356**			**14,916**		
Cash at the beginning of the period	**4,661**			**11,343**		
Cash flow balance from operations	**21,009**			**19,356**		
Cash flow balance from investment activities	**(20,164)**			**(40,869)**		
Cash flow balance from financing activities	**5,356**			**14,916**		
Adjustments	**51**			**(85)**		
Cash at the end of the period	**10,913**			**4,661**		

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. BASIS OF ACCOUNTING

1.1 General principles

The 2019 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 2019 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. 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.

The consolidated financial statements were drawn up on the basis of the draft financial statements prepared by the Board of Directors of the respective companies appropriately adjusted, where necessary, to align them to the classification criteria and the accounting standards adopted by the Group.

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 and Chilean Peso.

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 during the valuation period in consideration of 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 shareholders' interest in the acquired company is initially recorded based on the portion of the fair values of the assets, liabilities and potential liabilities.

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 o*ther 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):

CURRENCY	REFERENCE CURRENCY	EXCHANGE RATE AS AT 31.12.2019	FY 2019 AVERAGE EXCHANGE RATE
EUR	RON	4,78300	4,74535
EUR	PLN	4,25680	4,29762
EUR	GBP	0,85080	0,87777
EUR	CLP	844,86000	786,89322
EUR	BGN	1,95580	1,95580

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 stated at cost as at the acquisition date as indicated above. It is not amortised but is subject to an impairment test at least once a year in order to verify that there are no decreases in value. The method used for this valuation is the value in use. The discount rate (WACC) used was 6.45%, 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. 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.

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. In calculating the usage value, the estimated future cash flows are discounted to their current value using a rate that reflects the current market valuations of the value of cash and the asset's specific risks.

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

Contracts relating to assets under finance and operating lease are governed by the accounting standard IFRS 16 – Leases, which is covered in a paragraph in the section of the new accounting standards adopted by the Group.

1.14 Financial instruments

Non-current financial assets include some equity investments, financial receivables and deposits held as collateral.

Current assets include trade receivables and other current financial assets such as cash and cash equivalents. Cash and cash equivalents include bank and post office deposit accounts, securities that can be easily traded and represent temporary investments of liquidity to be collected within three months and cash. Cash and cash equivalents also include financial payables, trade payables and other payables and financial liabilities as well as derivative instruments.

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

The initial recognition includes transaction costs directly attributable to the acquisition and issue costs that are included in the initial valuation of all definable financial instrument assets or liabilities, with the exception of financial instruments carried at fair value with an offsetting entry in the income statement. Subsequent valuations depend on the type of instrument.

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.

Derecognition of financial assets and liabilities

Financial assets are derecognised from the statement of equity and financial position when the right to receive cash flows no longer exists and substantially all of the risks and benefits associated with holding the asset have been transferred as well as the control of said asset, or in the event in which the item is considering definitively unrecoverable after all necessary collection efforts have been made. Financial liabilities are derecognised from the statement of equity and financial position when the specific contractual obligation is discharged.

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.

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.

1.15 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 positioning 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 incurred during the financial year which are capitalised, where required, in 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 taxes are calculated on the taxable result for the year using the rates and governing regulations in force on the closing date of the financial statements. 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.

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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 Inventory write-down provision

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

Bad debt provision reflects the estimate of the portion of receivables deemed currently 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, dealers, 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.

Impacts resulting from the adoption of IFRS 16

IFRS 16 was published in January 2016 and replaces IAS 17, IFRIC 4, SIC-15 and SIC-27. IFRS 16 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 will recognise a lease liability for the payment of the rental fees envisaged by the contract of lease and a right-of-use asset. Lessees will have to separately record interest expenses on the lease liability and the amount of the right-of-use asset, and will also have to re-measure the lease liability when certain events occur (e.g.: changes in the contractual conditions or changes in future lease payments resulting from a change in an index or a rate used to determine those payments). The lessee will recognise generally the re-measurements of the lease liability as adjustments to the right-of-use asset. The accounting treatment provided for by IFRS 16 remains largely unchanged for lessors who will continue to classify all leases using the same classification principle provided by IAS 17, distinguishing between operating leases and finance leases.

IFRS 16 takes effect from annual periods beginning on 1 January 2019, with full or modified retrospective application. The Group applies the new standard using the modified retrospective method, option 2, without restatement of contracts existing as at 1 January 2019 and not applying the principle to “low value” and short-term assets.

The effects of the transition on opening shareholders’ equity and on the consolidated income statement and balance sheet for the year are shown below:

Economic impact (thousands of euro)	FY 2019	IFRS 16 impact	31.12.2019 without IFRS 16 impact	FY 2018
Operating rentals and leases	(455)	1,867	(2,322)	(1,975)
Total operating costs	**(56,755)**	**1,867**	**(58,622)**	**(56,241)**
Gross Operating Margin	**27,220**	**1,867**	**25,353**	**25,424**
Amortisation and depreciation	(20,932)	(1,698)	(19,234)	(16,053)
Operating result	**5,305**	**169**	**5,135**	**4,580**
Net financial income (charges)	**(867)**	**(317)**	**(549)**	**(1,119)**
Pre-tax profit (loss)	**4,198**	**(148)**	**4,346**	**3,461**
Income taxes	(477)	16	(493)	(369)
Net profit (loss)	**3,721**	**(132)**	**3,854**	**3,092**

Impact on assets and liabilities (thousands of euro)	FY 2019	IFRS 16 impact	31.12.2019 without IFRS 16 impact	FY 2018	IFRS 16 impact on opening of the year	01.01.2019 with IFRS 16 impact
Property, plant and equipment	35,100	14,585	20,515	30,227	10,554	40,781
Deferred tax assets	9,600	455	9,145	9,281	501	9,783
Total non-current assets	**127,301**	**15,040**	**112,261**	**127,388**	**11,055**	**138,443**
Total assets	**179,197**	**15,040**	**164,157**	**176,471**	**11,055**	**187,526**
Total Shareholders' Equity	**32,159**	**(132)**	**32,291**	**28,958**	**21**	**28,978**
Finance lease liabilities	12,019	12,011	8	419	8,656	9,075
Deferred tax liabilities	8,460	454	8,006	6,974	511	7,486
Total non-current liabilities	**67,978**	**12,465**	**55,513**	**60,619**	**9,168**	**69,786**
Finance lease liabilities	2,820	2,707	113	156	1,867	2,023
Total current liabilities	**79,060**	**2,707**	**76,353**	**86,895**	**1,867**	**88,762**
Total liabilities	**147,038**	**15,172**	**131,866**	**147,513**	**11,034**	**158,548**
Total liabilities and Shareholders' Equity	**179,197**	**15,040**	**164,157**	**176,471**	**11,055**	**187,526**

IFRIC 23 - Uncertainty Over Income Tax Treatments.

On 23 October 2018, Regulation EU no. 2018/1595 was issued, which endorsed this interpretation.

Amendments to IFRS 9: Prepayment Features with Negative Compensation

On 22 March 2018, Regulation EU no. 2018/498 was issued, which endorsed several amendments to IFRS 9 – Financial Instruments.

Improvements to IFRSs (2015–2017 Cycle)

On 14 March 2019, Regulation EU no. 2019/412 was issued, which endorsed several amendments to IAS 12 – Income Taxes, IAS 23 – Borrowing Costs, IFRS 3 – Business Combinations and IFRS 11 – Joint Arrangements.

IAS 28 (Investments in Associates and Joint Ventures)

On 8 February 2019, Regulation EU no. 2019/237 was issued, which endorsed several amendments to IAS 28 – Investments in Associates and Joint Ventures.

IAS 19 (Employee Benefits)

On 13 March 2019, Regulation EU no. 2019/402 was issued, which endorsed several amendments to IAS 19 – Employee Benefits.

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 2019.

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: starting on 1 January 2020
- Amendments to IAS 1 and IAS 8 – Definition of Material: starting on 1 January 2020
- Amendments to References to the Conceptual Framework in IFRS Standards: starting on 1 January 2020
- IFRS 17: Insurance Contracts: starting on 1 January 2021.

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 2019, developed by the respective consolidated companies, and adjusted as necessary in order to align the companies in terms of classification criteria and the Group's accounting standards, which are compliant with IFRS. The scope of consolidation as at 31 December 2019 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
TEL & TEL SaS	51.00%	Montauban	Impasse di Lisbonne 140	France	Euro	Line-by-line
ENIGMA VEHICLE SYSTEMS LTD	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
DETECTOR DE SEGUIMIENTO Y TRANSMISIÓN. S.A.	100.00%	Madrid	Avenida Arroyo del Santo, número 6, 4ª	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
HITECHS Sprl	100.00%	Bruxelles	3, Rue du Bassin Collecteur	Belgium	Euro	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
EMIXIS SA	100.00%	Bruxelles	3, Rue du Bassin Collecteur	Belgium	Euro	Line-by-line
Associates:						
COGEMA Srl	15.00%	Merone (CO)	Via Verga, 4, 22046	Italy	Euro	Equity

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

- On 30 January 2019, the merger by incorporation of the UK sub-holding Viasat Telematics Limited by Viasat Group S.p.A., previously 100%-owned by that company, was completed. As a result of the merger, the stakes representing the entire share capital of the merged company have been eliminated, and the share capital of the merging company will remain unchanged, without the issue of new shares, given that the merging company is the sole shareholder of the merged company.
- On 7 March 2019, Viasat Group S.p.A. exercised the option to purchase from the minority shareholders the additional 6% of the sub-holding Tracksys, based in Brussels, in order to obtain 100% of the equity investment. As a result of this transaction, BF Engineering and Emixis are now wholly owned. The transaction does not involve any change in the percentage of consolidation due to the put & call option initially subscribed by the counterparties.
- On 15 April 2019, Vem Solutions S.p.A. acquired 15% of the share capital of Cogema S.r.l., a company based in Milan.
- On 24 September 2019, Viasat Servicios Telematicos completed a transaction to step up control of Personalización y Seguridad Profesional, based in Spain, purchasing an additional 30% in order to obtain 100% of the equity investment. On the same day, Viasat Group S.p.A. completed a transaction to step up control of Viasat Servicios Telematicos, based in Spain, increasing its equity investment from 85% to 100%. As a result of these transactions, Mobile Fleet Chile S.p.A. is now 70%-owned. In relation to the Spanish companies, the transaction does not involve any change in the percentage of consolidation due to the put & call option initially subscribed by the counterparties.
- On 2 December 2019, the merger by incorporation of Anthea S.r.l., Datamove S.r.l. and Sherlock S.r.l. into Viasat S.p.A. was completed. That transaction, whose effects are to be considered retroactive starting from 1 January 2019, was implemented through the cancellation of all the equity investments of the merged companies, without an exchange ratio, as the share capital of all the companies participating in the merger is fully owned by the sole shareholder Viasat Group S.p.A.
- On 19 December 2019, the merger by incorporation of Personalización y Seguridad Profesional into Viasat Servicios Telematicos was completed. The effects are to be considered retroactive starting from 1 January 2019.
- On 23 December 2019, the merger by incorporation of Helian S.r.l. into Viasat S.p.A. was completed. The company had acquired the entire share capital equal to 100% of Vem Solutions S.p.A. on 2 December 2019, thus becoming its sole shareholder. That transaction, whose effects are to be considered retroactive starting from 1 January 2019, was implemented through the cancellation of all the equity invest-

ments of the merged company, without an exchange ratio, as the share capital of the merged company is fully owned by the merging company.

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 are broken down by category of activity for 2019 and 2018 in the table below:

Revenues	FY 2019	FY 2018	Change absolute	%
Sales of electronic chips	5,515	6,247	(732)	(11.7%)
Processing contracted by third parties	482	487	(5)	(1.1%)
Sales of subscriptions	59,780	55,127	4,653	8.4%
Sales of products	7,213	7,306	(93)	(1.3%)
Ancillary services to customers	3,173	4,134	(962)	(23.3%)
Design services	525	621	(96)	(15.5%)
Penalties and compensations	3,500	2,484	1,016	40.9%
Other revenue	2,195	3,391	(1,196)	(35.3%)
Total Revenues	**82,383**	**79,798**	**2,584**	**3.2%**

The increase of 3.2% in Group revenues compared to the previous year is attributable to the effect of the acquisitions carried out during 2018, as shown in the specific section of the report on operations (like-for-like). The main change is attributable to revenues deriving from subscription fees for telematic services, which demonstrate that most of the business is recurring and, as a result, capable of guaranteeing its continuity over time, as the churn rate is less than 20%.

For the breakdown of revenues by Business Unit and by Geographic Area and further comments, please refer to the dedicated paragraphs of the report on operations.

2. Other income

The breakdown of *other income* for 2019 and 2018 is provided below:

Other income	FY 2019	FY 2018	Change absolute	%
Contingent assets	290	1,252	(962)	(76.8%)
Other income	1,119	519	600	115.4%
Grants	1	21	(20)	(96.8%)
Capital gains	183	75	108	143.6%
Total Other Income	**1,592**	**1,867**	**(275)**	**(14.7%)**

The most significant change of the note relates to contingent assets, in which the value attributable to Viasat S.p.A. in 2018 amounted to € 850 thousand. Other income referred to € 587 thousand for the holding, due to compensation received of € 502 thousand.

3. Materials consumption

Materials consumption is broken down as follows for 2019 and 2018:

Materials consumption	FY 2019	FY 2018	Change absolute	%
Purchased of materials and finished goods	(8,644)	(13,294)	4,650	(35.0%)
Consumables	(1,084)	(1,268)	184	(14.5%)
Change in inventory	(596)	1,591	(2,187)	(137.5%)
Change in development activities in process	19	(238)	256	(107.9%)
Capitalization of internal costs	2,276	4,479	(2,203)	(49.2%)
Total Materials consumption	**(8,030)**	**(8,730)**	**700**	**(8.0%)**

The reduction in materials consumption is linked to the decrease in volumes relating to the manufacturing company Vem Solutions S.p.A. and the lower number of activations of services with a business model that envisages the transfer of the devices on free loan, which also resulted in a reduction in the purchases of materials and a reduction in the value of capitalisations of internal costs.

4. Services

Costs for *services* are broken down as follows for 2019 and 2018:

Services	FY 2019	FY 2018	Change absolute	%
Telecommunicati ons services	(4,409)	(4,930)	521	(10.6%)
Administration and control bodies	(1,457)	(1,695)	237	(14.0%)
Outsourced operations centres	(129)	(250)	122	(48.5%)
Installers services	(2,001)	(2,271)	270	(11.9%)
Consulting services	(3,217)	(2,918)	(300)	10.3%
Commercial and advertising services	(1,968)	(1,666)	(302)	18.1%
Banking expenses and comissions	(370)	(351)	(18)	5.3%
Utilities and maintenance	(1,272)	(1,338)	66	(5.0%)
Transport Services	(470)	(524)	54	(10.3%)
Other services	(3,529)	(2,904)	(625)	21.5%
Capitalization of internal costs	569	997	(428)	(42.9%)
Total Services	**(18,253)**	**(17,850)**	**(403)**	**2.3%**

The increase in costs for services is influenced, as shown in the previous notes, by the effect of the acquisitions made during 2018, consolidated only partially in the income statement (costs for services of the non-consolidated companies acquired in 2018 came to € 1,439 thousand). Nonetheless, the reduction of several items demonstrates the effects of optimising costs (for example, M2M telephony services) and increasing efficiency of processes implemented during the year, in addition to the effect of the reduction in several revenue items previously described.

5. Operating rentals and leases

The breakdown of the item *operating rentals and leases* for 2019 and 2018 is provided in the table below:

Operating rentals and leases	FY 2019	FY 2018	Change absolute	%
Leases	(156)	(1,282)	1,126	(87.8%)
Operating rentals	(300)	(828)	528	(63.7%)
Capitalization of internal costs	1	135	(133)	(99.1%)
Total Operating rentals and leases	**(455)**	**(1,975)**	**1,520**	**(76.9%)**

The reduction in the item is attributable to the adoption of the accounting standard IFRS 16, whose effects are illustrated in the dedicated section of the notes.

6. Personnel costs

Personnel costs are broken down as follows for 2019 and 2018:

Personnel costs	FY 2019	FY 2018	Change absolute	%
Wages and salaries	(22,931)	(21,549)	(1,382)	6.4%
Social security contributions	(6,164)	(5,589)	(575)	10.3%
Employee severance indemnity and other funds	(1,142)	(1,137)	(5)	0.4%
Other staff costs	(726)	(574)	(152)	26.5%
Capitalization of internal costs	4,121	4,003	118	2.9%
Total Personnel costs	**(26,841)**	**(24,845)**	**(1,996)**	**8.0%**

The increase in costs is mainly attributable to the acquisitions made in 2018, of which the portion of costs not consolidated during the year came to € 1,804 thousand. Net of that standardisation, the balances remain substantially unchanged. Capitalisations of internal costs refer mainly to development activities that meet the requirements of IAS 38.
The table below shows average headcount for the year of the two comparison periods: More information is provided in the dedicated section of the Sustainability Report.

(Unit)	2019	2018
(Average number of personnel)	**704**	**718**
Executives and Middle managers	86	82
White-collars	524	559
Blue-collars and Specialised staff	94	77

7. Other operating costs

The breakdown of *other operating costs* for 2019 and 2018 is provided below:

Other operating costs	FY 2019	FY 2018	Change absolute	%
Contingent liabilities	(418)	(237)	(181)	76.0%
Travel expenses	(989)	(1,010)	20	(2.0%)
Taxes	(226)	(165)	(61)	36.9%
Capital losses	-	(237)	237	(100.0%)
Other operating expenses	(1,553)	(1,201)	(351)	29.2%
Capitalization of internal costs	10	9	1	14.7%
Total Other operating costs	**(3,176)**	**(2,841)**	**(335)**	**11.8%**

The increase of the item is mainly attributable to the effect of the acquisitions made in the course of 2018, of which the non-consolidated costs came to € 284 thousand.

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

The item *provisions, write-downs and other non-recurring revenues (costs)* is broken down below for 2019 and 2018:

Provisions, write-downs and other income (expenses) non-recurrent	FY 2019	FY 2018	Change absolute	%
Provisions for risks	(3,736)	(3,498)	(238)	6.8%
Oher provisions	(218)	-	(218)	
Use funds	242	470	(228)	(48.5%)
Write-downs	(2,220)	(1,101)	(1,119)	101.7%
Release of provisions	1,892	1,372	520	37.9%
Other non-recurring revenues	7,909	3,346	4,563	136.4%
Non-recurring costs	(4,852)	(5,381)	529	(9.8%)
Total Provisions, write-downs and other income (expenses) non-recurrent	**(983)**	**(4,792)**	**3,808**	**(79.5%)**

The change in the item compared to the previous year is not significantly affected by the impact of the companies acquired in the course of 2018.

Provisions for risks are related to bad debt provisions of € 1,929 thousand, write-downs related to inventories of € 1,666 thousand and other types of risk of € 359 thousand. Write-downs are attributable for € 1,459 thousand to a right-of-use of Viasat S.p.A. and for € 649 thousand to the write-down of assets of Detector de seguimiento y Transmision, S.A.

As regards the write-down of receivables, the Group has applied the simplified approach allowed by IFRS 9, according to which the expected losses are calculated over the entire lifetime of the receivables, based on historical experience and on the ageing of the receivables, making any adjustments to take account of specific factors on certain positions. However, write-down relating to inventories is mainly the result of provisions relating to satellite devices returned in the field as a result of uninstalling of the customer, which, having no immediate possible re-use and in accordance with internal procedures, undergo a change of use process from asset to inventory with consequent impact on the income statement equal to the net book value of the asset that may be set aside later. The releases of provisions are also attributable for the most part to changes to the inventory write-down provision (equal to € 1,561 thousand) as shown in the relevant note.

Other non-recurring revenues relate to the adjustment of payables recognised by minority shareholders following the signing of put & call options during the acquisition of companies or for the adjustment of liabilities recorded on the contractually envisaged earn-outs on the shares already acquired during the financial years. *Non-recurring costs*, equal to € 4,852 thousand, consist of € 3,471 thousand for the costs incurred for activities related to the acquisitions, € 592 thousand for the adjustment of payables recognised by minority shareholders and corrections of liabilities for earn-outs as described previously, € 610 thousand for a non-recurring commercial transaction and € 179 thousand for corporate restructuring and organisational structure changes carried out by various Group companies.

9. Amortisation and depreciation

The item *amortisation and depreciation* is broken down as follows for 2019 and 2018:

Amortisation and depreciation	FY 2019	FY 2018	Change absolute	%
Depreciation tangible goods	(11,923)	(9,603)	(2,320)	24.2%
Amortisation intangible goods	(9,152)	(6,622)	(2,530)	38.2%
Capitalisation	143	172	(29)	(16.7%)
Total Amortisation and depreciation	**(20,932)**	**(16,053)**	**(4,879)**	**30.4%**

As shown in the tables of changes to fixed assets (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 and know-how, in particular), whereas the depreciation of tangible fixed assets are ascribable to assets loaned free of charge and the rights of use recognised in accordance with IFRS 16.

10. Financial income

The item *financial income* is broken down as follows for 2019 and 2018:

Financial income	FY 2019	FY 2018	Change absolute	%
Banking interest income	7	11	(4)	(32.6%)
Exchange gains	742	191	551	288.6%
Dividends	3	3	-	(4.0%)
Other financial income	37	20	17	84.2%
Total Financial income	**789**	**225**	**564**	**250.9%**

The change due to exchange gains in the period comprises € 319 thousand attributable to the Group holding company and € 353 thousand to the company Viasat Telematics Ltd., merged via incorporation into Viasat Group S.p.A.

The effect of the acquisitions made during 2018 did not have a significant influence on this note.

11. Financial charges

The item *financial charges* is shown below for 2019 and 2018:

Financial charges	FY 2019	FY 2018	Change absolute	%
Banking interest expense	(919)	(719)	(199)	27.7%
Excange losses	(252)	(260)	8	(3.1%)
Other financial expense	(725)	(365)	(361)	98.9%
Total Financial charges	**(1,896)**	**(1,344)**	**(552)**	**41.1%**

Banking interest expense relates to the use of short-term credit facilities and interest on medium-to-long-term loans including the exercise of financial hedging instruments on interest rates. As shown in the explanatory notes to the cash flow statement, the Group financed the investments in part by using shareholders' equity and in part through the use of borrowed capital, taking out new medium and long-term financing for a total value of € 32,292 thousand. 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. *Other financial expenses* include € 341 thousand as the effect of the adoption of IFRS 16, illustrated in the dedicated section of the notes.

The effect of the acquisitions made during 2018 did not have a significant influence.

12. Financial income (charges) from equity investments

The item *financial income (charges) from equity investments* is shown below for 2019 and 2018:

Financial income (charges) from equity investments	**FY 2019**	**FY 2018**	**Change absolute**	**%**
Financial income (charges) from equity investments	(240)	-	(240)	
Total Financial income (charges) from equity investments	**(240)**	**-**	**(240)**	

The balance represents the result of the consolidation at equity of the equity investment in Cogema S.r.l.

13. Income taxes

The item *income taxes* is shown below for 2019 and 2018:

Income taxes	**FY 2019**	**FY 2018**	**Change absolute**	**%**
Current corporate taxes	(3,241)	(2,749)	(492)	17.9%
Deferred taxes	785	1,726	(942)	(54.5%)
Income from tax consolidation	2,210	563	1,647	292.7%
Taxes from previous years	(230)	91	(321)	(352.4%)
Total Income taxes	**(477)**	**(369)**	**(107)**	**29.0%**

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:

(balances in thousands of euro)	FY 2019	% rate	FY 2018	% rate
Pre-tax profit	4,198		3,461	
IRES (company earnings' tax) rate		24.00%		24.00%
Theoretical IRES	**1,008**		**831**	
Tax differences:				
Tax effect of costs not deductible for IRES purposes	2,162		1,362	
Tax effect of income not taxable for IRES purposes	(5,287)		(3,753)	
Net effect of tax changes for IRES purposes	**(3,126)**		**(2,391)**	
Net tax effect on foreign subsidiaries	(96)		(354)	
Previous years' taxes	230		(91)	
Tax effect of timing differences	(785)		(1,726)	
Other differences	2,557		3,504	
Current and deferred taxes excluding IRAP	**(212)**		**(227)**	
IRAP	689		595	
Effective taxes recorded in income statement	**477**		**368**	

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 2019:
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. 2018	**563**
Remaining credit to tax authorities including advances paid	497
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

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 analysed, the values are shown separately for the pre-tax effect and the related taxes. As indicated in the introduction to the explanatory notes, an amendment has been applied, issued on 16 June 2011, that requires the grouping together of all components presented according to whether they can be subsequently reclassified in the income statement or not.

14. Available-for-sale assets

The breakdown of the item *available-for-sale assets* for 2019 and 2018 is presented hereunder:

Available-for-sale assets	**FY 2019**	**FY 2018**	**Change absolute**	**%**
Available-for-sale assets	12	(2)	14	(700.0%)
Total Available-for-sale assets	**12**	**(2)**	**14**	**(700.0%)**

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

15. Hedging instruments

The breakdown of the item *hedging instruments* for 2019 and 2018 is presented hereunder:

Hedging instruments	**FY 2019**	**FY 2018**	**Change absolute**	**%**
Hedging instruments	(44)	(136)	92	(67.6%)
Total Hedging instruments	**(44)**	**(136)**	**92**	**(67.6%)**

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 2019 and 2018 is presented hereunder:

Actuarial profits/(losses)	**FY 2019**	**FY 2018**	**Change absolute**	**%**
Actuarial profits/(losses)	(15)	165	(180)	(109.1%)
Total Actuarial profits/(losses)	**(15)**	**165**	**(180)**	**(109.1%)**

Internet of Things

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 the matters envisaged by the amendment relating to IAS 19. According to this amendment, the components must be reclassified under *other comprehensive income components*. 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 2019 and 2018 is presented hereunder:

Exchange rate differences from conversion of foreign operations	FY 2019	FY 2018	Change absolute	%
Exchange rate differences from conversion of foreign operations	(476)	(284)	(192)	67.6%
Total Exchange rate differences from conversion of foreign operations	**(476)**	**(284)**	**(192)**	**67.6%**

The amount is equal to the translation reserve deriving from the conversion of the financial statements as at 31 December 2019 of the companies that have a currency different from the functional currency (euro).

18. Deferred tax on revenues not transferred through the income statement

The breakdown of the item *deferred tax on revenues not transferred through the income statement* for 2019 and 2018 is shown below:

Deferred taxes on revenues not transferred through income statement	FY 2019	FY 2018	Change absolute	%
Deferred taxes on revenues not transferred through income statement	10	(7)	17	(242.9%)
Total Deferred taxes on revenues not transferred through income statement	**10**	**(7)**	**17**	**(242.9%)**

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:

(balances in thousands of euro)	FY 2019	FY 2018	Change absolute	%
Net profit (loss)	**3,721**	**3,092**	**629**	**20.36%**
Net profit (loss) attributable to Parent Company	3,723	3,153	569	18.05%
Net profit (loss) attributable to third parties	(1)	(61)	60	-97.96%
Other components of comprehensive income	**(513)**	**(264)**	**(248)**	**94.03%**
Net profit (loss) attributable to Parent Company	(515)	(268)	(247)	92.14%
Net profit (loss) attributable to third parties	2	4	(2)	-46.43%
Comprehensive income	**3,209**	**2,828**	**381**	**13.47%**
Net profit (loss) attributable to Parent Company	3,208	2,886	323	11.18%
Net profit (loss) attributable to third parties	1	(58)	58	-101.18%

20. Earnings per share

Earnings per share as at 31 December 2019 is provided below, with comparable figures for the previous year, calculated on the comprehensive net income:

	FY 2019	FY 2018
Net profit attributable to the Group (*thousands of euro*)	3,208	2,886
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*)	0.11	0.10
Diluted earnings per share (*euro*)	0.11	0.10

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

21. Goodwill

The value of *goodwill* for 2019 and 2018 is provided below:

Goodwill	FY 2019	FY 2018	Change absolute	%
Total Goodwill	46,997	52,421	(5,424)	(10.3%)
Total Goodwill	**46,997**	**52,421**	**(5,424)**	**(10.3%)**

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 2019	FY 2018
Insurtech	2,183	2,183
Fleet	23,743	23,560
Smart Connect	21,071	23,384
IOT Solutions	-	3,294
Total	**46,997**	**52,421**

Changes on Goodwill (thousands of euro)	FY 2019	FY 2018	Exchange rates variation	Change of asset allocation
Fleet	23,743	23,560	183	
Insurtech	2,183	2,183		
IOT Solutions	-	3,294		(3,294)
Smart Connect	21,071	23,384		(2,313)
Total	**46,997**	**52,421**	**183**	**(5,607)**

The change in goodwill deriving from the acquisition of Detector de seguimiento y Transmision, S.A. during 2018 (for which the option was applied to modify the initial asset allocation in the 12 months following the transaction date) is supported by a separate appraisal that estimates its value on the basis of the purchase price allocation of assets and liabilities measured at fair value as required by IFRS 3.

A summary table of the allocation made is shown below:

VIASAT GROUP (thousands of euro)		DETECTOR DE SEGUIMIENTO Y TRANSMISIÓN, S.A. FY 2018	DETECTOR DE SEGUIMIENTO Y TRANSMISIÓN, S.A. FY 2019	Group Total Variation
A	Value of Equity Investment	23,761	23,761	-
B	Shareholder's Equity at fair value	2,096	7,703	5,606
Total Goodwill		**21,665**	**16,058**	**(5,606)**

		DETECTOR DE SEGUIMIENTO Y TRANSMISIÓN, S.A.	DETECTOR DE SEGUIMIENTO Y TRANSMISIÓN, S.A.	Group Total Variation
	(thousands of euro)	**FY 2018**	**FY 2019**	
	Non-current assets	**6,537**	**10,261**	**3,724**
	Intangible assets	*1,397*	*5,121*	*3,724*
	Tangible Assets	*2,771*	*2,771*	-
	Other non-current assets	*2,370*	*2,370*	-
	Net Working Capital	**(1,202)**	**1,923**	**3,124**
	Other assets and liabilities	**(3,239)**	**(4,481)**	**(1,242)**
B)	**Shareholder's equity at fair value**	**2,096**	**7,702**	**5,606**
C= A-B Goodwill (.000 euro)		**21,665**	**16,058**	**(5,606)**

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 6.45%, 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 2019 and 2018 is provided below:

Other intangile assets	FY 2019	FY 2018	Change absolute	%
Development costs - Historical Cost	29,218	6,430	22,788	354.4%
Development costs - Accumulated Amortization	(22,563)	-	(22,563)	
Development costs - Writedowns	-	-		
Development costs	**6,655**	**6,430**	**225**	**3.5%**
Trademarks- Historical Value	359	356	4	1.1%
Trademarks - Accumulated Amortization	(5)	-	(5)	
Trademarks - Writedowns	(340)	-	(340)	
Trademarks	**14**	**356**	**(341)**	**(96.0%)**
Licenses and software - Historical Cost	5,530	1,162	4,368	375.9%
Licenses and software - Accumulated Amortization	(4,383)	-	(4,383)	
Licenses and software - Writedowns	-	-		
Licenses and sofware	**1,148**	**1,162**	**(15)**	**(1.3%)**
Patents - Historical Value	240	15	224	1472.9%
Patents - Accumulated Amortization	(234)	-	(234)	
Patents - Writedowns	-	-	-	
Patents	**6**	**15**	**(9)**	**(61.9%)**
Existing contracts - Historical Value	2,890	806	2,084	258.6%
Existing contracts - Accumulated Amortization	(2,051)	-	(2,051)	
Existing contracts - Writedowns	-	-	-	
Existing contracts	**838**	**806**	**33**	**4.0%**
Customer base - Historical Value	24,101	16,498	7,603	46.1%
Customer base - Accumulated Amortization	(8,832)	-	(8,832)	
Customer base - Writedowns	-	-	-	
Customer base	**15,269**	**16,498**	**(1,229)**	**(7.4%)**
Other Intangible Assets - Historical Value	13,829	9,399	4,430	47.1%
Other Intangible Assets - Accumulated Amortization	(4,002)	-	(4,002)	
Other Intangible Assets - Writedowns	-	-	-	
Other Intangible Assets	**9,827**	**9,399**	**429**	**4.6%**
Total Other intangile assets	**33,758**	**34,665**	**(908)**	**(2.6%)**

The most significant asset of the note consists of the customer base, the value of which has been identified on the basis of the purchase price allocation made during the years following the acquisitions as provided for by IFRS 3, followed by *unpatented technology* posted under other intangible assets.

Development costs, capitalised in accordance with the criteria laid down in IAS 38, consist of the activities undertaken by the company Vem Solutions S.p.A., which coordinates the Group's development activities and holds some of the expertise where this is deemed strategically useful to all affiliated companies or carries out a role of coordinator and supplier to customer companies on specific projects and customisations, who 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 table illustrating the changes follows:

Intangible Assets	**FY 2018**	**Increasse**	**Decrease**	**Depreciation**	**Exchange Rate Differences**	**Reclassification**	**FY 2019**
Development costs - Historical Cost	**6.430**	3.392	(18)	-	74	19.340	**29.218**
Development costs - Accumulated Amortization	**-**	-	2	(3.115)	(77)	(19.373)	**(22.563)**
Development costs - Writedowns	**-**	-	-	-	-	-	**-**
Trademarks- Historical Value	**356**	-		-	-	4	**359**
Trademarks - Accumulated Amortization	**-**	-	-	(1)	-	(4)	**(5)**
Trademarks - Writedowns	**-**	(340)	-	-	-	-	**(340)**
Licenses and software - Historical Cost	**1.162**	351	(21)	-	-	4.037	**5.530**
Licenses and software - Accumulated Amortization	**-**	-	21	(365)	(2)	(4.037)	**(4.383)**
Licenses and software - Writedowns	**-**	-	-	-	-	-	**-**
Patents - Historical Value	**15**	3	-	-	-	222	**240**
Patents - Accumulated Amortization	**-**	-	-	(12)	-	(222)	**(234)**
Patents - Writedowns	**-**	-	-	-	-	-	**-**
Existing contracts - Historical Value	**806**	-	-	-	-	2.084	**2.890**
Existing contracts - Accumulated Amortization	**-**	-	-	(1.617)	-	(434)	**(2.051)**
Existing contracts - Writedowns	**-**	-	-	-	-	-	**-**
Customer base - Historical Value	**16.498**	-	-	-	448	7.155	**24.101**
Customer base - Accumulated Amortization	**-**	-	-	(2.308)	(197)	(6.327)	**(8.832)**
Customer base - Writedowns	**-**	-	-	-	-	-	**-**
Other Intangible Assets - Historical Value	**9.399**	1.707	(856)	-	18	3.562	**13.829**
Other Intangible Assets - Accumulated Amortization	**-**	-	41	(1.734)	(5)	(2.304)	**(4.002)**
Other Intangible Assets - Writedowns	**-**	-	-	-	-	-	**-**
Total Intangible Assets	**34.665**	**5.113**	**(831)**	**(9.152)**	**291**	**3.704**	**33.758**

23. Property, plant and equipment

The value of *property, plant and equipment* for 2019 and 2018 is provided below:

Property, plant and equipment	**FY 2019**	**FY 2018**	**Change absolute**	**%**
Buildings - Historical Value	4,140	4,683	(543)	(11.6%)
Buildings - Accumulated Depreciation	(1,916)	(1,891)	(25)	1.3%
Buildings - Writedowns	-	-	-	
Buildings	**2,223**	**2,791**	**(568)**	**(20.4%)**
Right of Use Buildings - Historical Value	9,120	-	9,120	
Right of Use Buildings - Accumulated Depreciation	(1,013)	-	(1,013)	
Right of Use Buildings	**8,107**	**-**	**8,107**	
Land - Historical Cost	681	681	-	0.0%
Land - Writedowns	-	-	-	
Land	**681**	**681**	**-**	**0.0%**
Right of Use Land - Historical Value	17	-	17	
Right of Use Land - Accumulated Depreciation	(4)	-	(4)	
Right of Use Land	**12**	**-**	**12**	
Assets on free loan basis and leased - Historical Value	58,568	74,233	(15,665)	(21.1%)
Assets on free loan basis and leased - Accumulated Amortization	(43,323)	(50,585)	7,262	(14.4%)
Assets on free loan basis and leased - Writedowns	-	-	-	
Assets on free loan basis and leased	**15,246**	**23,648**	**(8,403)**	**(35.5%)**
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)	-	(13)	
Right of Use Assets on free loan basis and leased - Writedowns	-	-	-	
Right of Use Assets on free loan basis and leased	**4,566**	**-**	**4,566**	
Plant and machinery - Historical Cost	17,932	17,328	604	3.5%
Plant and machinery - Accumulated Amortization	(16,452)	(16,004)	(448)	2.8%
Plant and machinery - Writedowns	-	-	-	
Plant and machinery	**1,480**	**1,324**	**156**	**11.8%**
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	7,015	6,684	332	5.0%
Electronic machinery and equipment - Accumulated Amortization	(6,130)	(5,926)	(203)	3.4%
Electronic machinery and equipment - Writedowns	(5)	-	(5)	
Electronic machinery and equipment	**881**	**757**	**123**	**16.3%**

Property, plant and equipment	FY 2019	FY 2018	Change absolute	%
Right of Use Electronic machinery and equipment - Historical Cost	13	-	13	
Right of Use Electronic machinery and equipment - Accumulated Amortization	(5)	-	(5)	
Right of Use Electronic machinery and equipment	**8**	**-**	**8**	
Motor vehicles and means of transport - Historical Cost	1,345	1,443	(98)	(6.8%)
Motor vehicles and means of transport - Accumulated Amortization	(880)	(984)	105	(10.6%)
Motor vehicles and means of transport - Writedowns	-	-	-	
Motor vehicles and means of transport	**465**	**459**	**7**	**1.4%**
Right of Use Motor vehicles and means of transport - Historical Cost	1,348	-	1,348	
Right of Use Motor vehicles and means of transport - Accumulated Amortization	(463)	-	(463)	
Right of Use Motor vehicles and means of transport	**885**	**-**	**885**	
Other assets - Historical Cost	5,714	6,604	(890)	(13.5%)
Other assets - Accumulated Amortization	(5,168)	(6,037)	869	(14.4%)
Other assets - Writedowns	-	-	-	
Other assets	**545**	**567**	**(21)**	**(3.7%)**
Right of Use Other assets - Historical Cost	1,005	-	1,005	
Right of Use Other assets - Accumulated Amortization	-	-	-	
Right of Use Other assets - Writdowns	(1,005)	-	(1,005)	
Right of Use Other assets	**-**	**-**	**-**	
Total Property, plant and equipment	**35,100**	**30,227**	**4,872**	**16.1%**

The most significant change concerns the increase in *assets on free loan and lease*d, consisting of satellite devices and related installation costs depreciated for a period of 5 years, due almost entirely to the insurance business of Viasat S.p.A., to which are added those deriving from the acquisition of Detector de Seguimiento y Transmision SA, the assets of which are depreciated over a period of four years. The effects of the adoption of the accounting standard IFRS 16 are illustrated in the dedicated section of the notes.

The table illustrating the changes follows:

Tangible assets	FY 2018	Change on opening	Change of accounting principles	Increase	Decrease	Depreciation	Exchange rate differences	Reclassification	FY 2019
Buildings - Historical Value	4,683	-		-	-	-	2	(545)	**4,140**
Buildings - Accumulated Depreciation	(1,891)	-		-	-	(123)	(2)	99	**(1,916)**
Buildings - Writedowns	-	-	-	-	-	-	-	-	**-**
Right of Use Buildings - Historical Value	-	-	9,601	72	(553)	-	-	-	**9,120**
Right of Use Buildings - Accumulated Depreciation	-	-	-	-	138	(1,150)	-	-	**(1,012)**
Land - Historical Cost	681	-	-	-	-	-	-	-	**681**
Land - Writedowns	-	-	-	-	-	-	-	-	**-**
Right of Use Land - Historical Value	-	-	17	-	-	-	-	-	**17**
Right of Use Land- Accumulated Depreciation	-	-	-	-	-	(4)	-	-	**(4)**
Assets on free loan basis and leased - Historical Value	74,233	103	-	7,197	(21,972)	-	38	(1,031)	**58,568**
Assets on free loan basis and leased - Accumulated Amortization	(50,585)	(8)	-	-	15,319	(8,905)	(40)	896	**(43,323)**
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)	-	-	**(13)**
Right of Use Assets on free loan basis and leased - Writedowns	-	-	-	-	-	-	-	-	**-**

Tangible assets	FY 2018	Change on opening	Change of accounting principles	Increase	Decrease	Depreciation	Exchange rate differences	Reclassification	FY 2019
Plant and machinery - Historical Cost	17,328	-	-	605	(5)	-	5	(2)	**17,932**
Plant and machinery - Accumulated Amortization	(16,004)	-	-	-	4	(450)	(4)	2	**(16,452)**
Plant and machinery - Writedowns	-	-	-	-	-	-	-	-	**-**
Right of Use Plant and machinery - Historical Cost	-	-	-	-	-	-	-	-	**-**
Right of Use Plant and machinery - Accumulated Amortization	-	-	-	-	-	-	-	-	**-**
Electronic machinery and equipment - Historical Cost	6,689	-	-	598	(372)	-	12	89	**7,015**
Electronic machinery and equipment - Accumulated Amortization	(5,926)	-	-	-	238	(429)	(10)	(2)	**(6,130)**
Electronic machinery and equipment - Writedowns	(5)	-	-	-	-	-	(0)	-	**(5)**
Right of Use Electronic machinery and equipment - Historical Cost	-	-	13	-	-	-	-	-	**13**
Right of Use Electronic machinery and equipment - Accumulated Amortization	-	-	-	-	-	(5)	-	-	**(5)**
Motor vehicles and means of transport - Historical Cost	1,443	-	-	219	(300)	-	9	(26)	**1,345**
Motor vehicles and means of transport - Accumulated Amortization	(984)	-	-	-	284	(211)	(4)	34	**(880)**
Motor vehicles and means of transport - Writedowns	-	-	-	-	-	-	-	-	**-**

Tangible assets	FY 2018	Change on opening	Change of accounting principles	Increase	Decrease	Depreciation	Exchange rate differences	Reclassification	FY 2019
Right of Use Motor vehicles and means of transport - Historical Cost	-	-	923	440	(15)	-	-	-	**1,348**
Right of Use Motor vehicles and means of transport - Accumulated Amortization	-	-	-	-	-	(482)	-	19	**(463)**
Other assets - Historical Cost	6,604	-	-	215	(1,026)	-	2	(81)	**5,714**
Other assets - Accumulated Amortization	(6,037)	-	-	-	1,023	(152)	(1)	-	**(5,168)**
Other assets - Writedowns	-	-	-	-	-	-	-	-	**-**
Right of Use Other assets - Historical Cost	-	-	-	1,005	-	-	-	-	**1,005**
Right of Use Other assets - Accumulated Amortization	-	-	-	-	-	-	-	-	**-**
Right of Use Other assets - Writedowns	-	-	-	(1,005)	-	-	-	-	**(1,005)**
Total tangible assets	**30,227**	**95**	**10,554**	**13,927**	**(7,237)**	**(11,923)**	**7**	**(549)**	**35,100**

24. Equity investments

The value of *equity investments* for 2019 and 2018 is provided below:

Equity investments	FY 2019	FY 2018	Var.	%
Equity investments - Historical Value	5	5	-	0,0%
Total Equity investments	**5**	**5**	**-**	**0,0%**

The item does not show any changes on the previous year, as the value of the equity investment recorded at equity, recognised following the subscription of the capital increase in Cogema S.r.l. for an amount of € 200 thousand, was eliminated during the year.

25. Other financial assets

The value of *other financial assets* for 2019 and 2018 is provided below:

Other financial assets	FY 2019	3FY 2018	Change absolute	%
Financial receivables (non current portion)	1,191	55	1,136	2069.1%
Other equity investments	113	100	12	12.3%
Other financial receivables	173	266	(93)	(35.0%)
Total Other financial assets	**1,477**	**422**	**1,055**	**250.3%**

The portion of financial receivables is almost entirely related to the loan granted by the holding Viasat Group to the associate Cogema S.r.l. 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 2019 and 2018 is provided below:

Tax assets	FY 2019	FY 2018	Change absolute	%
Receivables for requested tax rebates	354	354	-	(0.0%)
Total Tax assets	**354**	**354**	**-**	**(0.0%)**

The value relates almost entirely to the recording of the 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 2019 and 2018 is provided below:

Deferred tax assets	FY 2019	FY 2018	Change absolute	%
Deferred tax assets	9,600	9,281	319	3.4%
Total Deferred tax assets	**9,600**	**9,281**	**319**	**3.4%**

The breakdown of timing differences by type for the balance of prepaid tax receivables as at 31 December 2019 and 31 December 2018 is presented below:

	FY 2019		FY 2018	
(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	(1,192)	286	(961)	268
Product warranty provision	(17)	4	(14)	4
Bad debt provision	(13,963)	3,351	(15,454)	3,709
Depreciation and amortisation	(92)	22	(42)	10
Sundry	(438)	105	276	(77)
Fair value assets available for sale *	(4)	1	(4)	1
Assets on free loan basis	(3,738)	897	(3,738)	1,043
Multi-year charges and development costs	(8)	2	(100)	28
Employee benefits	92	(22)	88	(21)
Provisions for risks and charges	(1,333)	320	(1,014)	283
Prepaid taxes on prior losses	(15,188)	3,645	(12,695)	3,542
Hedging instruments*	(308)	74	(229)	64
Leased assets	(125)	30	(93)	26
Acquisition-related costsi	(1,538)	369	(1,204)	336
IFRS16	(1,888)	453	-	-
Total		**9,600**		**9,281**

* charges/credits to Shareholders' equity

28. Other receivables and miscellaneous non-current assets

The value of *other receivables and miscellaneous non-current assets* for 2019 and 2018 is reported below:

Other receivables and miscellaneous non curret assets	FY 2019	FY 2018	Change absolute	%
Other non current receivables	12	12	(1)	(6,6%)
Total Other receivables and miscellaneous non curret assets	**12**	**12**	**(1)**	**(6,6%)**

This note did not present significant amounts or changes.

29. Inventory

The value of *inventory* for 2019 and 2018 is provided below:

Inventory	FY 2019	FY 2018	Change absolute	%
Raw materials	4,240	4,707	(467)	(9.9%)
Work in progress (semifinished products)	235	217	18	8.3%
Finished goods	8,604	8,968	(364)	(4.1%)
Development activities in process	151	130	21	16.0%
Inventory Provisions	(4,091)	(4,388)	297	(6.8%)
Total Inventory	**9,138**	**9,634**	**(495)**	**(5.1%)**

The decrease in the value of raw materials is mainly due to Vem Solutions S.p.A. following the decrease in volumes compared to the previous year. The inventories of *finished goods* were mainly affected by the increase in value of satellite equipment owned by Viasat S.p.A. 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.

(Figures in thousands of euro)	
Inventory Write-down provision as at 31 December 2018	**4,388**
Exchange rate differences	-
Provisions	1,666
Use of fund	(242)
Release of Provisions	(1,561)
Reclassifications	(160)
Inventory Write-down provision as at 31 December 2019	**4,091**

30. Trade receivables

The value of *trade receivables* for 2019 and 2018 is provided below:

Trade receivables	**FY 2019**	**FY 2018**	**Change absolute**	**%**
Customer receivables	31,845	37,658	(5,814)	(15.4%)
Provisions	(4,267)	(6,125)	1,858	(30.3%)
Discounting of receivables	(186)	(289)	104	(35.8%)
Total Trade receivables	**27,392**	**31,244**	**(3,852)**	**(12.3%)**

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 receivables management process is therefore adapted to the following types of counterparties:

- *Users (retail customers)*
- *Dealers (installers and retailer agents)*
- *Companies*

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*, the credit risk is concentrated and potentially relevant, and the quantity of information necessary to reduce and manage the risk effectively is not relevant. Therefore, a dedicated and diversified approach for each counterparty is advisable. *Dealers* are intermediate counterparties, and are very important in the Group's value creation chain. A dedicated and personalised approach is necessary.

Overall, the decrease of € 3,852 thousand was mainly due to: the reduction in receivables due from the Bulgarian company Viasat Technology for € 2,008 thousand, due to revenues achieved at the end of 2018, and whose receivable was collected in the initial months of 2019, and to the reduction in receivables due from Team.ind S.r.l. which, in only 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 during 2019 (with an impact on discounting equal to a decrease of € 104 thousand).

In addition to this, as shown in the table below, € 3,738 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:

(Figures in thousands of euro)	
Receivables Write-down provision as at 31 December 2018	**6,125**
Provisions	1,929
Use of fund	(3,738)
Release of Provisions	(165)
Exchange differencies	(1)
Reclassifications	117
Receivables Write-down provision as at 31 December 2019	**4,267**

31. Other receivables and miscellaneous current assets

The value of *other receivables and miscellaneous current assets* for 2019 and 2018 is provided below:

Other receivables and miscellaneous curret assets	FY 2019	FY 2018	Change absolute	%
Advances to suppliers	512	614	(102)	(16.7%)
Prepayments	646	579	68	11.7%
Accrued income	-	4	(4)	(100.0%)
Other receivables	223	201	22	10.9%
Total Other receivables and miscellaneous curret assets	**1,381**	**1,397**	**(17)**	**(1.2%)**

The item does not present any significant change.

32. Other current financial assets

The value of *other current financial assets* for 2019 and 2018 is provided below:

Other current financial assets	FY 2019	FY 2018	Change absolute	%
Securities	-	1	(1)	(100.0%)
Financial receivables (current portion)	275	71	204	289.6%
Other financial receivables - current	25	25	-	0.0%
Total Other current financial assets	**300**	**96**	**203**	**210.8%**

The amount is mainly attributable to the new company credit card management methods, whereby the financial receivable due from the service manager represents the credit limit available for use.

33. Tax assets (current)

The value of *tax assets (current)* for 2019 and 2018 is provided below:

Tax assets	FY 2019	FY 2018	Change absolute	%
VAT receivables	800	622	178	28.6%
Due from tax authoritie for current taxes	1,376	711	665	93.4%
Other amounts due from tax authorities	596	717	(122)	(16.9%)
Total Tax assets	**2,772**	**2,051**	**721**	**35.2%**

The most significant item of *current tax receivables* concerns the receivable deriving from tax consolidation which amounted to € 845 thousand. 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 the company Helian S.r.l., acquired during the year, equal to € 469 thousand.

34. Cash and cash equivalents

The value of *cash and cash equivalents* for 2019 and 2018 is provided below:

Cash and cash equivalents	FY 2019	FY 2018	Change absolute	%
Bank current accounts	10,901	4,642	6,259	134.8%
Cash and liquid deposits	12	19	(7)	(37.8%)
Total Cash and cash equivalents	**10,913**	**4,661**	**6,252**	**134.1%**

Cash and cash equivalents at the end of the financial year derive, as shown in the cash flow statement, from the operating profit that generated cash of € 21,009 thousand, from investment activities that absorbed resources of € 20,164 thousand and from the net balance from financial management that increased cash and cash equivalents by an amount equal to € 5,356 thousand (in addition to € 51 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 2019 increased by € 3,201 thousand compared to 31 December 2018. Changes are reported in the specific financial statements.

The share capital of Viasat Group S.p.A., € 1.5 million, is made up of 30 million ordinary shares with no indication of the face value and has been fully paid. 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 are negative for € 35 thousand in Viasat Group S.p.A. and positive for € 2 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 € 30 thousand.

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

The value of *payables to banks and other financiers (medium/long-term portion)* for 2019 and 2018 is shown below:

Payables to banks and other financiers	FY 2019	FY 2018	Change absolute	%
Medium/long term loans	35,753	35,476	277	0.8%
Discounting loans	(175)	(112)	(63)	56.6%
Hedging instrument liabilities (M/L)	287	243	44	18.2%
Total Payables to banks and other financiers	**35,865**	**35,608**	**258**	**0.7%**

During the year, new medium/long-term loan agreements were signed for a total amount of € 32,292 thousand to deal with financial year and future investments not covered by self-financing. The note shows the portion of long-term payable of all those existing at the end of the financial year. Since it is a liability at amortised cost, the value of the loans was discounted considering the actual interest rate.

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 2019. 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 2019 and 2018 is shown below:

Finance lease liabilities	**FY 2019**	**FY 2018**	**Change absolute**	**%**
Finance lease liabilities (M/L)	12,019	419	11,601	2770.0%
Total Finance lease liabilities	**12,019**	**419**	**11,601**	**2770.0%**

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). Further information is provided in the dedicated paragraph of the notes.

38. Other liabilities - non-current portion

The value of *other liabilities - non-current portion* for 2019 and 2018 is provided below:

Other liabilities	**FY 2019**	**FY 2018**	**Change absolute**	**%**
Multi-Year deferred incomes	1,739	2,406	(667)	(27.7%)
Other liabilities for shares acquisitions (M/L)	6,908	12,411	(5,503)	(44.3%)
Total Other liabilities	**8,647**	**14,817**	**(6,170)**	**(41.6%)**

Multi-year deferred income concerns portions of revenue related to subscription fees of customers that will be released after 31 December 2019 and, therefore, were reclassified as non-current liabilities. The most significant reduction, of € 329 thousand, relates to the effect of purchase price allocation of Detector De Seguimento y Transmisón S.A.

Other liabilities for shares acquisitions are comprised of the liability 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. The decrease is due to the effects of the reclassification of the portion of debt to current liabilities, the redefinition of the amounts due to the change in several calculation algorithms following the signing of contractual amendments agreed by the parties, and the update of the reference values for the parameters used. 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 2019 and 2018 is provided below:

Liabilities for pensions and employee severance indemnity	FY 2019	FY 2018	Change absolute	%
Employee severance indemnity	2,315	2,243	72	3.2%
Total Liabilities for pensions and employee severance indemnity	**2,315**	**2,243**	**72**	**3.2%**

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 2019	Italy FY 2019	Other Countries FY 2018	Italy FY 2018
Annual discounting rate	2.00%	0.77%	3.00%	1.57%
	FY 2019	**FY 2019**	**FY 2018**	**FY 2018**
Annual inflation rate	2.50%	1.20%	2.50%	1.50%
	FY 2019	**FY 2019**	**FY 2018**	**FY 2018**
Annual rate of increase of TFR	N/A	2.40%	N/A	2.63%
Annual wage increase rate	**FY 2019**	**FY 2019**	**FY 2018**	**FY 2018**
Executives	3.50%	1.00%	3.50%	1.00%
Middle managers	3.50%	1.00%	3.50%	1.00%
White-collars	3.50%	1.00%	3.50%	1.00%
Blue-collars	3.50%	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%	2,202	-	**2,202**
Turnover rate -1%	2,248	-	**2,248**
Turnover rate +0.25%	-	28	**28**
Turnover rate - 0.25%	-	30	**30**
Inflation rate + 0.25%	2,261	-	**2,261**
Inflation rate - 0.25%	2,188	-	**2,188**
Discount rate + 0.25%	2,171	28	**2,199**
Discount rate - 0.25%	2,279	30	**2,308**
Compensation rate + 0.25%	-	30	**30**
Compensation rate - 0.25%	-	28	**28**

	Italy	Other Countries	Total
Service Cost 2019 (euro)	125	14	**140**

Estimated future disbursements

Years	Italy	Other Countries	Group
1	268,130	1,392	269,522
2	163,997	2,593	166,591
3	136,640	1,660	138,300
4	144,553	2,727	147,281
5	139,786	2,033	141,820

The breakdown of the change in the provision follows:

Description (thousands of euro)	Italy	Other Countries	Group
Defined Benefit Obligation 01/01/2019	**2,171**	**57**	**2,228**
Service Cost	125	14	140
Interest Cost	18	1	19
Benefit paid	(127)	-	(127)
Transfer in/(out)	-	-	-
Expected DBO 31/12/2018	2,186	72	2,259
Actuarial (Gains)/Losses from experience	(27)	-	(27)
Actuarial (Gains)/Losses due to changes in demographic assumptions	(1)	-	(1)
Actuarial (Gains)/Losses due to changes in financial assumptions	83	2	85
Actuarial (Gains)/Losses due to “other topics”	-	(1)	(1)
Defined Benefit Obligation 31/12/2019	**2,241**	**73**	**2,315**

Description (thousands of euro)	**Italy**
Defined Benefit Obligation 31/12/2019	2,241
Statutory employee severance indemnity 31/12/2019	1,948
Surplus / (Deficit)	(276)

40. Deferred tax liabilities

The value of the item *deferred tax liabilities* for 2019 and 2018 is provided below:

Deferred tax liabilities	**FY 2019**	**FY 2018**	**Change absolute**	**%**
Deferred tax provision	8,460	6,974	1,486	21.3%
Total Deferred tax liabilities	**8,460**	**6,974**	**1,486**	**21.3%**

The breakdown of the balance as at 31 December 2019 and 2018 by type of timing differences is illustrated below:

	FY 2019		**FY 2018**	
(thousands of euro)	**Amount of timing differences**	**Tax effect**	**Amount of timing differences**	**Tax effect**
Timing differences included in calculation of deferred taxes:				
Multi-year charges and development costs	738	(206)	738	(206)
Replacement fair value of property cost *	731	(204)	735	(205)
Assets under financial leasing	520	(145)	520	(145)
Product warranty provision	(4)	1	(4)	1
Employee benefits	362	(101)	425	(102)
Hedging instruments*	7	(2)	-	-
Provisions for risks and charges	14	(4)	14	(4)
Fair value of intangible assets *	23.832	(6.649)	21.405	(5.972)
Sundry	2.394	(668)	1.061	(296)
Discounting of receivables	(118)	33	(138)	33
Assets on free loan basis	204	(57)	204	(57)
Intercompany profits in inventory	172	(48)	75	(21)
IFRS 16	1.462	(408)	-	-
Total		**(8.460)**		**(6.974)**

* charges/credits to Shareholders' equity

41. Provisions for risks and charges

The value of the *provision for risks and charges* for the 2019 and 2018 financial years is provided below:

Provisions for risks and charges	FY 2019	FY 2018	Change absolute	%
Provisions for risks and charges	672	558	114	20.4%
Total Provisions for risks and charges	**672**	**558**	**114**	**20.4%**

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 2018	**558**
Provisions	359
Use of fund	-
Release of Provisions	(165)
Other adjustments	(138)
Changes in accounting principles	10
Exchange differencies	48
Write-down provision as at 31 December 2019	**672**

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

The value of *payables to banks and other financiers (current portion)* for 2019 and 2018 is shown below:

Payables to bannks and other financiers	FY 2019	FY 2018	Change absolute	%
Bank current accounts (liabilities)	6,341	4,098	2,242	54.7%
Loans - short term portion	30,373	23,490	6,882	29.3%
Total Payables to banks and other financiers	**36,713**	**27,589**	**9,125**	**33.1%**

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 2019 and 2018 is shown below:

Finance lease liabilities	FY 2019	FY 2018	Change absolute	%
Finance lease liabilities (ST)	2,820	156	2,664	1708.5%
Total Finance lease liabilities	**2,820**	**156**	**2,664**	**1708.5%**

The change in this note is almost fully attributable to the effects of the adoption of the new 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 short-term portion is shown in the note). Further information is provided in the dedicated section of the notes.

44. Trade payables

The value of *trade payables* for 2019 and 2018 is provided below:

Trade payables	FY 2019	FY 2018	Change absolute	%
Trade payables	12,336	16,111	(3,775)	(23.4%)
Total Trade payables	**12,336**	**16,111**	**(3,775)**	**(23.4%)**

The decrease in trade payables is mainly attributable to the manufacturing company Vem Solutions S.p.A., as a result of a reduction in production volumes, as shown in the previous notes, to Viasat S.p.A. mainly due to a lower number of operations carried out with installers and to Teamind S.r.l., following the decrease in business volumes on the previous year.

45. Tax liabilities

The value of *tax liabilities* for 2019 and 2018 is provided below:

Tax liabilities	FY 2019	FY 2018	Change absolute	%
VAT payable	1,333	856	477	55.7%
Current taxes liabilities	270	275	(5)	(1.9%)
Withholding tax liabilities	666	733	(67)	(9.1%)
Total Tax liabilities	**2,270**	**1,865**	**405**	**21.7%**

The increase in VAT payable is mainly attributable to Viasat S.p.A., as a result of an operation carried out in December, which resulted in an increase in that liability.

46. Other liabilities

The value of *other liabilities* for 2019 and 2018 is provided below:

Other liabilities	**FY 2019**	**FY 2018**	**Change absolute**	**%**
Accrued liabilities	30	45	(15)	(32.4%)
Deferred incomes	16,409	21,665	(5,256)	(24.3%)
Due to social security	1,034	1,056	(22)	(2.1%)
Due to employees	2,994	3,173	(180)	(5.7%)
Other liabilities for shares acquisitions (ST)	2,511	12,840	(10,329)	(80.4%)
Customers advance account	761	696	64	9.2%
Other current liabilities	1,182	1,698	(516)	(30.4%)
Total Other liabilities	**24,921**	**41,175**	**(16,253)**	**(39.5%)**

The significant decrease in the overall value is mainly determined by the *other liabilities for shares acquisitions*, in which the short-term portion is shown in this note. This amount includes discounted liabilities related to earn-outs for shares already acquired and those relating to option agreements for the purchase of the remaining shares from minority shareholders. The decrease is also due to the effects of payments made during the year, of € 8,473 thousand, the effects of the redefinition of the amounts due to the change in several calculation algorithms following the signing of contractual amendments, and the update of the reference values for the parameters used.

The reduction in deferrals is mainly attributable to the effects of purchase price allocation of Detector De Seguimento y Transmisón S.A. (equal to € 3,124 thousand), and the reduction of the amount for Viasat S.p.A. of € 1,277 thousand.

Operation Center

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 2019 and 2018 is shown below:

A) CASH FLOW FROM OPERATIONS (thousands of euro)	**Notes**	**FY 2019**	**FY 2018**
Amounts collected from customers		102,613	93,456
Other amount collected		169	83
Total amounts collected from operations		**102,783**	**93,539**
Payments to suppliers*		(40,169)	(34,727)
Payments relating to staff*		(27,944)	(25,813)
Payments for taxes		(11,452)	(11,807)
Payments for banking services		(253)	(250)
Other payments		(1,955)	(1,587)
Total payments from operations		**(81,774)**	**(74,183)**
Total payments from operations relating to asset destined to be sold		**-**	**-**
Cash flow balance from operations	**47**	**21,009**	**19,356**

* net of investments

The increase in collections is mainly due to the cash flows from Viasat S.p.A., those from the Bulgarian company Viasat Technology and the effects of the acquisitions made during 2018, as the amounts of the acquired companies were consolidated only on the acquisition date. In December a sale & leaseback transaction was carried out, which had an impact of € 6,812 thousand on the item a*mounts collected from customers*.

48. Cash flows from investment activities

The value of *cash flows from investment activities* for 2019 and 2018 is shown below:

B) CASH FLOW FROM INVESTMENT ACTIVITIES (thousands of euro)	Notes	FY 2019	FY 2018
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		-	5
Price from disposal of equity investments**		-	-
Amounts collected for interest income on bank deposits and other assets		8	11
Amounts collected for dividends		3	3
Price from disposal other assets		352	38
Total amounts collected from investment activities		**362**	**57**
Payments for acquisitions of disposal of patents - licenses - trademarks - intellectual property rights		(484)	(390)
Payments for development costs		(3,655)	(3,583)
Payments for the purchase of land and buildings		-	(43)
Payments for the purchase of plant - machinery - equipment		(644)	(283)
Payments for assets on free loan basis and leased		(6,232)	(11,538)
Payments for the purchase of equity investments***		(8,673)	(24,194)
Payments for the purchase of other assets		(839)	(896)
Total payments for investment activities		**(20,527)**	**(40,926)**
Cash flow balance from investment activities	**48**	**(20,164)**	**(40,869)**

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

Cash flows from investment activities show a significant decrease due to the reduction in the two main types of asset on which the Group has focused in recent years. During the year, though there were no new acquisitions other than the subscription of the capital increase of Cogema s.r.l. (15%-owned), payments were made for earn-outs and call options on minority shares for a value of € 8,473 thousand (as shown in note 46).

Investments relating to the business model requiring the free loan of devices required a lower quantity of resources compared to the previous year as the activation volumes were lower, as shown in the table relating to the performance of the vehicle fleet in the Report on Operations. The capitalised value includes the costs required for producing the devices (material, workforce and operating structure) and related installation costs.

49. Cash flows from financing activities

The value of *cash flows from financing activities* for 2019 and 2018 is shown below:

C) CASH FLOW FROM FINANCING ACTIVITIES (thousands of euro)	**Notes**	**FY 2019**	**FY 2018**
Amounts collected relating to the issue of equities		-	-
Other contributions from shareholders		-	20
Increases in cash and cash equivalents for long-terms loans		32,292	36,190
Increases in cash and cash equivalents for short-terms loans		2,698	3,646
Amounts collected from other financing activities		115	377
Total amounts collected from financing activities		**35,105**	**40,232**
Repayment of medium/long term amounts due to banks		(25,556)	(23,216)
Repayment of short term amounts due to banks		(3)	(821)
Payments relating to financial leases		(1,627)	(138)
Interest payment		(1,440)	(830)
Dividend payment		-	(210)
Payments relating to other financial activities		(1,124)	(100)
Total cash outflows relating to financing activities		**(29,749)**	**(25,316)**
Cash flow balance from financing activities	**49**	**5,356**	**14,916**

*Cash flows from financing activitie*s recorded a continuity in the supply of resources through the signing of medium/long-term financing contracts in order to meet the need for resources arising from investing activities and the repayment of outstanding loan instalments. Therefore, the financial performance highlights how the return on investments made is able to provide continuity for the growth and innovation path undertaken and how the careful management of working capital makes it possible to maintain balance in the composition of the Group's financial structure.

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 2019 and contains the comparison with the previous year.

Financial assets

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**	

FY 2018

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		266		**266**	**24**
Other equity investments			100	**100**	**24**
Financial receivables (non current portion)		55		**55**	**24**
Current Financial Assets					
Customer receivables		31,244		**31,244**	**29**
Financial receivables (current portion)		71		**71**	**31**
Securities			1	**1**	**31**
Other financial receivables current - Gross Value		25		**25**	**31**
Bank current accounts		4,642		**4,642**	**33**
Cash and liquid deposits		19		**19**	**33**
Total	**-**	**36,322**	**101**	**36,423**	

Financial liabilities

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**	

FY 2018

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		35,365	**35,365**	**35**
Hedging instrument liabilities (M/L)	243		**243**	**35**
Finance lease liabilities (M/L)		419	**419**	**36**
Other liabilities for shares acquisitions (M/L)		12,411	**12,411**	**37**
Current Financial Liabilities				
Trade payables		16,111	**16,111**	**43**
Loans - short term portion		23,490	**23,490**	**41**
Bank current accounts (liabilities)		4,098	**4,098**	**41**
Finance lease liabilities (ST)		156	**156**	**42**
Other liabilities for shares acquisitions (ST)		12,840	**12,840**	**45**
Total	**243**	**104,890**	**105,133**	

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 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

FY 2018						
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)	**55**		55	**55**	24	2
Financial receivables (short-term portion)	**71**		71	**71**	31	2
Stock	**1**		1	**1**	31	2
Trade receivables	**37,369**		31,244	**31,244**	29	2
Equity investments	**100**	100		**100**	24	1/2
Other financial assets (M/L-term portion)	**266**		266	**266**	24	2
Other financial assets (short-term portion)	**25**		25	**25**	31	2
Hedging derivatives						
- Interest rate Cap (cash flow hedge)	**(243)**	(243)		**(243)**	35	2
Medium/long-term loans (M/L-term portion)	**(35,476)**		(35,365)	**(35,365)**	35	2
Finance lease liabilities (M/L-term portion)	**(419)**		(419)	**(419)**	36	2
Medium/long-term loans (short-term portion)	**(23,490)**		(23,490)	**(23,490)**	41	2
Finance lease liabilities (short-term portion)	**(156)**		(156)	**(156)**	36	2
Trade payables	**(16,111)**		(16,111)	**(16,111)**	43	2
Other liabilities for shares acquisitions (M/L-term portion)	**(12,411)**		(12,411)	**(12,411)**	37	3
Other liabilities for shares acquisitions (short-term portion)	**(12,840)**		(12,840)	**(12,840)**	45	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 charges and income recorded according to IAS 39

The amounts regarding financial charges and income are illustrated below, broken down by the categories identified.

FY 2019

IFR9 items (thousands of euro)	From interest	Capital gains	Dividends	At fair value	From Shareholders' equity reserve	Exchange gains / (losses)	Net profits / 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)**

FY 2018

IFR9 items (thousands of euro)	From interest	Capital gains	Dividends	At fair value	From Shareholders' equity reserve	Exchange gains / (losses)	Net profits / losses
Financial instruments at fair value held for trading	(171)				(103)	17	**(257)**
Liabilities at amortised cost	(771)				65	(114)	**(820)**
Loans and receivables	19		3		(334)	40	**(272)**
Financial instruments at fair value with a balancing entry in the other components of the income statement (FVOCI)					(2)		**(2)**
Total	**(924)**	**-**	**3**	**-**	**(374)**	**(57)**	**(1,352)**

Financial risks and relevant hedging instruments

The management of the group's financial risks, aimed at reducing exposure to the changes in exchange rates and interest rates, and 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. The objectives are geared towards both safeguarding the ability of the various companies to provide their businesses with continuity and maintaining a 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 2019, to meet significant investment not covered by self-financing required to consolidate Group growth, and to cover cash outflows to repay outstanding loans, 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 € 32.3 million. Given that these are floating-rate loans, the Group adopted a strategy for managing risk by signing hedging contracts in some cases (Interest Rate Swaps) with the purpose of ensuring that the financial cost related to one part of the debt is certain.

As, based on the conditions set out in the new accounting standard IFRS 9 for the use of hedge accounting, hedge effectiveness was verified, 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 2019, the Group's indebtedness with financial institutions with regard to medium/long-term loans totalled € 65,951 thousand gross of discounting, of which € 30,373 thousand represents the share of debt to be repaid in 2020. The differential paid on hedging derivatives generated a negative impact on the income statement equal to € 232 thousand, compared with the € 165 thousand in the previous year.

A summary table follows:

Medium/long-term loans

(thousands of euro)	**FY 2019**	**FY 2018**
Residual debt	65,951	58,855
of which short-term portion	30,373	23,490
Debt interest	(546)	(465)
Exercise of hedging derivatives	(232)	(165)

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 2019.

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**

FY 2018

Sensitivity analysis	**25 bps increase**	**50 bps increase**
(thousands of euro)		
Change in loan cash flows	202	420
Change in hedging instrument cash flows	(189)	(392)
Net value	**13**	**28**

The above rate changes would involve a greater interest expense respectively of € 76 and € 148 thousand compared to the € 218 and € 442 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. Compared to 2018, the increase in net value is due to a lower percentage of the notional amount covered. In any event, the prospective effectiveness tests show a relationship between the derivatives and the hedged instruments close to 100%.

With regard to the uses of short-term bank credit facilities, the group increased the use of credit facilities in financial year 2019, from an average debt of € 1,895 thousand in 2018, to € 4,842 thousand in 2019. Nonetheless, due to the optimisation of the uses of various credit facilities granted by credit institutions, the weighted average cost decreased on the previous year. The table 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 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	

FY 2018			
Interest rate risk on the use of credit facilities	**% value**	**Financial charges**	**Deviation**
(thousands of euro)			
Average rate as at 31 December 2018 + 100 bps	2.435%	46	19
Average rate as at 31 December 2018 + 75 bps	2.185%	41	14
Average rate as at 31 December 2018 + 50 bps	1.935%	37	10
Average rate as at 31 December 2018 + 25 bps	1.685%	32	5
Average rate as at 31 December 2018 - 25 bps	1.185%	22	(5)
Average use of short-term credit lines in 2018		1,895	
% average rate applied as at 31 December 2018		1.44%	
Financial charges calculated on financial debt as at 31 December 2018		27	

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, at times, to forward purchasing of foreign currency. However, the hedging of any net currency positions does not take place systematically. Generally, it is carried out only if the net flows to hedge are significant and therefore justify possible financial hedging; furthermore, assessments are carried out on the historic and forecast values of exchange rates subject to observation.

During 2019, though constantly monitoring the trend in risk, the strategy followed was not to implement new hedging.

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

	FY 2019
Payments in USD 2019	(7,563,660.64)
Collections in USD 2019	1,544,670.14
Net position USD	(6,018,990.50)
Payments in GBP 2019	(3,444,841.67)
Collections in GBP 2019	5,562,768.40
Net position GBP	2,117,926.73
Payments in RON 2019	(4,953,452.77)
Collections in RON 2019	4,799,441.55
Net position RON	(154,011.22)
Payments in PLN 2019	(19,915,618.44)
Collections in PLN 2019	26,667,318.31
Net position PLN	6,751,699.87
Payments in BGN 2019	(6,524,958.77)
Collections in BGN 2019	8,461,116.49
Net position BGN	1,936,157.72
Payments in CLP 2019	(340,049,994.03)
Collections in CLP 2019	504,639,799.97
Net position CLP	164,589,805.94

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 2019

(thousands of euro)	Euro/USD	Cash and c/a (asset) USD	Euro equivalent	Value Profit and loss
Exchange rate as at 31 december +10%	1.2357	842.50	681.77	(68.18)
Exchange rate as at 31 december	1.1234	842.50	749.95	
Exchange rate as at 31 december -10%	1.0111	842.50	833.28	83.33
(thousands of euro)	Euro/GBP	Cash and c/a (asset) GBP	Euro equivalent	Value Profit and loss
Exchange rate as at 31 december +10%	0.9359	374.01	399.64	(39.96)
Exchange rate as at 31 december	0.8508	374.01	439.60	
Exchange rate as at 31 december -10%	0.7657	374.01	488.45	48.84
(thousands of euro)	Euro/PLN	Cash and c/a (asset) PLN	Euro equivalent	Value Profit and loss
Exchange rate as at 31 december +10%	4.6825	2,416.47	516.07	(51.61)
Exchange rate as at 31 december	4.2568	2,416.47	567.67	
Exchange rate as at 31 december -10%	3.8311	2,416.47	630.75	63.07
(thousands of euro)	Euro/RON	Cash and c/a (asset) RON	Euro equivalent	Value Profit and loss
Exchange rate as at 31 december +10%	5.2613	63.47	12.06	(1.21)
Exchange rate as at 31 december	4.7830	63.47	13.27	
Exchange rate as at 31 december -10%	4.3047	63.47	14.74	1.47
(thousands of euro)	Euro/CLP	Cash and c/a (asset) CLP	Euro equivalent	Value Profit and loss
Exchange rate as at 31 december +10%	929.35	23,320.26	25.09	(2.51)
Exchange rate as at 31 december	844.86	23,320.26	27.60	
Exchange rate as at 31 december -10%	760.37	23,320.26	30.67	3.07

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 medium/long-term resources on the capital markets are also optimised using 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 € 6,240 thousand out of a total of revocable credit lines of € 16,250 thousand. The Group's overall liquidity, however, amounts to € 10,913 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 financial onerous debt at fixed and variable rates, both the capital and the interest portion have been considered in the various expiration dates; in particular, the rate as at 31 December 2019, plus the relative spread and any surcharges for overruns, has been applied for variable rate credit.

FY 2019

Financial statement items ***(worst case)*** (thousands of euro)	**Book value**	***Within 12 months***	***Between 1 and 5 years***	***Beyond 5 years***	**Total cash flows**	**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**	

FY 2018						
Financial statement items ***(worst case)*** (thousands of euro)	**Book value**	***Within 12 months***	***Between 1 and 5 years***	***Beyond 5 years***	**Total cash flows**	**Explanatory notes**
FINANCIAL LIABILITIES						
Medium/long-term loans (M/L-term portion)	*35,365*		*33,140*		**33,140**	35
Trade payables	*16,111*	*16,111*			**16,111**	43
Medium/long-term finance lease liabilities	*419*		*419*		**419**	36
Medium/long-term loans (short-term portion)	*23,490*	*27,199*			**27,199**	41
Short-term payables to banks and other financiers	*4,098*	*4,098*			**4,098**	41
Short-term finance lease liabilities	*156*	*156*			**156**	42
Other liabilities for shares acquisitions (M/L-term portion)	*12,411*		*12,411*		**12,411**	37
Other liabilities for shares acquisitions (short-term portion)	*12,840*	*12,840*			**12,840**	45
TOTAL FINANCIAL LIABILITIES	***104,890***	***60,404***	***45,969***	**-**	**106,373**	

Compared to 2018, the increase in financial liabilities is mainly attributable to the different method of accounting for financial payables deriving from lease and hire agreements in accordance with the accounting standard IFRS 16- Leases. 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. In particular, the following covenants are present with their thresholds not to be exceeded:

- 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 each quarter and, as at 31 December 2019, 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. Indeed, the credit management procedure in force aims to streamline and standardise credit management. The company counterparties identified are the following:

- *Users (retail customers)*
- *Dealers (installers and retailer agents)*
- *Companies*

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 divided for 2019 and 2018 is provided hereunder.

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)**

Figures as at 31 December 2018

(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	**17,922**	**19,737**	**6,029**	**1,714**	**1,815**	**8,364**	**(6,125)**

Innovation

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 2019 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 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%

As at 31 December 2018

(thousands of euro)	Revenues	Costs	Financial income	Financial charges	Financial receivables	Other receivables	Financial payables	Other payables
Subsidiary companies	1,471	717	5,862	6	48,360	106	6,594	510
Total Parent Company	1,571	3,734	5,892	931	48,360	397	59,438	13,394
% of Total	93.60%	19.19%	99.50%	0.64%	100.00%	26.75%	11.09%	3.80%

Transactions with related parties

The following table shows the single amounts of the transactions with related parties for the year 2019, with respect to the prior year.

FY 2019

Transactions with related parties (thousands of euro)	Revenues/ Financial income	Costs/ Financial charges	Investments	Payables	Receivables	Non current activities
Administrative advice	-	76	-	90	-	-
Management consultancy	-	368	-	22	-	-
Advisory services	-	34	-	-	-	-
Employee - collaborator contracts of employment	-	2.239	-	159	-	-
Property rental (IFRS 16 impact included)	-	479	-	3.438	-	3.383
Financial payables	-	-	-	4.607	-	-
Total	**-**	**3.196**	**-**	**8.317**	**-**	**3.383**

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 S.p.A. (formerly Elem S.p.A.) and afterwards other Group companies were set up.

(thousands of euro)	FY 2019	FY 2018
Administrative advice (Studio Vighetto Servi Fea)	76	15
Total fees	**76**	**15**

(thousands of euro)	FY 2019	FY 2018
Studio Vighetto Servi Fea	90	49
Total liabilities	**90**	**49**

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.

(in thousands of euro)	FY 2019	FY 2018
Nash Advisory	368	616
Total fees	**368**	**616**

(in thousands of euro)	FY 2019	FY 2018
Nash Advisory	22	12
Total liabilities	**22**	**12**

Other consulting

The company Sixth Sense and the company Sinthesix, which include in their shareholding structure Vanessa Wade and Didier Bennert respectively, who hold (Vanessa Wade up until July 2018) the position of directors in the Belgian company Tracksys, have carried out consultancy activities for the company Emixis.

(thousands of euro)	FY 2019	FY 2018
Sinthesix	34	204
Sixth sense	-	171
Total fees	**34**	**375**

(thousands of euro)	FY 2019	FY 2018
Sinthesix	-	71
Sixth sense	-	53
Total liabilities	**-**	**124**

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 2019	FY 2018
Viasat Group S.p.A.	272	276
Viasat S.p.A.	569	223
Vem Solutions S.p.A.	266	323
Datamove S.r.l.	-	25
Anthea S.r.l.	-	182
Sherlock S.r.l.	-	107
Enigma Vehicles Systems Ltd	220	243
Viasat Systems SRL	94	76
Viasat Monitoring Sp.z o.o	159	189
Mobile Fleet Chile S.p.A.	62	31
Icom OOD	153	152
Tel&Tel SaS	79	176
Trackit Consulting LDA	100	109
Detector de Seguimiento y Transmisión SA	265	60
Total	**2,239**	**2,173**

(thousands of euro)	FY 2019	FY 2018
Employee severance indemnity (TFR)	97	89
Other payables	62	67
Total liabilities	**159**	**156**

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 2019	FY 2018
Rent	-	390
Total	**-**	**390**

(thousands of euro)	FY 2019	FY 2018
ROU depreciation	353	-
Portion of the fee relating to financial charges	126	-
Total	**479**	**-**

(thousands of euro)	FY 2019	FY 2018
Right of use	3,383	-
Total asset	**3,383**	**-**

(thousands of euro)	FY 2019	FY 2018
Trade payable vs EXEFIN spa	-	216
Total liability	**-**	**216**

(thousands of euro)	FY 2019	FY 2018
Financial debt vs EXEFIN spa (short-term portion)	308	-
Financial debt vs EXEFIN spa (M/L-term portion)	3,130	-
Total liability	**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 & 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			
	FY 2019		FY 2018	
	Short-term	Medium/long term	Short-term	Medium/long term
Viasat Systems SRL			-	-
Icom OOD	-	2,927	3,106	3,997
Tracksys SA	-	-	565	-
Personalizaciazion y Seguridad Profesional, S.L.	-	-	147	-
Tel&Tel SaS	194	21	-	250
Team,ind Solutions S.r.l.	257	-	-	257
Datamove S.r.l.	-	-	377	-
Detector de Seguimiento y Transmisión SA	-	-	964	-
Anthea S.r.l.	-	-	-	1,848
Trackit Consulting LDA	350	850	-	850
Sherlock S.r.l.	-	-	40	-
Total	**801**	**3,798**	**5,199**	**7,202**

The second component relates to a loan that the Chilean subsidiary received from one of its shareholders and directors.

(thousands of euro)	FY 2019	FY 2018
Liability due to minority Shareholder and director - Mobile Fleet Chile S.p.A	9	19
Total Liability	**9**	**19**

Industry 4.0

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

The fees due to the members of the Board of Directors, key people and members of the Board of Statutory Auditors of Viasat Group S.p.A. for the year ended 31 December 2019, for any reason and in any form, are stated in the following table:

FY 2019

Party	Description of office			Fees January - December 2019 (balances in 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 CEO	June 2019	Approval 2021 Fin. Stats.	248	-	-	22	**270**
Massimo Getto	Vice President	June 2019	Approval 2021 Fin. Stats.	42	-	-	44	**86**
Marco Petrone	Vice President	June 2019	Approval 2021 Fin. Stats.	117	-	-	12	**128**
Barbara Petrone	Director	June 2019	Approval 2021 Fin. Stats.	20	-	-	-	**20**
Collegio Sindacale								
Claudio Vighetto	Chairman	April 2019	Approval 2021 Fin. Stats.	22	-	-	32	**54**
Nives Servi	Effective auditor	April 2019	Approval 2021 Fin. Stats.	15	-	-	22	**37**
Antonio Procopio	Effective auditor	April 2019	Approval 2021 Fin. Stats.	15	-	-	12	**27**

GUARANTEES PROVIDED, COMMITMENTS AND OTHER POTENTIAL LIABILITIES

Third party bank guarantees in our favour

As part of public award procedures in which Viasat Group companies participate the issue of guarantees is required. The instrument chosen to meet these requests is a bank or insurance guarantee. As at 31 December 2019 the commercial guarantees provided by banks in our favour had a value of € 596 thousand.

The guarantees provided in favour of Viasat S.p.A., mainly in the interest of various municipalities, for the provision of urban hygiene services, amount to € 117 thousand.

Detector De Seguimento y Transmisón S.A. has outstanding guarantees provided in the amount of € 312 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. The main beneficiaries are the Bulgarian Ministry of the Economy and the cities of Pleven and Kazanlak.

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 2019 of € 18,446 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 favor

Contractor	Guarantees value
(euro)	FY 2019
Viasat S.p.A.	117,211
Detector S.A.	312,521
ICOM OOD	146,502

Guarantees for third parties

Guarantor	Guarantees value
(euro)	FY 2019
Viasat Group S.p.A.	18,446,775

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 2019		FY 2018	
	Profit (loss) for the year	Shareholders' Equity	Profit (loss) for the year	Shareholders' Equity
Viasat Group	**5,797**	**30,410**	**3,043**	**31,270**
Elimination of equity investments of the companies consolidated line-by-line:	**-**	**(99,189)**	**-**	**(106,472)**
IFRS results and assets generated by companies consolidated line-by-line:	**5,189**	**38,965**	**7,456**	**33,594**
Other consolidation adjustments:				
Price Allocation	(3,973)	18,281	(2,536)	19,281
Goodwill	2,580	41,801	-	49,190
Elimination of profits on inventory assets	21	(587)	73	(608)
Elimination of profits on assets under free loan	360	339	(66)	(21)
Elimination of profits on leased goods	-	(11)	-	(11)
Elimination of profits on financially leased assets	-	-	46	-
Intercompany profits on R&D capitalisation	65	(513)	11	(578)
Elimination of intercompany dividends	(6,368)	-	(5,881)	-
Elimination of the writedown of investments	-	2,349	750	3,050
Other adjustments	49	313	196	263
Consolidated Shareholders' equity and profits (loss)	**3,721**	**32,159**	**3,092**	**28,958**
Minority interests portion	(1)	(30)	(61)	(44)
Shareholders' equity and profits (loss) pertaining to the Group	**3,723**	**32,189**	**3,153**	**29,002**

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VIASAT GROUP S.P.A.

FINANCIAL STATEMENTS /2019

as at 31 December

G R O U P

STATEMENT OF COMPREHENSIVE INCOME[1]
Viasat Group S.p.A.

(euro)	Notes	FY 2019	FY 2018
Dividends and other income from equity investments	1	6,370,510	4,317,723
Capital gains (losses) on the sale of equity investments		-	-
Purchases of material and external services		-	-
Other operating revenues	2	2,668,977	3,380,937
Purcheses of materials and external services	3	(4,255,645)	(2,908,826)
Personnel costs	4	(2,378,682)	(2,126,787)
Other operating costs	5	(479,255)	(285,562)
Amortisation and depreciation	6	(566,486)	(230,515)
Provisions, write-downs and other income (expenses) non-recurrent	7	3,158,820	2,757,341
Gross Operating Margin		**4,518,241**	**4,904,310**
Financial income	8	338,443	26,684
Financial expenses	9	(895,709)	(1,675,534)
Net financial Income (Charges)		**(557,266)**	**(1,648,850)**
Pre-tax profit (loss)		**3,960,975**	**3,255,460**
Income taxes	10	1,835,935	571,622
Net result of operating activities		**5,796,910**	**3,827,082**
Results of assets disposed of and/or destined to be disposed of		-	-
Net Profit (Loss)		**5,796,910**	**3,827,082**
OTHER COMPREHENSIVE INCOME			
Available-for-sale assets	11	12,357	(1,983)
Hedging instruments	12	(45,805)	(144,386)
Actuarial income / (loss)	13	60,097	94,650
Exchange rate differences due to valuation of available-for-sale assets		-	-
Deferred tax on revenues not transferred through income statement	14	(6,396)	12,412
Total other comprehensive income components		**20,253**	**(39,307)**
Comprehensive net income (loss)	**15**	**5,817,163**	**3,787,775**
of which subsequently reclassified in the income statement		(25,421)	(111,240)
of which subsequently not reclassified in the income statement		45,674	71,933

(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 2019	FY 2018
Non-current assets			
Goodwill		-	-
Other intangile assets	16	580,340	620,365
Property, plant and equipment	17	2,619,112	133,107
Equity investments	18	90,470,840	53,009,165
Other financial assets	19	1,989,818	33,766,391
Tax assets	20	322,515	322,517
Deferred tax assets	21	284,804	55,213
Total non-current assets		**96,267,428**	**87,906,758**
Current assets			
Trade receibvables	22	1,396,577	983,903
Other receivables and miscellaneous curret assets	23	2,864,752	396,601
Other current financial assets	24	13,017,516	14,701,734
Tax assets	25	1,090,792	1,054,270
Cash and cash equivalents	26	7,401,884	1,010,784
Total current assets		**25,771,522**	**18,147,292**
Available-for-sale assets		-	-
Total assets		**122,038,950**	**106,054,051**
Capital and reserves			
Share capital		1,500,114	1,500,000
Reserves		23,897,166	26,726,924
Unallocated profits		5,796,910	3,827,082
Total Shareholders' Equity	**27**	**31,194,190**	**32,054,006**

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 2019	FY 2018
Non-current liabilities			
Payables to banks and other financiers	28	22,775,645	30,557,401
Finance lease liabilities	29	2,254,367	-
Other liabilities	30	6,907,574	5,565,666
Liabilities for pensions and employee severance indemnity	31	542,172	440,587
Deferred tax liabilities	32	100,913	84,144
Provisions for risks and charges	33	218,344	-
Total non-current liabilities		**32,799,015**	**36,647,798**
Current liabilities			
Payables to banks and other financiers	34	52,090,318	28,880,952
Finance lease liabilities	35	287,682	-
Trade payables	36	1,466,345	1,451,584
Tax liabilities	37	76,400	124,412
Other liabilities	38	4,124,999	6,895,297
Total current liabilities		**58,045,745**	**37,352,246**
Liabilities directly related to avalilable-for-sale assets		-	-
Total liabilities		**90,844,760**	**74,000,045**
Total liabilities and Shareholders' Equity		**122,038,950**	**106,054,051**

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]

(euro)	Notes	FY 2019	FY 2018
A) CASH FLOW FROM OPERATIONS			
Amounts collected from customers		20,776	3,665
Other amount collected		69,522	9,359
Intercompany amounts collected		2,236,648	6,843,682
Total amounts collected from operations		**2,326,946**	**6,856,706**
Payments to suppliers*		(4,951,176)	(3,925,352)
Payments relating to staff*		(2,365,292)	(2,272,514)
Payments for taxes		(283,610)	(527,170)
Payments for banking services		(78,482)	(81,222)
Other payments		(170,472)	(60,198)
Intercompany payments		(1,750,973)	(422,002)
Total payments from operations		**(9,600,006)**	**(7,288,457)**
Total payments from operations relating to asset destined to be sold		**-**	**-**
Cash flow balance from operations	**39**	**(7,273,059)**	**(431,751)**
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		40	163
Amounts collected for dividends		2,880	2,720
Price from disposal other assets		-	-
Intercompany asset disposal		6,366,458	4,315,003
Total amounts collected from investment activities		**6,369,378**	**4,317,886**
Payments for acquisitions of disposal of patents - licenses - trademarks - intellectual property rights		(292,204)	(282,834)
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***		(7,983,880)	(18,526,679)
Payments for the purchase of other assets		(34,641)	(54,842)
Intercomany payments for assets disposal		(773,709)	(7,324)
Total payments for investment activities		**(9,084,434)**	**(18,871,678)**
Cash flow balance from investment activities	**40**	**(2,715,056)**	**(14,553,792)**

* 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]

(euro)	Notes	FY 2019	FY 2018
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		16,500,000	34,000,000
Increases in cash and cash equivalents for short-terms loans		2,697,689	3,643,568
Amounts collected from other financing activities		-	150,000
Receipts from intercomany financing activity		27,983,466	2,810,967
Total amounts collected from financing activities		**47,181,155**	**40,604,536**
Repayment of medium/long term amounts due to banks		(20,643,048)	(17,253,736)
Repayment of short term amounts due to banks		-	(28,481)
Payments relating to financial leases		(47,058)	-
Interest payment		(829,431)	(617,056)
Dividend payment		-	-
Payment relating other financing investment		(1,100,000)	-
Payments related to intercompany financing liabilities		(7,420,972)	(12,469,256)
Total cash outflows relating to financing activities		**(30,040,509)**	**(30,368,530)**
Cash flow balance from financing activities	**41**	**17,140,646**	**10,236,006**
Cash at the beginning of the period		**1,010,784**	**7,270,043**
Cash flow balance from operations		**(7,273,059)**	**(431,751)**
Cash flow balance from investment activities		**(2,715,056)**	**(14,553,792)**
Cash flow balance from financing activities		**17,140,646**	**10,236,006**
Adjustments and Exchange rate differences on Cash		**(761,431)**	**(1,509,722)**
Cash at the end of the period		**7,401,884**	**1,010,784**

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

(euro)	Share capital	Legal reserve	Cash Flow Hedge Reserve	Other reserves	Unallocated profits	Profit of the year	Total Shareholders' Equity
Balance at 31/12/2018	**1,500,000**	**300,000**	**(171,495)**	**26,568,527**	**29,892**	**3,827,082**	**32,054,006**
Net profit (loss) for the year	-	-	-	-	-	5,796,910	5,796,910
Available for sale assets*	-	-	-	9,391	-	-	9,391
Hedging instruments*	-	-	(34,812)	-	-	-	(34,812)
Actuarial profit / (loss)*	-	-	-	45,674	-	-	45,674
Exchange rate differences due to valuation of available for sale assets	-	-	-	-	-	-	-
Comprehensive net income (losses)	**-**	**-**	**(34,812)**	**55,065**	**-**	**5,796,910**	**5,817,163**
Net Profit distribution	-	-	-	3,827,082	-	(3,827,082)	-
Dividends	-	-	-	-	-	-	-
Other Movements	114	-	-	(80)	(6,677,013)	-	(6,676,979)
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 FINANCIAL INDEBTEDNESS

(euro)	FY 2019	FY 2018
A) Cash	(878)	(714)
B) Other cash equivalent	(7,401,006)	(1,010,070)
C) Securities held for trading	-	-
D) Liquiditity (A) + (B) + (C)	**(7,401,884)**	**(1,010,784)**
E) Current financial receivables	**(13,017,516)**	**(14,701,734)**
F) Current bank payables	29,757,706	10,237,901
G) Current portion of non-current financial debt*	22,620,295	18,643,052
H) Other current financial payables	-	-
I) Current financial debt (F) + (G) + (H)	**52,378,001**	**28,880,952**
J) Net current financial debt (I) + (E) + (D)	**31,958,600**	**13,168,434**
K) Non-current bank payables	22,505,488	30,334,672
L) Bond issued	-	-
M) Other non-current payables	2,524,523	222,729
N) Non-current financial debt (K) + (L) + (M)	**25,030,012**	**30,557,401**
O) Net financial debt (J) + (N)	**56,988,612**	**43,725,836**

STATEMENT OF COMPREHENSIVE INCOME in accordance with CONSOB Resolution No. 15519 of 27 July 2006

(euro)	FY 2019	of which related parties	%	FY 2018	of which related parties	%
Dividends and other income from equity investments	6,370,510	6,367,630	100.0%	4,317,723	4,315,003	99.9%
Capital gains (losses) on the sale of equity investments	-			-		
Purchases of material and external services	-			-		
Other operating revenues	2,668,977	2,080,031	77.9%	3,380,937	3,017,810	89.3%
Purcheses of materials and external services	(4,255,645)	(1,421,049)	33.4%	(2,908,826)	(1,925,543)	66.2%
Personnel costs	(2,378,682)	(272,318)	11.4%	(2,126,787)	(275,693)	13.0%
Other operating costs	(479,255)	(16,276)	3.4%	(285,562)	(5,934)	2.1%
Amortisation and depreciation	(566,486)	(289,748)	51.1%	(230,515)		
Provisions, write-downs and other income (expenses) non-recurrent	3,158,820			2,757,341		
Gross Operating Margin	**4,518,241**			**4,904,310**		
Financial income	338,443			26,684	56	0.2%
Financial expenses	(895,709)	(63,135)	7.0%	(1,675,534)	(750,094)	44.8%
Net financial Income (Charges)	**(557,266)**			**(1,648,850)**		
Pre-tax profit (loss)	**3,960,975**			**3,255,460**		
Income taxes	1,835,935	1,616,718	88.1%	571,622	562,799	98.5%
Net result of operating activities	**5,796,910**			**3,827,082**		
Results of assets disposed of and/or destined to be disposed of	-			-		
Net Profit (Loss)	**5,796,910**			**3,827,082**		

(euro)	FY 2019	of which related parties	%	FY 2018	of which related parties	%
OTHER COMPREHENSIVE INCOME						
Available-for-sale assets	12,357			(1,983)		
Hedging instruments	(45,805)			(144,386)		
Actuarial income / (loss)	60,097			94,650		
Exchange rate differences due to valuation of available-for-sale assets	-			-		
Deferred tax on revenues not transferred through income statement	(6,396)			12,412		
Total other comprehensive income components	**20,253**			**(39,307)**		
Comprehensive net income (loss)	**5,817,163**			**3,787,775**		
of which subsequently reclassified in the income statement	(25,421)			(111,240)		
of which subsequently not reclassified in the income statement	45,674			71,933		

STATEMENT OF EQUITY AND FINANCIAL POSITION in accordance with CONSOB Resolution No. 15519 of 27 July 2006

(euro)	FY 2019	of which related parties	%	FY 2018	of which related parties	%
Non-current assets						
Goodwill						
Other intangile assets	580,340			620,365		
Property, plant and equipment	2,619,112	2,461,400	94.0%	133,107		
Equity investments	90,470,840	90,465,838	100.0%	53,009,165	53,009,165	100.0%
Other financial assets	1,989,818	749,594	37.7%	33,766,391	33,658,746	99.7%
Tax assets	322,515			322,517		
Deferred tax assets	284,804			55,213		
Total non-current assets	**96,267,428**			**87,906,758**		
Current assets						
Trade receibvables	1,396,577	1,390,841	99.6%	983,903	981,168	99.7%
Other receivables and miscellaneous curret assets	2,864,752	2,488,419	86.9%	396,601	106,098	26.8%
Other current financial assets	13,017,516	12,955,093	99.5%	14,701,734	14,701,734	100.0%
Tax assets	1,090,792			1,054,270		
Cash and cash equivalents	7,401,884			1,010,784		
Total current assets	**25,771,522**			**18,147,292**		
Available-for-sale assets	-			-		
Total assets	**122,038,950**			**106,054,051**		

(euro)	FY 2019	of which related parties	%	FY 2018	of which related parties	%
Capital and reserves						
Share capital	1,500,114			1,500,000		
Reserves	23,897,166			26,726,924		
Unallocated profits	5,796,910			3,827,082		
Shareholder's Equity pertaining to the Group	**31,194,190**			**32,054,006**		
Shareholders' Equity attributable to the minority shareholders/Minority interests	-			-		
Total Shareholders' Equity	**31,194,190**			**32,054,006**		
Non-current liabilities						
Payables to banks and other financiers	22,775,645			30,557,401		
Finance lease liabilities	2,254,367	2,221,937	98.6%	-		
Other liabilities	6,907,574	4,147,590	60.0%	5,565,666	2,354,354	42.3%
Liabilities for pensions and employee severance indemnity	542,172			440,587		
Deferred tax liabilities	100,913			84,144		
Provisions for risks and charges	218,344			-		
Total non-current liabilities	**32,799,015**			**36,647,798**		
Current liabilities						
Payables to banks and other financiers	52,090,318	23,416,389	45.0%	28,880,952	6,594,273	22.8%
Finance lease liabilities	287,682	267,743	93.1%	-		
Trade payables	1,466,345	449,317	30.6%	1,451,584	565,368	38.9%
Tax liabilities	76,400			124,412		
Other liabilities	4,124,999	1,420,498	34.4%	6,895,297	1,804,868	26.2%
Total current liabilities	**58,045,745**			**37,352,246**		
Liabilities directly related to avalilable-for-sale assets	-			-		
Total liabilities	**90,844,760**			**74,000,045**		
Total liabilities and Shareholders' Equity	**122,038,950**			**106,054,051**		

CASH FLOW STATEMENT in accordance with CONSOB Resolution No. 15519 of 27 July 2006

(euro)	FY 2019	of which related parties	%	FY 2018	of which related parties	%
A) CASH FLOW FROM OPERATIONS						
Amounts collected from customers	20,776			3,665		
Other amount collected	69,522			9,359		
Intercompany amounts collected	2,236,648	2,236,648	100.00%	6,843,682	6,843,682	100.00%
Total amounts collected from operations	**2,326,946**			**6,856,706**		
Payments to suppliers*	(4,951,176)	(479,419)	9.68%	(3,925,352)	(1,015,429)	25.87%
Payments relating to staff*	(2,365,292)	(336,825)	14.24%	(2,272,514)	(368,345)	16.21%
Payments for taxes	(283,610)			(527,170)		
Payments for banking services	(78,482)			(81,222)		
Other payments	(170,472)			(60,198)		
Intercompany payments	(1,750,973)	(1,750,973)	100.00%	(422,002)	(422,002)	100.00%
Total payments from operations	**(9,600,006)**			**(7,288,457)**		
Total payments from operations relating to asset destined to be sold	**-**			**-**		
Cash flow balance from operations	**(7,273,059)**			**(431,751)**		

* net of investments

(euro)	FY 2019	of which related parties	%	FY 2018	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	40			163		
Amounts collected for dividends	2,880			2,720		
Price from disposal other assets	-			-		
Intercompany asset disposal	6,366,458	6,366,458	100.00%	4,315,003	4,315,003	100.00%
Total amounts collected from investment activities	**6,369,378**			**4,317,886**		
Payments for acquisitions of disposal of patents - licenses - trademarks - intellectual property rights	(292,204)			(282,834)		
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***	(7,983,880)	(5,623,178)	70.43%	(18,526,679)	(756,771)	4.08%
Payments for the purchase of other assets	(34,641)			(54,842)		
Intercomany payments for assets disposal	(773,709)	(773,709)	100.00%	(7,324)	(7,324)	100.00%
Total payments for investment activities	**(9,084,434)**			**(18,871,679)**		
Cash flow balance from investment activities	**(2,715,056)**			**(14,553,793)**		

** net of cash and cash equivalents disposed of

*** net of cash and cash equivalent acquired

(euro)	FY 2019	of which related parties	%	FY 2018	of which related parties	%
C) CASH FLOW FROM FINANCING ACTIVITIES						
Amounts collected relating to the issue of equities	-			-		
Other contributions from sharehol-ders	-			-		
Increases in cash and cash equivalents for long-terms loans	16,500,000			34,000,000		
Increases in cash and cash equivalents for short-terms loans	2,697,689			3,643,568		
Amounts collected from other financing activities	-			150,000		
Receipts from intercomany financing activity	27,983,466	27,983,466	100.00%	2,810,967	2,810,967	100.00%
Total amounts collected from finan-cing activities	**47,181,155**			**40,604,535**		
Repayment of medium/long term amounts due to banks	(20,643,048)			(17,253,736)		
Repayment of short term amounts due to banks	-			(28,481)		
Payments relating to financial leases	(47,058)	(27,465)	58.36%	-		
Interest payment	(829,431)	(3,123)	0.38%	(617,056)		
Dividend payment	-			-		
Payment relating other financing investment	(1,100,000)			-		
Payments related to intercompany financing liabilities	(7,420,972)	(7,420,972)	100.00%	(12,469,256)	(12,469,256)	100.00%
Total cash outflows relating to financing activities	**(30,040,509)**			**(30,368,530)**		
Cash flow balance from financing activities	**17,140,646**			**10,236,005**		
Cash at the beginning of the period	**1,010,784**			**7,270,043**		
Cash flow balance from operations	**(7,273,059)**			**(431,751)**		
Cash flow balance from investment activities	**(2,715,056)**			**(14,553,792)**		
Cash flow balance from financing activities	**17,140,647**			**10,236,006**		
Adjustments and Exchange rate differences on Cash	**(761,432)**			**(1,509,722)**		
Cash at the end of the period	**7,401,884**			**1,010,784**		

Integration

EXPLANATORY NOTES

INTRODUCTION

The 2019 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

IFRS 16.

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

IFRS 16 was published in January 2016 and replaces IAS 17, IFRIC 4, SIC-15 and SIC-27. IFRS 16 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.

Upon lease commencement, a lessee will recognise a lease liability for the payment of the rental fees envisaged by the contract of lease and a right-of-use asset. The lessees will have to recognise separately interest expenses on a lease liability and the amortisation of a right-of-use asset. The lessees will also have to re-measure the lease liability when certain events occur (e.g.: change in the lease term, change in future lease payments resulting from a change in an index or a rate used to determine those payments). The lessee will recognise generally the re-measurements of the lease liability as adjustments to the right-of-use asset.

IFRS 16 takes effect from annual periods beginning on 1 January 2019, with full or modified retrospective application. The Company applies the new standard using the modified retrospective method, option B, without restatement of contracts existing as at 1 January 2019 and not applying the principle to "low value" and short-term assets.

The figures as at 31 December showing the impacts of the introduction of the new accounting standard are shown below:

Description	(thousands of euro)
Net invested capital increase	2,826
Net Financial Position increase	2,542
Cancellation of rental costs	349
Increase of depreceation	313
Increase of financial expenses	65

IFRIC 23 - Uncertainty Over Income Tax Treatments.

On 23 October 2018, Regulation EU no. 2018/1595 was issued, which endorsed this interpretation.

Amendments to IFRS 9: Prepayment Features with Negative Compensation

On 22 March 2018, Regulation EU no. 2018/498 was issued, which endorsed several amendments to IFRS 9 – Financial Instruments.

Improvements to IFRSs (2015–2017 Cycle)

On 14 March 2019, Regulation EU no. 2019/412 was issued, which endorsed several amendments to IAS 12 – Income Taxes, IAS 23 – Borrowing Costs, IFRS 3 – Business Combinations and IFRS 11 – Joint Arrangements.

IAS 28 (Investments in Associates and Joint Ventures)

On 8 February 2019, Regulation EU no. 2019/237 was issued, which endorsed several amendments to IAS 28 – Investments in Associates and Joint Ventures.

IAS 19 (Employee Benefits)

On 13 March 2019, Regulation EU no. 2019/402 was issued, which endorsed several amendments to IAS 19 – Employee Benefits.

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 2019.

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 2019 and the comparison with 31 December 2018 are provided hereunder.

Dividends and other income from equity investments	FY 2019	FY 2018	Change absolute	%
Dividends	6,371	4,318	2,053	47.5%
Total Dividends and other income from equity investments	**6,371**	**4,318**	**2,053**	**47.5%**

The *dividends* the Parent Company received were distributed by the subsidiary Viasat S.p.A. for € 4,400 thousand, by the subsidiary Viasat Monitoring Sp. z o.o. for € 1,064 thousand, by the subsidiary Enigma Telematics for € 904 thousand, and by a minority equity investment for € 3 thousand.

2. Other operating revenues

The breakdown of the item *other operating revenues* as at 31 December 2019 and the comparison with 31 December 2018 are provided below:

Other operating revenues	FY 2019	FY 2018	Change absolute	%
Penalties and compensations	-	2	(2)	(100.0%)
Contingent assets	2	359	(357)	(99.3%)
Other income	2,051	1,473	578	39.3%
Intercompany loans interest income	289	1,342	(1,053)	(78.5%)
Intercompany interest income	327	205	122	59.3%
Total Other operating revenues	**2,669**	**3,381**	**(712)**	**(21.1%)**

The item *other income* includes charge-backs to companies of the Group for the typical management and coordination activities of the Holding. The increase on the year ended as at 31 December 2018 is mainly due to compensation received as a result of a Settlement Agreement.

3. Purchases of materials and external services

The breakdown of the item *purchases of materials and external services* as at 31 December 2019 and the comparison with 31 December 2018 are provided below:

Purcheses of materials and external services	FY 2019	FY 2018	Change absolute	%
Consumables	(47)	(47)	(0)	0.8%
Telecommunications services	(54)	(50)	(4)	7.2%
Administration and control bodies	(694)	(634)	(61)	9.6%
Consulting services	(2,236)	(714)	(1,522)	213.1%
Commercial and advertising services	(24)	(9)	(15)	169.1%
Banking expenses and comissions	(170)	(169)	(1)	0.6%
Utilities and maintenance	(61)	(141)	81	(57.1%)
Other services	(922)	(737)	(185)	25.1%
Leases	(36)	(361)	325	(90.0%)
Operating rentals	(11)	(46)	35	(75.3%)
Total Purcheses of materials and external services	**(4,256)**	**(2,909)**	**(1,347)**	**46.30%**

The item *Consultancy* increased during 2019 compared to the previous financial year mainly due to a greater use of external consultancy in order to support the development strategy undertaken by the Group and the support required for operations on IT systems.

The item *Other costs for services* recorded an increase of € 185 thousand and mainly comprises costs for intercompany services.

The item *Leases* mainly includes the cost for the use of the building in Venaria Reale, Turin, which is re-invoiced to subsidiaries according to actual usage. The reduction compared to 31 December 2018 is due to the application of the accounting standard IFRS 16.

4. Personnel costs

The breakdown of the item *personnel costs* as at 31 December 2019 and 31 December 2018 is given below:

Personnel costs	FY 2019	FY 2018	Change absolute	%
Wages and salaries	(1,617)	(1,460)	(157)	10.7%
Social security contributions	(512)	(445)	(67)	15.1%
Employee severance indemnity and other funds	(207)	(188)	(20)	10.4%
Other staff costs	(42)	(34)	(8)	24.4%
Total Personnel costs	**(2,379)**	**(2,127)**	**(252)**	**11.8%**

The item *Personnel costs* rose all-in-all by € 252 thousand or 11.8% compared to 31 December 2018. This change is due to the effect of the increase in the number of employees during 2019, as shown in the table at the end of this note.

The item *other staff costs* consists mainly of the cost for the purchase of meal vouchers and, for the remaining part, the cost for periodic medical check-ups for employees.

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

	FY 2019	FY 2018
Managers	8	8
Employees	33	31
Total	**41**	**39**

5. Other operating costs

The breakdown of the item *other operating costs* as at 31 December 2019 and the comparison with 31 December 2018 are provided below:

Other operating costs	FY 2019	FY 2018	Change absolute	%
Contingent liabilities	(8)	(15)	7	(47.1%)
Travel expenses	(102)	(109)	7	(6.4%)
Taxes	(4)	(8)	4	(47.4%)
Other operating expenses	(349)	(147)	(202)	137.4%
Intercompany interest expense	(16)	(6)	(10)	100.0%
Total Other operating costs	**(479)**	**(286)**	**(194)**	**67.8%**

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.

6. Amortisation and depreciation

The breakdown of the item *amortisation and depreciation* as at 31 December 2019 and the comparison with 31 December 2018 are provided below:

Amortisation and depreciation	FY 2019	FY 2018	Change absolute	%
Depreciation tangible goods	(375)	(57)	(318)	554.1%
Amortisation intangible goods	(191)	(173)	(18)	10.3%
Total Amortisation and depreciation	**(566)**	**(231)**	**(336)**	**145.7%**

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 2019 and the comparison with 31 December 2018:

Provisions, write-downs and other income (expenses) non-recurrent	**FY 2019**	**FY 2018**	**Change absolute**	**%**
Write-down	(218)	(28)	(190)	683%
Other non-recurring revenues	5,321	2,889	2,432	84%
Non-recurring costs	(1,943)	(104)	(1,840)	1771%
Total Provisions, write-downs and other income (expenses) non-recurrent	**3,159**	**2,757**	**401**	**14.6%**

The item *other non-recurring revenues* consists of the adjustment of the debt for the purchase of the investments in the subsidiaries Tel & Tel for € 744 thousand, Tracksys for € 42 thousand, ICOM for € 1,472 thousand, Detector for € 2,637 thousand and Anthea for € 425 thousand as at 31 December 2019. The item *non-recurring costs* includes the costs incurred to adjust the debt for the purchase of all the shareholdings in the subsidiaries Trackit and Tel & Tel, equal to € 350 thousand for Trackit and € 242 thousand for Tel & Tel.

The Provision for risks of € 218 thousand relates to the allocation made for arbitration proceedings arising during 2019.

8. Financial income

The breakdown of the item *financial income* as at 31 December 2019 and the comparison as at 31 December 2018 are provided below:

Financial income	**FY 2019**	**FY 2018**	**Change absolute**	**%**
Exchange gains realized	2	1	1	126.7%
Exchange gains unrealized	314	26	288	1104.6%
Other financial income	22	-	22	-
Total Financial income	**338**	**27**	**311**	**1151.4%**

The item *unrealised exchange gains* represents the adjustment of currency accounts and currency intercompany loans still open as at 31 December 2019.

9. Financial charges

The breakdown of the item *financial charges* as at 31 December 2019 and the comparison as at 31 December 2018 are provided below:

Financial expenses	FY 2019	FY 2018	Change absolute	%
Banking interest expense	(733)	(548)	(185)	33.7%
Exchange losses non realized	(72)	(364)	292	(80.2%)
Exchange losses realized	(17)	(2)	(15)	715.9%
Other financial expense	(74)	(11)	(62)	546.2%
Write-downs on investments	-	(750)	750	(100.0%)
Total Financial expenses	**(896)**	**(1,676)**	**780**	**(46.5%)**

The item *unrealised exchange losses* represents the adjustment of intercompany currency accounts (USD, GBP) and the adjustment of medium/long-term loans (GBP, PLN) disbursed to the Sub-Holding Viasat Telematics Ltd.

The item *equity investment write-downs*, equal to € 750 thousand recorded as at 31 December 2018, refers to the shareholding in Viasat Telematics Ltd, as shown in Note 18, which was closed during 2019 as a result of the merger by incorporation into Viasat Group.

The item *other financial expenses* mainly consists of the financial charges for the discounting of employee severance indemnities (TFR) according to IAS 19.

10. Income taxes

The breakdown of the item *income taxes* as at 31 December 2019 and the comparison with 31 December 2018 are provided below:

Income taxes	FY 2019	FY 2018	Change absolute	%
Deferred taxes	219	-	219	
Income from tax consolidation	1,617	563	1,054	187.3%
Taxes from previous years	-	9	(9)	(100.0%)
Total Income taxes	**1,836**	**572**	**1,264**	**221.2%**

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 tax impact of the provisions allocated during the year of € 52 thousand and the tax impact of the unused loss in the tax consolidation for € 167 thousand. The item *income from tax consolidation* represents the use of the 2019 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 2019 and the comparison with 31 December 2018 are provided below:

Available-for-sale assets	**FY 2019**	**FY 2018**	**Change absolute**	**%**
Available-for-sale assets	12	(2)	14	(723.2%)
Total Available-for-sale assets	**12**	**(2)**	**14**	**(723.2%)**

The amount reported in 2019 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 2019 and the comparison with 31 December 2018 are provided below:

Hedging instruments	**FY 2019**	**FY 2018**	**Change absolute**	**%**
Hedging instruments	(46)	(144)	99	(68.3%)
Total Hedging instruments	**(46)**	**(144)**	**99**	**(68.3%)**

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

13. Actuarial profits/(losses)

The breakdown of the item *actuarial profits/(losses)* as at 31 December 2019 and the comparisons as at 31 December 2018 are presented below:

Actuarial profits/(losses)	**FY 2019**	**FY 2018**	**Change absolute**	**%**
Actuarial profits/(losses)	60	95	(35)	(36.5%)
Total Actuarial profits/(losses)	**60**	**95**	**(35)**	**(36.5%)**

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 the income statement

The breakdown of the item *deferred tax on revenues not transferred through the income statement* as at 31 December 2019 and the comparison as at 31 December 2018 are shown below:

Deferred tax on revenues not transferred through the income statement	**FY 2019**	**FY 2018**	**Change absolute**	**%**
Deferred tax on revenues not transferred through the income statement	(6)	12	(19)	(151.5%)
Total Deferred tax on revenues not transferred through the income statement	**(6)**	**12**	**(19)**	**(151.5%)**

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 2019 is provided below, with comparable figures for the previous year, calculated on the comprehensive net income.

	FY 2019	**FY 2018**
Comprehensive net income (loss) (euro)	5,817,163	3,787,775
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)	0.19	0.13
Diluted earnings per share (euro)	0.19	0.13

Artificial Intelligence

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 2019 and the comparison with 31 December 2018 are provided below:

Other intangible assets	FY 2019	FY 2018	Change absolute	%
Licenses and Software	580	620	(40)	(6.5%)
Total Other intangible assets	**580**	**620**	**(40)**	**(6.5%)**

The table illustrating the changes follows:

Cost of intangible assets	FY 2018	Increase	Reclassification	FY 2019
Development costs - Historical Cost	620	151	930	**1,702**
Development costs - Accumulated Amortization	-	-	(930)	**(1,121)**
Other intangile assets - Historical Cost	-	-	13	**13**
Other intangile assets - Accumulated Amortization	-	-	(13)	**(13)**
Total Cost of intangible assets	**620**	**151**	**-**	**580**

The reclassifications refer to the division of the net book value as at 31 December 2018 into the historic cost and accumulated amortisation. The increase during the year, equal to € 151 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 2019 and 31 December 2018 is given below:

Property, plant and equipment	FY 2019	FY 2018	Change absolute	%
Buildings - Historical cost	2,751	-	2,751	-
Plant and machinery - Historical Cost	46	46	-	-
Electronic machinery and equipment - Historical Cost	294	266	28	10.7%
Motor vehicles and means of transport - Historical Cost	84	84	-	-
Motor vehicles and means of transport IFRS 16 - Historical Cost	75	-	75	-
Other Assets - Historical Cost	169	162	7	4.4%
Buildings - Accumulated Amortization	(290)	-	(290)	-
Plant and machinery - Accumulated Amortization	(21)	(16)	(5)	28.8%
Electronic machinery and equipment - Accumulated Amortization	(222)	(193)	(29)	15.0%
Motor vehicles and means of transport - Accumulated Amortization	(84)	(63)	(21)	33.3%
Motor vehicles and means of tran-sport IFRS 16 - Accumulated Amortization	(23)	-	(23)	-
Other Assets - Accumulated Amortization	(161)	(153)	(8)	5.2%
Total Property, plant and equipment	**2,619**	**133**	**2,486**	**1867.7%**

During 2019, investments in tangible fixed assets of € 49 thousand were made.

The table illustrating the changes follows:

Cost of Property, plant and equipment	FY 2018	Increase	Change of accounting principle	Depreciation	Reclassification	FY 2019
Buildings IFRS 16	**-**		2,751	-	-	**2,751**
Plant and machinery	**46**	-	-	-	-	**46**
Electronic machinery and equipment	**266**	42	-	(14)	-	**294**
Motor vehicles and means of transport	**84**	-	-	-	-	**84**
Motor vehicles and means of transport IFRS 16	**-**	-	75	-	-	**75**
Other Assets	**162**	7	-	-	-	**169**
Total Cost	**558**	**49**	**2,826**	**(14)**	**-**	**3,420**

Accumulated Amortization of Property, plant and equipment	FY 2018	Decrease	Change of accounting principle	Depreciation	Reclassification	FY 2019
Buildings IFRS 16	**-**	-	-	(290)		**(290)**
Plant and machinery	**(16)**	-	-	(5)	-	**(21)**
Electronic machinery and equipment	**(193)**	-	-	(29)	-	**(222)**
Motor vehicles and means of transport	**(63)**	-	-	(21)	-	**(84)**
Motor vehicles and means of transport IFRS 16	**-**	-	-	(23)		**(23)**
Other Assets	**(153)**	-	-	(8)	-	**(161)**
Total Accumulated Amortization	**(425)**	**-**	**-**	**(375)**	**-**	**(800)**

18. Equity investments

The breakdown of the item *equity investments* as at 31 December 2019 and the comparison as at 31 December 2018 are given below:

Equity investments	FY 2019	FY 2018	Change absolute	%
Equity investments - Historical Value	92,820	53,759	39,061	72.7%
Equity investments - Writedowns	(2,349)	(750)	(1,599)	213.2%
Total Equity investments	**90,471**	**53,009**	**(1,599)**	**(3.0%)**

The breakdown of the item *Equity investments* is shown below for 2019 and 2018:

	FY 2019	FY 2018
Detector S.A.	24,390	24,390
Viasat S.p.A.	12,590	9,561
Enigma Telematics	10,820	-
ICOM - Viasat Technology	9,514	-
CMA - Viasat Monitoring Sp.Z.o.o.	8,672	-
Vem Solutions S.p.A.	7,354	7,354
TEL & TEL S.a.S.	6,700	6,700
Tracksys	5,085	-
Hitechs	2,342	-
Trackit Consulting LDA	1,371	1,371
Viasat Servicios Telematicos	897	-
Team.ind Solution S.r.l.	605	605
Anthea S.r.l.	-	2,566
CEFIN Viasat Systems	126	-
Viasat SA	5	-
Datamove S.r.l.	-	381
Sherlock S.r.l.	-	82
Total	**90,471**	**53,009**

The write-down of € 750 thousand recorded at 31 December 2018 referred to the shareholding in Viasat Telematics Ltd, merged in early 2019. As at 31 December 2019, the only existing write-down related 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 2019 and the comparison with 31 December 2018 are provided below:

Other financial assets	FY 2019	FY 2018	Change absolute	%
Financial receivables	1,877	33,659	(31,782)	(94.4%)
Other equity investments	113	100	12	12.3%
Other financial receivables	-	7	(7)	(100.0%)
Total Other financial assets	**1,990**	**33,766**	**(31,777)**	**(94.1%)**

The item *financial receivables* shows a balance as at 31 December 2019 of € 1,877 thousand and represents the medium/long term portion of the loans disbursed to other Group companies for the Group's internationalisation process through the acquisition of new companies and to fund working capital requirements and investments. Moreover, financial receivables include € 1,127 thousand in receivables due from the associate Cogema S.r.l. for loans disbursed during the year.

The item *other equity investments* shows a balance as at 31 December 2019 of € 113 thousand and comprises € 59 thousand of an equity investment in a company listed on the Italian stock exchange, recognised under *available-for-sale assets* and measured at fair value based on the market value, and for € 54 thousand of an unqualified equity investment.

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.

20. Tax assets

The breakdown of the item *tax assets* as at 31 December 2019 and the comparison with 31 December 2018 are provided below:

Tax assets	FY 2019	FY 2018	Change absolute	%
Receivables for requested tax rebates	323	323	-	-
Total Tax assets	**323**	**323**	**-**	**-**

The item shows a balance as at 31 December 2019 of € 323 thousand, equal to the figure as at 31 December 2018. That item is 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 amount comprises: € 209 thousand pertaining to the subsidiary Viasat S.p.A., and € 114 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. focuses the amounts due from the tax authorities on itself.

21. Deferred tax assets

The value of *deferred tax assets* as at 31 December 2019 compared with the value as at 31 December 2018 is shown below:

Deferred tax assets	**FY 2019**	**FY 2018**	**Change absolute**	**%**
Deferred tax assets	285	55	230	415.8%
Total Deferred tax assets	**285**	**55**	**230**	**415.8%**

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

	FY 2019		**FY 2018**	
(thousands of euro)	**Amount of timing differences**	**tax effect**	**Amount of timing difference**	**tax effect**
Timing differences included in calculation of prepaid taxes:				
IRES (company earnings' tax) rate change	114	(4)	114	(4)
Fair value of available -for-sale assets*	(4)	1	(4)	1
Provisions for risks and charges	(217)	52	0	0
Prepaid taxes on prior losses	(696)	167	0	0
Hedging instruments*	(288)	69	(242)	58
Total prepaid taxes		**285**		**55**

* charges/credits to Shareholders' equity

22. Trade receivables

The value of the *trade receivables* as at 31 December 2019 compared with the value as at 31 December 2018 is shown below:

Trade receivables	**FY 2019**	**FY 2018**	**Change absolute**	**%**
Customer receivables	1,424	1,012	413	40.8%
Customer receivables - Provisions	(28)	(28)	-	-
Total Trade receivables	**1,397**	**984**	**413**	**40.8%**

The item *trade receivables* comprises: receivables from third-parties of € 32 thousand, receivables from subsidiaries of € 1,392 thousand and the bad debt provision, set aside on a credit position of a customer company, of € 28 thousand.

23. Other receivables and miscellaneous current assets

The value of the *other receivables and miscellaneous current assets* as at 31 December 2019 compared with the value as at 31 December 2018 is shown below:

Other receivables and miscellaneous current assets	**FY 2019**	**FY 2018**	**Change absolute**	**%**
Advances to suppliers	73	57	16	28.9%
Prepayments	268	208	60	28.6%
Other receivables	2,524	131	2,392	1819.8%
Total Other receivables and miscellaneous current assets	**2,865**	**397**	**2,468**	**622.3%**

The item *other receivables* mainly consists of the intercompany records of tax consolidation attributed to Viasat S.p.A for € 2,482 thousand. The remaining € 383 thousand refers to other receivables and prepayments.

24. Other current financial assets

The value of *other current financial assets* as at 31 December 2019 compared with the value as at 31 December 2018 is shown below:

Other current financial assets	**FY 2019**	**FY 2018**	**Change absolute**	**%**
Financial receivables	13,018	14,702	(1,684)	(11.5%)
Total Other current financial assets	**13,018**	**14,702**	**(1,684)**	**(11.5%)**

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 € 13,018 thousand is attributable for € 4,395 thousand to the relationship between the parent company and Vem Solutions S.p.A., for € 5,717 thousand to the relationship with Teamind S.r.l., for € 166 thousand to the relationship with BF Engineering SA., for 651 thousand to the relationship with Viasat Systems S.r.l., for € 1,981 thousand to the relationship with Tel & Tel, for € 24 thousand to the relationship with Viasat Servicios Telematicos, for € 22 thousand to the relationships for interest on intercompany loans and € 62 thousand to the balance of the prepaid credit cards provided to employees.

25. Tax assets

The value of *tax assets* as at 31 December 2019 compared with the value as at 31 December 2018 is shown below:

Tax assets	FY 2019	FY 2018	Change absolute	%
VAT receivables	243	555	(312)	(56.2%)
Due from tax authoritie for current taxes	847	499	349	69.9%
Totale Tax assets	**1,091**	**1,054**	**37**	**3.5%**

The item *VAT credit* represents the amounts due from the tax authorities for VAT for December 2019. The item *due from tax authorities for current taxes* as at 31 December 2019 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 2019 and at 31 December 2018 is presented in the table below:

Cash and cash equivalents	FY 2019	FY 2018	Change absolute	%
Bank current accounts	7,401	1,010	6,391	632.7%
Cash and liquid deposits	1	1	-	-
Total Cash and cash equivalents	**7,402**	**1,011**	**6,391**	**632.3%**

During 2019, the company made use of external sources of funding by signing new medium/long-term loan agreements, as described in note 28, for a total of € 16,500 thousand.

27. Shareholders' Equity

The breakdown of S*hareholders' equity* is given below:

Availability of Shareholders' equity items	**Balance as at 31 Dec. 2019**	**Balance as at 31 Dec. 2018**
Share capital	1,500	1,500
Revaluation reserve It. Law No. 342/2000	1,509	1,509
Legal reserve	300	300
Retained earnings	22,088	24,918
Net profit (loss) for the year	5,797	3,827
Total Shareholders' Equity	**31,194**	**32,054**

Availability of Shareholders' equity items	**Balance as at 31 Dec. 2019**	**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	27,483	A - B - C	27,483		
First Time Adoption (FTA)	30	B			
Cash-flow hedge reserve	(206)	B			
Valuation reserve	579	B	281		
Total	**31,194**		**29,273**		

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 2019, the legal reserve amounted to € 300 thousand and has remained unchanged since the previous year since one-fifth of the share capital has already been reached. The extraordinary reserve totals € 27,483 thousand, of which € 3,827 thousand represented by the increases in the retained earnings of the period, and € 6,677 derives from the merger of Viasat Telematics in February 2019. 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 2019 compared with the value as at 31 December 2018 is provided in the table given below:

Payables to banks and other financiers	FY 2019	FY 2018	Change absolute	%
Medium/long term loans	22,596	30,428	(7,833)	(25.7%)
Discounting loans	(90)	(94)	3	(3.7%)
Hedging instrument liabilities	270	223	47	21.3%
Total Payables to banks and other financiers	**22,776**	**30,557**	**(7,782)**	**(25.5%)**

The payable shown as at 31 December 2019 for long-term loans of € 22,596 thousand represents the medium to long-term portion of existing loans, while the short-term portion highlighted in note 34 is € 22,333 thousand for 2019. The new loan agreements concluded during financial year 2019 have a total value of € 16,500 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 2019 of € 270 thousand compared to € 223 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 2019 and 31 December 2018 is provided below:

Finance lease liabilities (M/L)	FY 2019	FY 2018	Change absolute	%
IFRS 16 Finance lease liabilities (M/L)	2,254	-	2,254	100.0%
Total Finance lease liabilities (M/L)	**2,254**	**-**	**2,254**	**100.0%**

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 accounting standard IFRS 16, as shown in the dedicated section of the notes. 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 2019 compared to the value as at 31 December 2018 is presented in the table below:

Other liabilities (non current portion)	**FY 2019**	**FY 2018**	**Change absolute**	**%**
Other liabilities for shares acquisitions (M/L)	6,908	5,566	1,342	24.1%
Total Other liabilities (non current portion)	**6,908**	**5,566**	**1,342**	**24.1%**

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 years 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' benefit*s as at 31 December 2019, compared with the value as at 31 December 2018, is presented in the table below:

Provisions for employees' benefits	**FY 2019**	**FY 2018**	**Change absolute**	**%**
Employee severance indemnity	542	441	102	23.1%
Total Provisions for employees' benefits	**542**	**441**	**102**	**23.1%**

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 2019	FY 2018
Annual discounting rate	0.77%	1.57%
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	1.60% for 2019
	2.00% from 2020 onwards	2.00% from 2020 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	2.700% for 2019
	3.000% from 2020 onwards	3.000% from 2020 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 of 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

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%	535,142.27
Turnover rate - 1%	550,238.78
Inflation rate + 0.25%	553,872.51
Inflation rate - 0.25%	530,847.25
Discount rate + 0.25%	527,815.09
Discount rate - 0.25%	557,187.84

Service Cost e Duration:

Description	Viasat Group S.p.A.
Service cost 2019	97,281.89
Plan duration	17.10

The table of employee benefits based on IAS 19 is shown below:

Description	Viasat Group S.p.A.
Defined Benefit Obligation 1/1/2019	440,587
Service Cost	92,576
Interest Cost	4,682
Benefits Paid	(27,080)
Transfers in/out)	0
Expected DBO 31/12/2018	510,765
Actuarial (Gain)/Losses from experience	3,375
Actuarial (Gain)/Losses due to the change in demographic assumptions	0
Actuarial (Gain)/Losses due to the change in financial assumptions	28,031
Defined Benefit Obligation 31/12/2019	542,172

Description	Viasat Group S.p.A.
Defined Benefit Obligation 31/12/2019	542,172
Statutory employee severance indemnity 31/12/2019	451,179
Surplus/(Deficit)	(90,993)

32. Deferred tax liabilities

The value of the *deferred tax liabilities* as at 31 December 2019 compared with the value as at 31 December 2018 is shown below:

Deferred tax liabilities	FY 2019	FY 2018	Change absolute	%
Deferred tax provision	101	84	17	19.9%
Total Deferred tax liabilities	**101**	**84**	**17**	**19.9%**

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

(thousands of euro)	FY 2019		FY 2018	
	Amount of timing differences	tax effect	Amount of timing difference	tax effect
Timing differences included in calculation of deferred taxes:				
Employee benefits	413	(99)	350	(84)
Hedging instruments*	8	(2)	-	-
Total Deferred taxes		**(101)**		**(84)**

* charges/credits to Shareholders' equity

33. Provisions for risks and charges

The value of the *provisions for risks and charges* as at 31 December 2019 compared with the value as at 31 December 2018 is shown below:

Provision for risk and charges	FY 2019	FY 2018	Change absolute	%
Provision for risk and charges	218	-	218	
Total Provision for risk and charges	**218**	**-**	**218**	**100.0%**

The allocation of € 218 thousand as at 31 December 2019 refers to the potential risk that Viasat Group S.p.A. is subject to due to arbitration proceedings arising during the year.

34. Payables to banks and other financiers

The value of *payables to banks and other financiers* as at 31 December 2019 compared with the value as at 31 December 2018 is shown below:

Payables to banks and other financiers	FY 2019	FY 2018	Change absolute	%
Bank current accounts	6,341	3,644	2,698	74%
Negative cash pooling accounts	23,416	6,594	16,822	255.1%
Loans - short term portion	22,333	18,643	3,690	19.8%
Total Payables to banks and other financiers	**52,090**	**28,881**	**23,209**	**80.4%**

Banking system borrowings must be measured jointly with the balance of the cash and cash equivalents shown in note 26, equal to € 7,401 thousand for 2019. The item *loans, short-term portion* presents a balance as at 31 December 2019 of € 22,333 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 € 23,416 thousand as at 31 December 2019 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 € 20,994 thousand, to the subsidiary Enigma for € 1,624 thousand, to the subsidiary Emixis SA for € 715 thousand, to the subsidiary ICOM for € 64 thousand, and to the subsidiary Tracksys for € 19 thousand.

35. Finance lease liabilities (current)

The value of *finance lease liabilities (current)* as at 31 December 2019 compared with the value as at 31 December 2018 is shown below:

Finance lease liabilities (S/T)	FY 2019	FY 2018	Change absolute	%
IFRS 16 Finance lease liabilities (S/T)	288	-	288	
Total finance lease liabilities (S/T)	**288**	**-**	**288**	**100.0%**

The item *IFRS 16 Finance lease liabilities (S/T)* comprises the short-term debt recorded during the year, deriving from the application of the accounting standard IFRS 16, as shown in the dedicated section of the notes. 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 2019 compared with the value as at 31 December 2018 is shown below:

Trade payables	FY 2019	FY 2018	Change absolute	%
Trade payables	1,466	1,452	15	1.0%
Total Trade payables	**1,466**	**1,452**	**15**	**1.0%**

The item *trade payables* includes the following: to third-party suppliers of € 1,074 thousand and to intercompany suppliers of € 392 thousand.

37. Tax liabilities

The value of *tax liabilities* as at 31 December 2019 compared with the value as at 31 December 2018 is shown below:

Tax liabilities	FY 2019	FY 2018	Change absolute	%
Current taxes liabilities	-	26	(26)	(100.0%)
Withholding tax liabilities	76	99	(22)	(22.7%)
Total Tax liabilities	**76**	**124**	**(48)**	**(38.6%)**

The item *withholding tax liabilities* includes amounts due to the tax authorities for wi-thholding taxes on income from employment and Directors' compensation.

38. Other liabilities

The value of *other liabilities* as at 31 December 2019, compared with the value as at 31 December 2018, is presented in the table below:

Other liabilities	FY 2019	FY 2018	Change absolute	%
Other liabilities for shares acquisitions (ST)	2,511	5,917	(3,406)	(57.6%)
Due to employees	457	436	20	4.6%
Other current liabilities	1,057	429	627	146.1%
Accrued liabilities	25	31	(6)	(19.0%)
Due to social security	76	82	(6)	(7.6%)
Total Other liabilities	**4,125**	**6,895**	**(2,770)**	**(40.2%)**

The item *other liabilities for shares acquisitions* includes the short-term portion of the debt generated for the purchase of the equity investments of the companies shown in the following table, as earn outs on the shares previously acquired or relating to out-standing put & call options:

Other liabilities for shares acquisitions (ST)	FY 2019
Tel & Tel	1,904
Trackit	350
Team.Ind Solution S.r.l.	257
Total	**2,511**

The item *due to employees* represents the payable for wages and salaries relating to December 2019, paid in January 2020, and the payable for allocations for holidays due but not taken.

The item *other current liabilities* consists of the amounts due to the subsidiaries Viasat S.p.A. and Vem Solutions S.p.A. deriving from the tax consolidation agreement amounting to € 209 thousand and € 664 thousand, respectively. € 209 thousand due to Viasat S.p.A. and € 114 thousand to Vem Solutions S.p.A. are recorded in the financial statements, pending the request for IRES refund for the deduction of IRAP paid relating to personnel and similar costs on the basis of the matters introduced by the Salva Italia Decree (Italian Decree Law No. 201/2011 converted by means of Italian Law No. 214 of 22 December 2011) extended to the four previous years by Italian Decree Law No. 16 of 2012 converted by Italian Law No. 44 of 26 April 2012. This regulation actually introduced the possibility of deducting IRAP on personnel. Moreover, there are invoices to be received by the board of statutory auditors of € 108 thousand, € 60 thousand for gross Directors' compensation that was paid in January 2020 and € 16 thousand for payables for supplementary pension schemes.

The item *due to social security* includes contributions on employee remuneration paid in January 2020.

COMMENTS ON THE MAIN ITEMS OF THE CASH FLOW STATEMENT

The company adopted the direct method for the drafting of the 2019 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 2019	FY 2018
A) CASH FLOW FROM OPERATIONS			
Amounts collected from customers		20,776	3,665
Other amount collected		69,522	9,359
Intercompany amounts collected		2,236,648	6,843,682
Total amounts collected from operations		**2,326,946**	**6,856,706**
Payments to suppliers*		(4,951,176)	(3,925,352)
Payments relating to staff*		(2,365,292)	(2,272,514)
Payments for taxes		(283,610)	(527,170)
Payments for banking services		(78,482)	(81,222)
Other payments		(170,472)	(60,198)
Intercompany payments		(1,750,973)	(422,002)
Total payments from operations		**(9,600,006)**	**(7,288,457)**
Total payments from operations relating to asset destined to be sold		**-**	**-**
Cash flow balance from operations	**39**	**(7,273,059)**	**(431,751)**

* Net of investments

The balance of the operating activities shows a worsening compared to 31 December 2018, from a negative balance of € 432 thousand to € 7,273 thousand. There were increased payments to suppliers in the amount of € 1,026 thousand, in addition to higher intercompany payments in the amount of € 1,329 thousand, which were not offset by intercompany inflows, which decreased sharply in the amount of € 4,607 thousand.

40. Cash flows from investment activities

(euro)	Notes	FY 2019	FY 2018
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		40	163
Amounts collected for dividends		2,880	2,720
Price from disposal other assets		-	-
Intercompany asset disposal		6,366,458	4,315,003
Total amounts collected from investment activities		**6,369,378**	**4,317,886**
Payments for acquisitions of disposal of patents - licenses - trademarks - intellectual property rights		(292,204)	(282,834)
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***		(7,983,880)	(18,526,679)
Payments for the purchase of other assets		(34,641)	(54,842)
Intercomany payments for assets disposal		(773,709)	(7,324)
Total payments for investment activities		**(9,084,434)**	**(18,871,678)**
Cash flow balance from investment activities	**40**	**(2,715,056)**	**(14,553,792)**

** 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 € 11,839 thousand compared to the previous year due mainly to lower payments for the purchase of equity investments, equal to € 10,543 thousand more than as at 31 December 2018. In contrast, the amounts collected for intercompany dividends increased by € 2,051 thousand.

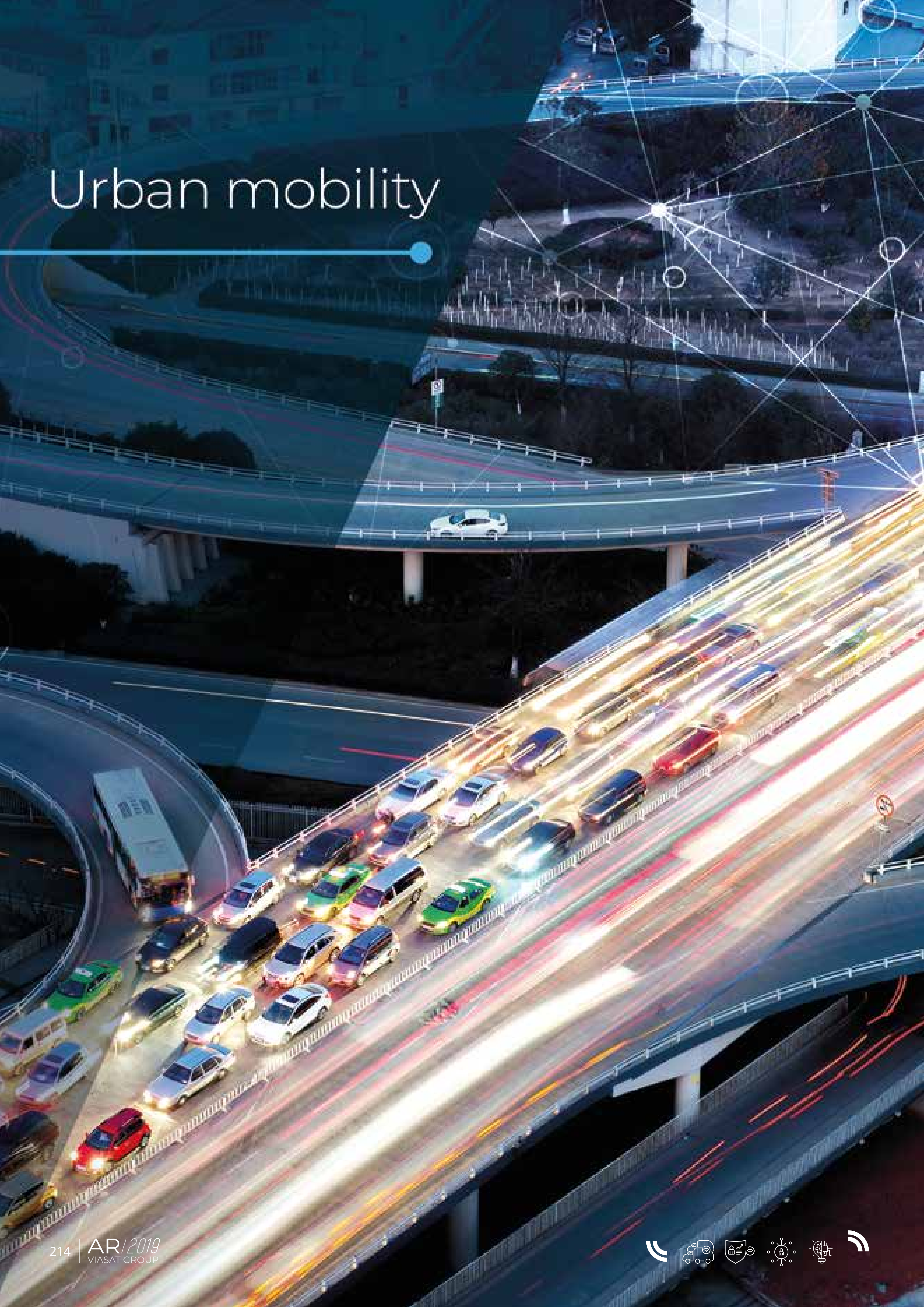
41. Cash flows from financing activities

(euro)	Notes	FY 2019	FY 2018
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		16,500,000	34,000,000
Increases in cash and cash equivalents for short-terms loans		2,697,689	3,643,568
Amounts collected from other financing activities		-	150,000
Receipts from intercomany financing activity		27,983,466	2,810,967
Total amounts collected from financing activities		**47,181,155**	**40,604,536**
Repayment of medium/long term amounts due to banks		(20,643,048)	(17,253,736)
Repayment of short term amounts due to banks		-	(28,481)
Payments relating to financial leases		(47,058)	-
Interest payment		(829,431)	(617,056)
Dividend payment		-	-
Payment relating other financing investment		(1,100,000)	-
Payments related to intercompany financing liabilities		(7,420,972)	(12,469,256)
Total cash outflows relating to financing activities		**(30,040,509)**	**(30,368,530)**
Cash flow balance from financing activities	**41**	**17,140,646**	**10,236,006**

During the financial year, new medium/long-term loan agreements were signed for a total amount of € 17 million as shown in the statement.

These flows were used both for the financing of new equity investments in Italy and abroad, as highlighted in the section of the Annual Report that describes the scope of consolidation, and to repay previous medium and long-term debts. These loans show, therefore, how the increased indebtedness for the year was used almost entirely to finance group growth.

Urban mobility



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)	$\frac{\text{Gross Operating Margin (adj)}^{2} - \text{Current taxes}}{\text{Total Assets}^{1}} - \text{WACC) x Total assets}^{1}$
PRODUCTIVITY	
Revenues per employee	$\frac{\text{Total Revenues}}{\text{Number of employees}^{(1)}}$
Personnel costs per employee	$\frac{\text{Personnel costs}}{\text{Number of employees}^{(1)}}$
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 of the year
(2) Gross Operating Margin (adj): Gross Operating Margin excluded contingent assets and liabilities

KEY PERFORMANCE INDICATORS	
KPI	**Calculation Formula**
LIQUIDITY AND WORKING CAPITAL	
Availability Index	$\frac{\text{Total current assets - Prepayments}}{\text{Total current liabilities - Deferred incomes}}$
Liquidity Index	$\frac{\text{Total current assets - Inventories - Prepayments}}{\text{Total current liabilities - Deferred incomes}}$
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	$\frac{\text{Total current assets}^{(1)}}{\text{Total Revenues}}$
Days sales outstanding (d.s.o.)	$\frac{\text{Trade receivables}^{(1)}}{\text{Net sales / 365}}$
Days inventory outstanding (d.i.o.)	$\frac{\text{(Inventories - Development activities in process)}^{(1)}}{\text{Purchased of materials and finished goods / 365}}$
Days payable outstanding (d.p.o.)	$\frac{\text{Trade receivables}^{(1)}}{\text{Cost of sales / 365}}$
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	$\frac{\text{Total Assets}}{\text{Equity}}$
Debt cover	$\frac{\text{Net Financial indebtedness}}{\text{Gross Operating Margin}}$
Net gearing	$\frac{\text{Net Financial indebtedness}}{\text{Equity}}$
Capitalisation level	$\frac{\text{Equity}}{\text{Medium and long term borrowings + Short term borrowings}}$
Percentage of financial debt	$\frac{\text{Short term borrowings - Current financial receivables - Cash and cash equivalents}}{\text{Total Assets}}$
Short-term bank loan intensity	$\frac{\text{Bank loans}}{\text{Total Revenues}}$

Notes:
(1) Average value of the year

Building a better working world

Viasat Group S.p.A.

Consolidated financial statements as at 31 December 2019

Independent auditor's report pursuant to article 14 of Legislative Decree n. 39, dated 27 January 2010

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Building a better working world

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 equity and financial position as at 31 December 2019, and the consolidated statement of comprehensive income, consolidated statement of changes in shareholders' equity and consolidated 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 31 December 2019, 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.

Other matters

The audit activity has been affected by the spreading of COVID 19 and all related measures imposed by the Italian government to protect the public health, including restrictions to all travel initiatives. Consequently, due to an objective situation of force majeure, the audit procedures performed in accordance with the applicable auditing standards have been carried out considering (i) a revised organization of our employees and audit teams, based on a wide use of smart working models, and (ii) different means to connect with client management personnel and gather audit evidence, that primarily involved the use of electronic support provided through remote communication networks.

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 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 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 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 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 obtained sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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 Group Viasat as at 31 December 2019, 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 group Viasat as at 31 December 2019 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 group Viasat as at 31December 2019 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.

Turin, 8 June 2020

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.

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Building a better working world

Viasat Group S.p.A.

Financial statements as at 31 December 2019

Independent auditor's report pursuant to article 14 of Legislative Decree n. 39, dated 27 January 2010

Building a better working world

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(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 equity and financial position as at 31 December 2019, and the statement of comprehensive income, statement of changes in shareholders' equity and 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 31 December 2019, 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.

Other matters

The audit activity has been affected by the spreading of COVID 19 and all related measures imposed by the Italian government to protect the public health, including restrictions to all travel initiatives. Consequently, due to an objective situation of force majeure, the audit procedures performed in accordance with the applicable auditing standards have been carried out considering (i) a revised organization of our employees and audit teams, based on a wide use of smart working models, and (ii) different means to connect with client management personnel and gather audit evidence, that primarily involved the use of electronic support provided through remote communication networks.

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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
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Iscritta all'Albo Speciale delle società di revisione
Consob al progressivo n. 2 delibera n.10831 del 16/7/1997

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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.

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 31 December 2019, 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 31 December 2019 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 31 December 2019 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.

Turin, 8 June 2020

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.

Share Capital € 1,500,000.00, fully paid-in
Headquarters in Via Aosta 23, VENARIA (TO), Italy
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 DECEMBER 2019

Dear Shareholders,

Using the same standards and criteria adopted in the previous year, 2018, as these are unchanged, 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 31 December 2019 of the "Viasat Group S.p.A."

We have checked the scope of consolidation of Viasat Group S.p.A, which as at 31 December 2019 was as follows:

- **Direct subsidiaries** – Viasat S.p.A., Vern Solutions S.p.A., Team Ind. Solutions s.r.l., Tel & Tel s.a.s., Enigma Vehicle Systems Ltd, Viasat Servicios Telematicos S.L., Detector De Seguimento Y Trasmisiòn S.A., TracKit Consulting LDA, Viasat Monitoring SP Z.O.O., HITECHS Sprl, Tracksys SA, Viasat Systems srl and ICOM OOD;
- **Indirect subsidiaries** – Mobile Fleet Chile S.p.A., BF Engineering SA and Emixis SA.

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 27 January 2010.

The checks carried out by the independent auditors ascertained that the balances expressed in the consolidated financial statements as at 31 December 2019 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 and, 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, 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 as at 31 December 2019, in compliance with the regulations that govern consolidated financial statements.

Venaria Reale, 8 June 2020

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 € 1,500,000.00, fully paid-in
Headquarters in Via Aosta 23, VENARIA (TO), Italy
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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 31 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 as at 31 December 2019, as previously noted, 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 and 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 Directors 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 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.

We specify that no complaints were received from shareholders' pursuant to Article 2408 of the Italian Civil Code.

During the year, the Board of Statutory Auditors issued opinions, where envisaged by the law.

During our supervisory activity, as described above, no other significant events arose that would require mention in this report.

Observations with regard to the statutory financial statements

We remind you that the Board of Statutory Auditors does not carry out the statutory audit of the financial statements, as the Shareholders' Meeting, on proposal by the Board of Statutory Auditors, assigned this task to the independent auditing firm EY S.p.A. The results of the statutory audit of the financial statements are included in the report issued on today's date by EY SpA.

In consideration of the exception set out in Article 106, paragraph 1, of Italian Decree law no. 18 of 17 March 2020, for the purpose of approving the 2019 statutory financial statements and other resolutions, the ordinary shareholders' meeting was called by the longer term of 180 days from the end of the financial year.

We have examined the draft statutory financial statements for the year ended as at 31 December 2019, put at our disposal by the management body, with regard to which the following additional information is provided:

- 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;

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- 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 27 January 2019, 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 as at 31 December 2019, 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, 8 June 2020

THE BOARD OF STATUTORY AUDITORS

The President	Claudio Vighetto
Effective Auditor	Antonio (known as Massimo) Procopio
Effective Auditor	Nives Servi

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Security & Safety

Viasat Group S.p.A.

Headquarters in Via Aosta 23, Venaria Reale (TO), Italy
Tax Code and Turin Companies' Register No. 05512550012
Share capital € 1,5000,000.00 fully paid-in

* * *

MINUTES OF THE ORDINARY SHAREHOLDERS' MEETING

On the 9th day of the month of June in the year 2020, the ordinary shareholders' meeting met at 10:00 a.m., in Via Aosta 20, Venaria Reale, Italy, to discuss and vote on the following

Agenda

1 Approval of the separate financial statements and presentation of the consolidated financial statements as at 31 December 2019;

2 Appointment of the independent auditing firm due to the end of its term of office.

Pursuant to the Articles of Association and as a result of unanimous appointment, the President of the Board of Directors, Mr. Domenico Petrone took the chair of 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 17 March 2020 and Article 8 of the Articles of Association;
- two shareholders holding all the 30,000,000 shares were present for a nominal total of € 1,500,000.00, representing the entire share capital;
- besides the President, the following individuals were present via video conference, on behalf of the Board of Directors: the Vice President Massimo Getto and the Director Marco Petrone. Director Barbara Petrone justified her absence;
- the auditors Claudio Vighetto - President of the Board of Statutory Auditors -, Nives Servi and Antonio Procopio (the latter connected in audio conference) - Effective Auditors, were present on behalf of the Board of Statutory Auditors;
- 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, he validly declared the meeting satisfied quorum requirements and as such was qualified to resolve.

Subsequently, moving on to deal with the first point on the agenda, the President invited Massimo Getto, Vice President & 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 31 December 2019, 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 31 December 2019. The meeting thus unanimously

resolved

- to approve the separate financial statements as at 31 December 2019;
- to allocate the net profit for the year, amounting to € 5,796,910 to the extraordinary reserve.

Massimo Getto took the floor again to illustrate in detail the results of the group arising from the consolidated financial statements of the Company as at 31 December 2019 and the related report on operations, documents which the attendees were aware of and which were approved by the Board of Directors' meeting.

Moving on to cover the second and last point on the agenda, the President reminded the attendees that with the approval of the separate financial statements for the year ended as at 31 December 2019, the mandate granted to the independent auditing firm EY S.p.A. expired and, as a result, it was necessary to assign the statutory audit for the three-year period 2020-2022, noting that, pursuant to law, the appointment of the body in charge of the statutory audit is the responsibility of the shareholders' meeting, on proposal by the Board of Statutory Auditors.

The President then gave the floor to the President of the Board of Statutory Auditors, who illustrated the reasons why it was appropriate, also to guarantee continuity of the audit activities carried out in the previous three years, to entrust the engagement of statutory auditing for the next three years, and thus, up to the date of approval of the financial statements for the year ended as at 31 December 2022 to EY S.p.A. After an in-depth discussion, the meeting unanimously

resolved

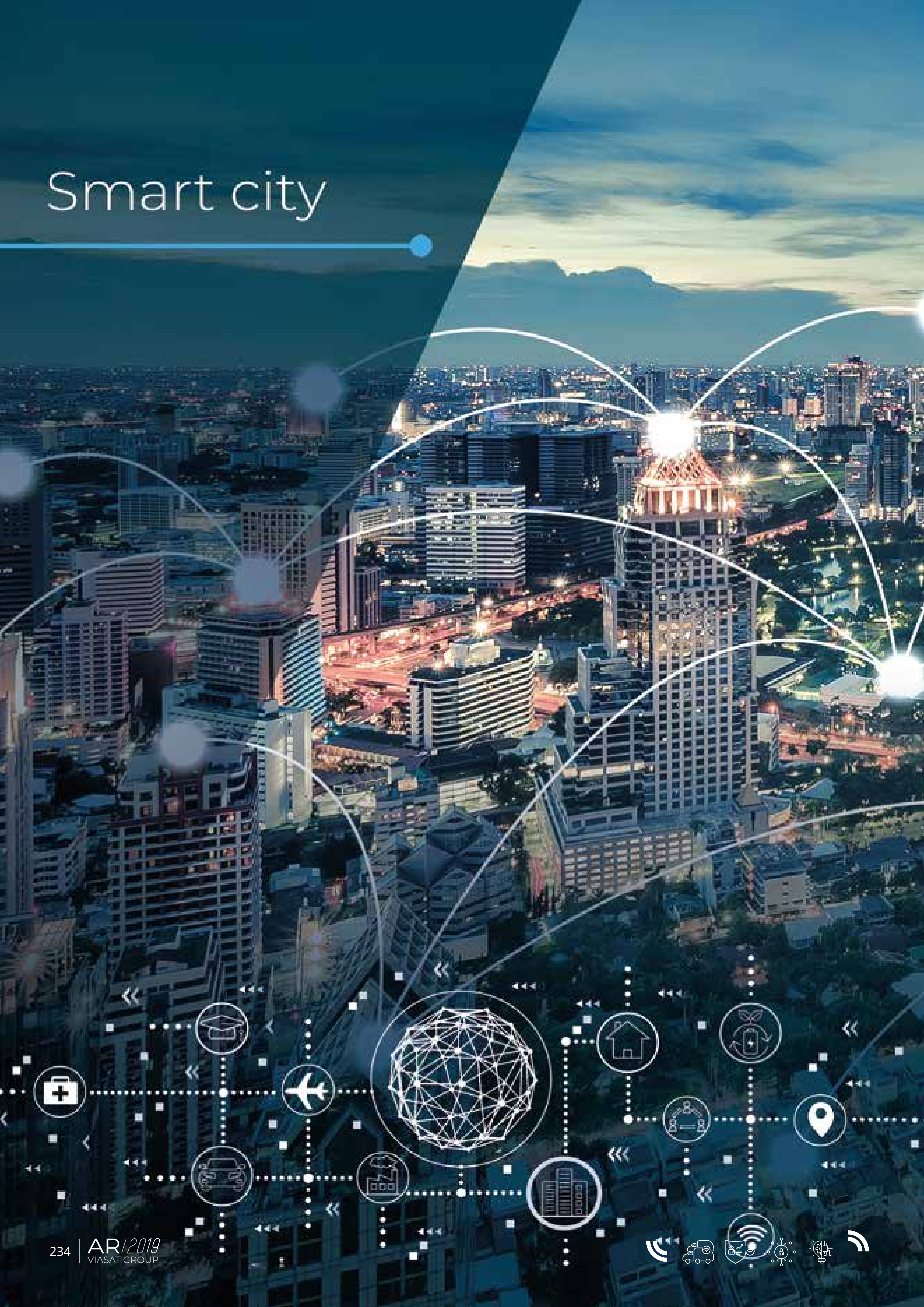
to entrust the statutory audit engagement in compliance with the provisions of the Italian Civil Code and Italian Legislative Decree 39/2020 for the years 2020 - 2022 and thus up to approval of the financial statements as at 31 December 2022, to the company EY S.p.A.

* * *

After which, there being no further business to vote on and no other requests for the floor, the meeting was adjourned at around 11:00 a.m. subject to the drawing up, reading and approval of these minutes.

The Secretary	The President
(Simone Durando)	(Domenico Petrone)

Smart city



VIASAT GROUP'S HISTORY /2019

as at 31 December

VIASAT GROUP

2019

The Group enters the capital of Cogema Srl, an electronic production company in Merone (Co), through its subsidiary VEM Solutions SpA. All Italian experience and ability to guarantee competitiveness and expansion in the global market of high-end and mass consumption electronic production. During the year, some mergers by incorporation into the Italian company Viasat S.p.A were recorded: firstly the companies Anthea and Datamove, both controlled by the holding company Viasat Group, merged into the Fleet & Waste Management BU of Viasat, thus focusing on the GreenTech strategy. Following the incorporation of Sherlock and Helian into the BU Smart Connect, an operation that aims to expand the Viasat offer with innovative and vertical solutions, in Italy and abroad, within the Smart Cities and Public market Administration. Finally, to remember the launch of the ViasatWoods Project in Madagascar in December 2019: a forest of 150,000 trees that Viasat Group is going to plant in Madagascar in the next three years (2020-2022) in support of the reforestation project of Graine de Vie, Belgian NGO founded in 2009. An initiative which forms part of the Group's overall sustainability project, which is amply illustrated in the annual Sustainability Report.

2018

It is another extremely dynamic year from the point of view of international growth that begins with the acquisition of 51% of the French company Locster, a telematics service provider-oriented to the fleet management market. In April, VEM Solutions acquired 70% of the shares of Helian, an Abruzzese company specialized in hardware and software solutions for road safety and traffic (Street Control), as well as in systems dedicated to territorial and environmental monitoring. In the following month, the Group also acquires 51% of the Italian Anthea, one of the most important technology companies that offer solutions for the integrated management of environmental services, completing the supervision of the entire Waste Management chain. In the latter part of the year, two more shots are scored: the acquisition of 60% of the Portuguese TrackiT Consulting and the entire capital of the Spanish company Detector, the largest telematic player on the Iberian Peninsula.

2017

Year begins with the strengthening in Iberian territory of Viasat Servicios Telemáticos (Spanish branch of Viasat Group) which strengthens its presence in Spain and starts a project of direct presence in Latin America through the acquisition of the majority stake in MobileFleet. Announced in February the acquisition of 60% of the shares of Teamind Solution (Italian System Integrator, specialized in intelligent technological solutions for the world of mobility) with the aim of strengthening the proposition on the market of innovative applications and integrated satellite telematics services, capable to simplify and optimize the activities of road haulage and logistics companies. In May the announcement of the acquisition of the company EuroGPS, market leader in Bulgaria, Macedonia and Serbia in the marketing of electronic systems, software platforms, services and BigData, is given. With entry into the Group, EuroGPS will take the name of Viasat Technology. The year ends with: the birth of Vem Solutions S.p.A. from the merger by incorporation by Elem S.p.A. of Vem S.r.l. on the one hand, on the other the acquisition of the Locster company, one of the main B2B telematics players in France

2016

Viasat Group was awarded to the UK-Italy Business Awards.One of the five companies of the ELITE program, organized by the Italian Stock Exchange, which are distinguished by the international ambitions. The process of internationalization of Viasat was enriched in the 2016 of a new important step; a newco in Potugal BluSat Serviços Telemáticos in Lisbon. In April the acquisition of 100% of the Polish company CMA Monitoring, to which is added, in July, the acquisition of majority stake of the Belgian Emixis.

2015

The first half of 2015 showed further development of Viasat's internationalization with the acquisition of 55% of Cefin Systems, also known on the market under the brand CS Fleet, which in June became a part of the Group as Viasat Systems. It is a leading provider of telematics solutions for the fleet market in Romania that confirm in this way a ten-year collaboration with Viasat Group, laying the foundations of an ambitious development plan of insurance and safety-based communication technologies throughout the 'area of south-eastern Europe.

2014

The acquisition of Enigma Vehicle Systems Ltd (a British company focused on the fleet management services segment of the telematics industry) allows the further development of the Group's international skills and capabilities, thanks to a direct presence in what are generally considered to be the three countries Europeans of greatest interest for the diffusion of satellite technologies (Italy, the United Kingdom and Spain), as well as an indirect presence in over 20 developing countries, through distribution relationships with local operators. On December 1, 2014 at the Italian Stock Exchange in Milan, Viasat Group was again selected from the finalists of the Oscar for financial statements in the Medium and Small Unlisted Companies section, an award promoted and organized by FERPI - Italian Public Relations Federation.

2013

The Group strengthens its leadership in Italy in the strategic business areas, laying the foundation for further development at international level. A collaboration agreement is signed with Deloitte Advisory SL, a Spanish Company of consulting for the development and distribution of insurance telematics solutions for the Spanish market. Viasat Telematics Ltd is established in Great Britain.

2012

In pursuit of strategies to increase international presence, a Spanish company Viasat Servicios Telemàticos is formed, with headquarters in Madrid, proposing to repeat, in Spain, the successes obtained in Italy, especially with regard to insurance telematics and the logistics management of vehicle fleets. Regarding legislative developments underway in Italy, relating to regulation of the use of "black boxes" in the insurance field, the group in yinstitutionally involved as sector expert and furthers and founds TSP Association, the trade association for telematics Service Providers operating in Italy.

2011

The Group participates in key institutional projects in the areas of R&D, production, logistics, and service. The new BluBox® Innovation Platform for products and services is presented. on 23 January 2012, Ernst & Young presents Chairman Domenico Petrone with the 2011 Enterpreneur Award for the Technology and Innovation category for " demonstrating, through the considerable results achieved over 37 years in business, that with dedication, a positive outlook, determination and ethical values, it is possible to build a better and more successful future".

2010

The Group strengthened its presence at the international level through agreements with Europe's main Roadside Assistance Associations and Networks and new Industrial Partners. In spite of the ongoing difficulties created by the global economic crisis, the group notched up a sizeable increase in revenues and the related margins.

2009

Under the high patronage of the President of the Italian Republic, the Group was awarded the "Oscar di Bilancio" financial reporting award. Work on acquiring a stake in Pointer Telelocation Ltd. got under way with the aim of reinforcing its leadership in the sector, thereby creating the conditions for further development on a worldwide scale.

From 2002 to 2008

In 2002 the Group proceeds with the acquisition of Viasat S.p.A. Italy's leading company in Satellite Protection and Location Services for cars and travellers. In a few months, thanks to intense restructuring activity, the company's income statement go from a profound loss to an operating profit, creating the conditions for further and future acquisitions. In 2004, to strengthen its leadership, the Group acquired control of the main Italian competitor, Movitrack SpA, with which it launched new B2B, B2A initiatives, with a focus on Security Services and Insurance Services, and the first localization projects, European Assistance and Rescue. The corporate name of the parent company changes to Viasat Group S.p.A. (2007). Redco Infomobility, an expert in the design and supply of onboard terminals and MultiService Telematics Platforms, MultiDevice in the field of "Fleet Management", Logistics and Security are acquired. To rationalize the Group's structure, strengthen internal technological synergies and enhance excellence, the reorganization of the project areas begins. (2008) Vem Solutions S.p.A. is born, the Group's Design, Research, Development and Innovation company.

The 1991–2000 decade

Elem's manufacturing and design talents took it to levels of national excellence. In 1991 a new 6,000 m² production plant was acquired and inaugurated in the municipality of Venaria Reale (Turin). In 1992, the company became one of the first in Italy to obtain ISO 9001 certification. The first studies on incorporating micro-processors into GSM and GPS modules date back to the last years of the decade. The first Satellite Security

Systems were created. In 2000, a second plant was purchased and structured for producing electronic automotive modules and systems.

The 1981–1990 decade

On three occasions, Elem's increasing industrial success made it necessary for the business to move to larger premises better equipped for housing highly sophisticated production processes. Exe.Fin. S.p.A. was formed to optimize the management and coordination of the industrial and administrative activities and as a holding company for strategic investments for the growth of the key activities.

From 1974 to 1980

Domenico Petrone's commitment and vision led him to set up the first electronic workshop in a garage, which later became Elem S.r.l. From the outset, Elem stood out for Quality, Flexibility and Production Excellence in the field of Electronics, and proved capable of satisfying the needs of big-name clients in the Automotive, IT, Telecommunications, Security, and Defence sectors.

VIASAT

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2019

www.viasatgroup.it

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