Atento S.A.
Société Anonyme

Annual accounts and Independent auditor's report for the financial year ended December 31, 2019

1, rue Hildegard von Bingen
L-1282 Luxembourg
RCS Luxembourg: B 185761
Subscribed capital : EUR 33,978.85

Atento S.A.
Notes to the annual accounts as at December 31, 2019

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Ernst & Young
Société anonyme

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Independent auditor's report

To the Shareholders of
Atento S.A.
1, rue Hildegard von Bingen
L-1282 Luxembourg

Opinion

We have audited the financial statements of Atento S.A. (the "Company"), which comprise the balance sheet as at 31 December 2019, and the profit and loss account for the year then ended, and the notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2019, and of the results of its operations for the year then ended in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the financial statements.

Basis for opinion

We conducted our audit in accordance with the Law of 23 July 2016 on the audit profession (the "Law of 23 July 2016") and with International Standards on Auditing (ISAs) as adopted for Luxembourg by the "Commission de Surveillance du Secteur Financier" ("CSSF"). Our responsibilities under the Law of 23 July 2016 and ISAs are further described in the "Responsibilities of the "réviseur d'entreprises agréé" for the audit of the financial statements" section of our report. We are also independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) as adopted for Luxembourg by the CSSF together with the ethical requirements that are relevant to our audit of the financial statements, and have fulfilled our other ethical responsibilities under those ethical requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Board of Directors and of those charged with governance for the financial statements

The Board of Directors is responsible for the preparation and fair presentation of these financial statements in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the financial statements, and for such internal control as the Board of Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Responsibilities of the "réviseur d'entreprises agréé" 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 a report of "réviseur d'entreprises agréé" that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain 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.

- Obtain 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.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.

- Conclude on the appropriateness of Board 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 report of "réviseur d'entreprises agréé" to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of report of "réviseur d'entreprises agréé". However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate 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 communicate with those charged with governance 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.

Ernst & Young
Société anonyme
Cabinet de révision agréé

Alban Aubrée

Luxembourg, 16 April 2020

Annual Accounts Helpdesk :

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RCSL Nr. : B185761	Matricule : 20142205670

BALANCE SHEET

Financial year from 01 01/01/2019 to 02 31/12/2019 *(in* 03 EUR*)*

Atento S.A.
1 Rue Hildegard von Bingen
L-1282 Luxembourg

ASSETS

		Reference(s)		Current year		Previous year
A. Subscribed capital unpaid	1101		101		102	
I. Subscribed capital not called	1103		103		104	
II. Subscribed capital called but unpaid	1105		105		106	
B. Formation expenses	1107		107		108	
C. Fixed assets	1109		109	495,744,107.59	110	495,744,107.59
I. Intangible assets	1111		111		112	
1. Costs of development	1113		113		114	
2. Concessions, patents, licences, trade marks and similar rights and assets, if they were	1115		115		116	
a) acquired for valuable consideration and need not be shown under C.I.3	1117		117		118	
b) created by the undertaking itself	1119		119		120	
3. Goodwill, to the extent that it was acquired for valuable consideration	1121		121		122	
4. Payments on account and intangible assets under development	1123		123		124	
II. Tangible assets	1125		125		126	
1. Land and buildings	1127		127		128	
2. Plant and machinery	1129		129		130	

RCSL Nr. : B185761		Matricule : 20142205670			
	Reference(s)		Current year		Previous year
3. Other fixtures and fittings, tools and equipment	1131		131		132
4. Payments on account and tangible assets in the course of construction	1133		133		134
III. Financial assets	1135 2.2.2,3		135 495,744,107.59		136 495,744,107.59
1. Shares in affiliated undertakings	1137 3.1		137 495,744,107.59		138 495,744,107.59
2. Loans to affiliated undertakings	1139		139		140
3. Participating interests	1141		141		142
4. Loans to undertakings with which the undertaking is linked by virtue of participating interests	1143		143		144
5. Investments held as fixed assets	1145		145		146
6. Other loans	1147		147		148
D. Current assets	1151		151 20,479,317.82		152 13,298,295.84
I. Stocks	1153		153		154
1. Raw materials and consumables	1155		155		156
2. Work in progress	1157		157		158
3. Finished goods and goods for resale	1159		159		160
4. Payments on account	1161		161		162
II. Debtors	1163 2.2.3,4		163 6,197,144.13		164 4,829,746.17
1. Trade debtors	1165		165		166
a) becoming due and payable within one year	1167		167		168
b) becoming due and payable after more than one year	1169		169		170
2. Amounts owed by affiliated undertakings	1171 4.1		171 5,346,628.47		172 4,379,878.70
a) becoming due and payable within one year	1173 4.1.1		173 5,346,628.47		174 3,043,183.59
b) becoming due and payable after more than one year	1175		175 0.00		176 1,336,695.11
3. Amounts owed by undertakings with which the undertaking is linked by virtue of participating interests	1177		177		178
a) becoming due and payable within one year	1179		179		180
b) becoming due and payable after more than one year	1181		181		182
4. Other debtors	1183 4.2		183 850,515.66		184 449,867.47
a) becoming due and payable within one year	1185 4.2.1		185 850,515.66		186 449,867.47
b) becoming due and payable after more than one year	1187		187		188

RCSL Nr. : B185761					Matricule : 20142205670
	Reference(s)		Current year		Previous year
III. Investments	1189 5	189	14,181,210.75	190	7,087,266.67
1. Shares in affiliated undertakings	1191	191		192	
2. Own shares	1209 2.2.7,5.1	209	14,181,210.75	210	7,087,266.67
3. Other investments	1195	195		196	
IV. Cash at bank and in hand	1197	197	100,962.94	198	1,381,283.00
E. Prepayments	1199 2.2.5	199	13,426.62	200	31,486.62
TOTAL (ASSETS)		201	516,236,852.03	202	509,073,890.05

RCSL Nr. : B185761	Matricule : 20142205670

CAPITAL, RESERVES AND LIABILITIES

		Reference(s)		Current year		Previous year
A. Capital and reserves	1301	6	301	498,464,155.93	302	497,392,840.41
I. Subscribed capital	1303	6.1	303	33,978.85	304	33,827.71
II. Share premium account	1305	6.2	305	476,388,342.84	306	483,482,286.92
III. Revaluation reserve	1307		307		308	
IV. Reserves	1309		309	14,184,541.17	310	7,090,597.09
1. Legal reserve	1311	6.3	311	3,330.42	312	3,330.42
2. Reserve for own shares	1313	2.2.7,6.4	313	14,181,210.75	314	7,087,266.67
3. Reserves provided for by the articles of association	1315		315		316	
4. Other reserves, including the fair value reserve	1429		429		430	
a) other available reserves	1431		431		432	
b) other non available reserves	1433		433		434	
V. Profit or loss brought forward	1319		319	6,785,977.55	320	7,295,701.86
VI. Profit or loss for the financial year	1321		321	1,071,315.52	322	-509,573.17
VII. Interim dividends	1323		323		324	
VIII. Capital investment subsidies	1325		325		326	
B. Provisions	1331		331		332	
1. Provisions for pensions and similar obligations	1333		333		334	
2. Provisions for taxation	1335		335		336	
3. Other provisions	1337		337		338	
C. Creditors	1435	2.2.6,7	435	17,772,696.10	436	11,681,049.64
1. Debenture loans	1437		437		438	
a) Convertible loans	1439		439		440	
i) becoming due and payable within one year	1441		441		442	
ii) becoming due and payable after more than one year	1443		443		444	
b) Non convertible loans	1445		445		446	
i) becoming due and payable within one year	1447		447		448	
ii) becoming due and payable after more than one year	1449		449		450	
2. Amounts owed to credit institutions	1355		355		356	
a) becoming due and payable within one year	1357		357		358	
b) becoming due and payable after more than one year	1359		359		360	

RCSL Nr. : B185761		Matricule : 20142205670			
	Reference(s)		**Current year**		**Previous year**
3. Payments received on account of orders in so far as they are not shown separately as deductions from stocks	1361	361		362	
a) becoming due and payable within one year	1363	363		364	
b) becoming due and payable after more than one year	1365	365		366	
4. Trade creditors	1367 7.1	367	411,062.10	368	850,302.60
a) becoming due and payable within one year	1369 7.1.1	369	411,062.10	370	850,302.60
b) becoming due and payable after more than one year	1371	371		372	
5. Bills of exchange payable	1373	373		374	
a) becoming due and payable within one year	1375	375		376	
b) becoming due and payable after more than one year	1377	377		378	
6. Amounts owed to affiliated undertakings	1379 7.2	379	16,414,116.96	380	10,184,493.92
a) becoming due and payable within one year	1381 7.2.1	381	16,414,116.96	382	9,985,541.76
b) becoming due and payable after more than one year	1383	383	0.00	384	198,952.16
7. Amounts owed to undertakings with which the undertaking is linked by virtue of participating interests	1385	385		386	
a) becoming due and payable within one year	1387	387		388	
b) becoming due and payable after more than one year	1389	389		390	
8. Other creditors	1451 7.3	451	947,517.04	452	646,253.12
a) Tax authorities	1393 7.3.1	393	947,517.04	394	646,253.12
b) Social security authorities	1395	395		396	
c) Other creditors	1397	397		398	
i) becoming due and payable within one year	1399	399		400	
ii) becoming due and payable after more than one year	1401	401		402	
D. Deferred income	1403	403		404	
TOTAL (CAPITAL, RESERVES AND LIABILITIES)		405	516,236,852.03	406	509,073,890.05

The notes in the annex form an integral part of the annual accounts

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RCSL Nr. : B185761	Matricule : 20142205670

PROFIT AND LOSS ACCOUNT

Financial year from 01 01/01/2019 **to** 02 31/12/2019 *(in* 03 EUR*)*

Atento S.A.
1 Rue Hildegard von Bingen
L-1282 Luxembourg

PROFIT AND LOSS ACCOUNT

		Reference(s)		Current year		Previous year
1. Net turnover	1701		701		702	
2. Variation in stocks of finished goods and in work in progress	1703		703		704	
3. Work performed by the undertaking for its own purposes and capitalised	1705		705		706	
4. Other operating income	1713	2.2.8,8	713	6,181,190.60	714	1,104,782.33
5. Raw materials and consumables and other external expenses	1671	9	671	-1,637,414.08	672	-1,414,575.84
a) Raw materials and consumables	1601		601		602	
b) Other external expenses	1603	9.1	603	-1,637,414.08	604	-1,414,575.84
6. Staff costs	1605	10	605		606	
a) Wages and salaries	1607		607		608	
b) Social security costs	1609		609		610	
i) relating to pensions	1653		653		654	
ii) other social security costs	1655		655		656	
c) Other staff costs	1613		613		614	
7. Value adjustments	1657		657		658	
a) in respect of formation expenses and of tangible and intangible fixed assets	1659		659		660	
b) in respect of current assets	1661		661		662	
8. Other operating expenses	1621	11	621	-336,842.59	622	-428,853.76

RCSL Nr. : B185761		Matricule : 20142205670			
	Reference(s)		Current year		Previous year
9. Income from participating interests	1715 12	715	0.00	716	1,700,536.96
a) derived from affiliated undertakings	1717 12.1	717	0.00	718	1,700,536.96
b) other income from participating interests	1719	719		720	
10. Income from other investments and loans forming part of the fixed assets	1721 13	721	78,499.96	722	78,499.99
a) derived from affiliated undertakings	1723 13.1	723	78,499.96	724	78,499.99
b) other income not included under a)	1725	725		726	
11. Other interest receivable and similar income	1727 14	727	84,043.34	728	88,061.18
a) derived from affiliated undertakings	1729	729		730	
b) other interest and similar income	1731 14.1	731	84,043.34	732	88,061.18
12. Share of profit or loss of undertakings accounted for under the equity method	1663	663		664	
13. Value adjustments in respect of financial assets and of investments held as current assets	1665 15	665	-2,883,616.33	666	0.00
14. Interest payable and similar expenses	1627 16	627	-283,504.43	628	-1,680,753.30
a) concerning affiliated undertakings	1629 16.1	629	-167,836.52	630	-804,754.95
b) other interest and similar expenses	1631 16.2	631	-115,667.91	632	-875,998.35
15. Tax on profit or loss	1635 17	635	-120,250.95	636	0.00
16. Profit or loss after taxation	1667	667	1,082,105.52	668	-552,302.44
17. Other taxes not shown under items 1 to 16	1637 18	637	-10,790.00	638	42,729.27
18. Profit or loss for the financial year	1669	669	1,071,315.52	670	-509,573.17

1. General information

Atento S.A. (hereafter the "**Company**") was incorporated on March 5, 2014 and is organised under the laws of Luxembourg as a Société Anonyme for an unlimited period.

On August 22, 2019, the registered office of the Company was transferred from 4 rue Lou Hemmer, L-1748 Luxembourg Findel to 1, rue Hildegard von Bingen, L-1282 Luxembourg.

The Company's financial year starts on January 1 and ends on December 31 of each year.

The purpose of the Company is the holding of participations in any form whatsoever in Luxembourg and foreign companies and in any other form of investment, the acquisition by purchase, subscription or in any other manner as well as the transfer by sale, exchange or otherwise of securities of any kind and the administration, management, control and development of its portfolio.

The Company may further guarantee, grant security, grant loans or otherwise assist the companies in which it holds a direct or indirect participation or right of any kind or which form part of the same group of companies as the Company.

The Company may raise funds especially through borrowing in any form or by issuing any kind of notes, securities or debt instruments, bonds and debentures and generally issue any debt, equity and/or hybrid or other securities of any type in accordance with Luxembourg law.

The Company may carry out any commercial, industrial, financial, real estate or intellectual property or other activities which it considers useful for the accomplishment of these purposes.

The Company is listed under "ATTO" on the New-York Stock Exchange since October 2, 2014.

The Company also prepares consolidated accounts, which are subject to publication as prescribed by the Luxembourg law.

2. Summary of significant accounting policies and valuation methods

2.1. General principles

The annual accounts are prepared in conformity with the Luxembourg legal and regulatory requirements and according to generally accepted accounting principles applicable in Luxembourg under the historical cost convention. The accounting policies and valuation principles are, apart from those enforced by the law, determined and implemented by the Management.

The preparation of annual accounts requires the use of certain critical accounting estimates. It also requires the Management to exercise its judgement in the process of applying the

2.1. General principles (cont.)

accounting policies. Changes in assumptions may have a significant impact on the annual accounts in the period in which the assumptions changed.

The Management believes that the underlying assumptions are appropriate and that the annual accounts therefore present the financial position and results fairly.

The Company makes estimates and assumptions that affect the reported amounts of assets and liabilities in the next financial year. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

2.2. Significant accounting and valuation policies

The significant accounting and valuation policies of the Company can be summarised as follows:

2.2.1. Formation expenses

The formation expenses are fully amortised during the year in which they are incurred.

2.2.2. Financial assets

Financial assets such as shares in affiliated undertakings, participating interests, loans to these undertakings, investments held as fixed assets and other loans are valued at their nominal value.

If the Management determines that a durable impairment has occurred in the value of a financial asset, a value adjustment is made in order to reflect that loss. These value adjustments are not continued if the reasons for which they were made have ceased to apply.

2.2.3. Debtors

Debtors are recorded at their nominal value. A value adjustment is made when their recovery is partly or completely in doubt. These value adjustments are not continued if the reasons for which they were made have ceased to apply.

2.2.4. Foreign currency translation

The Company maintains its books and records in EUR.

All transactions expressed in currency other than EUR are translated into EUR at the exchange rate prevailing at the date of the transaction.

The formation expenses and the fixed assets expressed in another currency than EUR are translated in EUR at the exchange rate prevailing at the date of their acquisition. At the balance sheet date, these fixed assets are maintained at their historical exchange rate.

2.2.4. Foreign currency translation (cont.)

Cash is translated at the exchange rate prevailing at the balance sheet date. Exchange gains and losses resulting from this conversion are accounted for in the profit and loss account for the year.

Other assets and liabilities are translated separately respectively at the lower (assets) or at the higher (liabilities) of the value converted at the historical exchange rate or the value determined on the basis of the exchange rates effective at the balance sheet date. The unrealised exchange losses are recorded in the profit and loss account. The realised exchange gains and losses are recorded in the profit and loss account at the moment of their realisation.

In the case there is an economic link between an asset and a liability, they are translated in total and only the unrealised net exchange losses are accounted for in the profit and loss account.

2.2.5. Prepayments

This item includes charges incurred during the financial year but attributable to a subsequent financial year.

2.2.6. Creditors

Creditors are recorded at their repayment value. When the amount repayable on account is greater than the amount received, the difference is shown as an asset and is written off over the period of the debt.

2.2.6.1. Other creditors - Tax

This item includes the tax liability estimated by the Company for the financial years for which the Company has not been assessed yet. The advance payments are disclosed in the assets of the balance sheet under "**Other debtors**".

2.2.7. Own shares

Own shares are initially measured at acquisition cost and recognized as an asset with a corresponding non-distributable reserve created from share premium. Own shares are subsequently remeasured at the lower of cost or market value using the FIFO (First In First Out) method. They are subject to value adjustments where their recovery is compromised. These value adjustments are reversed when the reasons for which the value adjustments were made have ceased to apply.

2.2.8. Share-based payments

Awards made under the Group's Long-term Incentive Plans, in the form of equity-settled share-based payments, are satisfied by the Company on behalf of its affiliated undertakings. The costs associated with these awards are recognized on the date of issuance and recorded in the Profit and Loss account.

3. Financial assets

3.1. Shares in affiliated undertakings

The shares in affiliated undertakings are as follows:

Name of the company	Registered office	Percentage of ownership	Closing date of last financial period	Shareholders equity (EUR)	Results of last financial period (EUR)	Net Investment amount (EUR)
Atalaya Luxco Midco S.à.r.l.	1 rue Hildegard von Bingen, L-1282 Luxembourg	100.00%	31/12/2019	565,038,656.54	(1,178,306.43)	495,744,107.59

The figures mentioned in the Shareholders' equity and the Results of the last financial period are based on the last annual accounts available.

The Management considered the valuation of the subsidiary and decided that no value adjustment is required on that financial asset in the accounts of the Company.

4. Debtors

4.1. Amounts owed by affiliated undertakings

4.1.1. becoming due and payable within one year

The short-term loan can be summarized in the following table:

Nature	Subscriber	Maturity date	Interest Rate	Carrying Value 31.12.2018 (EUR)	Capitalisation / Reimbursement (EUR)	Carrying value 31.12.2019 (EUR)	Interest income 31.12.2019 (EUR)	Accrued interests 31.12.2019 (EUR)
Intercompany Loan 1	Atento Luxco 1 S.A.	31/12/2020	7,85%	1,000,000.00	0.00	1,000,000.00	78,499.96	193,131.44

On July 17, 2017, the Company entered in an intercompany loan agreement as lender with Atento Luxco 1 S.A. as borrower for an amount of EUR 1,000,000.00 (the "**Intercompany Loan 1**"). The Intercompany Loan 1 shall have a final repayment date of December 31, 2020 and shall bear a yield of 7.85% per annum.

As at December 31, 2019, the nominal value amounts to EUR 1,000,000.00 and the accrued interest to EUR 193,131.44.

The interest income on the Intercompany Loan 1 for the financial year amounts to EUR 78,499.96.

In the opinion of the Directors, no permanent diminution in value has occurred and therefore, no value adjustment was estimated necessary as at December 31, 2019 on loans to affiliated undertakings.

This item is also composed of:

- head office costs to be recharged to affiliated undertakings for a total amount of EUR 1,414,261.54 (2018: EUR 1,757,781.11);
- invoices unpaid in relation with the stock option plan for a total amount of EUR 170,771.00 (2018: EUR 170,771.00); and

4.1.1. becoming due and payable within one year (cont.)

- invoices to be issued to affiliated undertakings in relation to the vesting of the stock-based compensation plan for EUR 2,568,464.49 (2018: EUR 1,336,695.11).

4.2. Other debtors

4.2.1. becoming due and payable within one year

This item is mainly composed of VAT recoverable for a total amount of EUR 778,469.23 (2018: EUR 444,990.47).

5. Investments

5.1. Own shares

Gross book value 31.12.2018 (EUR)	Additions for the year (EUR)	Disposals for the year (EUR)	Gross book value 31.12.2019 (EUR)	Accumulated value adjustment 31.12.2018 (EUR)	Additions for the year (EUR)	Reversals for the year (EUR)	Accumulated value adjustment 31.12.2019 (EUR)	Net book value 31.12.2018	Net book value 31.12.2019
7,087,266.67	9,977,560.41	0.00	17,064,827.08	0.00	2,883,616.33	0.00	2,883,616.33	7,087,266.67	14,181,210.75

In 2018, as part of a share buyback program the Company bought back a total of 1,106,158 ordinary shares for a total amount of EUR 7,087,266.67 (equivalent to USD 8,206,968.58).

During the financial year 2019 as part of a share buyback program the Company bought back 4,425,499 ordinary shares for a total amount of EUR 9,977,560.41 (equivalent to USD 11,141,278.01) (2018: 1,106,158 ordinary shares for a total amount of EUR 7,087,266.67).

As at December 31, 2019, the Company bought back a total of 5,531,657 ordinary shares for a total amount of EUR 17,064,827.08 (equivalent to USD 19,348,246.59).

The Management considered the valuation of the own shares and decided to record a value adjustment on the own shares for an amount of EUR 2,883,616.33 (USD 3,329,454.59).

The company also raised its reserve for own shares to an amount of EUR 14,181,210.75 (equivalent to USD 16,108,792.00) (Refer to note 6.4).

6. Capital and reserves

6.1. Subscribed capital

As at January 1, 2019, the subscribed capital, amounting to EUR 33,827.18, is represented by 75,070,926 shares without nominal value.

6.1. Subscribed capital (cont.)

On January 18, 2019, the board of directors resolved to increase the Company's share capital by an amount of EUR 151.14 through the issuance of 335,431 new shares without nominal for a total subscription price of EUR 151.14 fully paid up out of distribuable reserves of the Company.

As at December 31, 2019, the subscribed capital, amounting to EUR 33,978.85, is represented by 75,406,357 shares without nominal value.

The authorised capital, excluding the issued share capitals, is set at EUR 999,997,023.15.

6.2. Share premium account

As at January 1, 2019, there was a share premium for a total amount of EUR 483,482,286.92.

During the financial year the reserves for own shares increased for total amount of EUR 7,093,944.08 (equivalent to USD 7,811,823.42) taken from the share premium account (Refer to note 6.4).

As at December 31, 2019, there is a share premium for a total amount of EUR 476,388,342.84.

6.3. Legal reserve

In accordance with Luxembourg company law, the Company is required to transfer a minimum of 5% of its net profit for each financial year to a legal reserve. This requirement ceases to be necessary once the balance on the legal reserve reaches 10% of the issued share capital. The legal reserve is not available for distribution to the shareholders.

6.4. Reserve for own shares

In accordance with Luxembourg company law, the Company has allocated a part of its share premium to a non-distribute reserve under "Reserve for own shares or own corporate units" following the acquisition of own shares as part of a share buyback program during the financial year for a total amount of EUR 9,977,560.41 (equivalent to USD 11,141,278.01).

The non-distribute reserve has been aligned with the value of the own shares asset following the impairment for an amount of EUR 2,883,616.33 (USD 3,329,454.59).

As at December 31, 2019 the reserve for own shares amounts to EUR 14,181,210.75 (equivalent to USD 16,108,792.00).

7. Creditors

7.1. Trade creditors

7.1.1. becoming due and payable within one year

This item is composed of:

- invoices payable for an amount of EUR 355,586.58 (2018: EUR 452,748.61); and
- accruals for audit, tax and administrative fees for a total amount of EUR 55,475.52 (2018: EUR 397,553.99).

7.2. Amounts owed to affiliated undertakings

7.2.1. becoming due and payable within one year

The short-term loans can be summarized in the following table:

Nature	Subscriber	Maturity date	Interest Rate	Carrying Value (original currency)	Carrying Value 31.12.2018 (EUR)	Nominal+Capitalisation/ (Reimbursement) (EUR)	FX changes 31.12.2019 (EUR)	Carrying Value 31.12.2019 (EUR)	Capitalised interest 31.12.2019 (EUR)	Interest expenses (31.12.2019 (EUR)	Accrued interest 31.12.2019 (EUR)
Intercompany loan 2	Atento Chile S.A.	31/12/2020	3.00%	USD 5,000,000.00	4,402,000.00	0.00	48,774.43	4,450,774.43	0.00	148,854.83	282,410.78
Intercompany loan 3	Atento Spain Holdco S.L.U.	31/12/2020	1.40%	USD 3,000,000.00	0.00	2,654,632.34	15,832.32	2,670,464.66	0.00	18,981.69	18,981.69
Total					**4,402,000.00**	**2,654632.34**	**64,606.75**	**7,121,239,09**	**0.00**	**167,836.52**	**301,392.47**

7.2.1. becoming due and payable within one year (cont.)

∗ On November 20, 2017, the Company entered in a short-term intercompany loan agreement as borrower with Atento Chile S.A. as lender for an amount of EUR 4,244,121.89 (equivalent to USD 5,000,000.00) (the "**Intercompany Loan 2**"). The Intercompany Loan 2 shall have a final repayment date on December 31, 2020 and shall bear a yield of 3% per annum.

As at December 31, 2019 the nominal value amounts to EUR 4,450,774.43 and the accrued interest to EUR 282,410.78.

The interest expenses on the Intercompany Loan 2 for the financial year amounts to EUR 148,854.83.

∗ On July 2, 2019, the Company entered in an intercompany loan agreement as borrower with Atento B.V. as lender for an amount of EUR 2,654,632.34 (equivalent to USD 3,000,000.00) (the "**Intercompany Loan 3**"). The Intercompany Loan 3 shall have a final repayment on December 31, 2020 and shall bear a yield of 1.40% per annum.

As at December 31, 2019 the nominal value amounts to EUR 2,670,464.66 (equivalent to USD 3,000,000.00) and the accrued interest to EUR 18,891.69.

The interest expenses on the Intercompany Loan 3 for the financial year amounts to EUR 18,981.69.

This item is also composed of:

- unpaid interim dividends for an amount of EUR 1,790.53 (2018: EUR 1,790.53);
- invoices received from affiliated undertakings for fees in relation to the initial public offering by the Company of certain of its shares for a total amount of EUR 2,629,025.41 (2018: EUR 5,394,574.44);
- payables towards affiliated undertakings related to the share buyback program paid on behalf of the Company for the total amount of EUR 4,187,309.05;
- cash advance from affiliated undertakings for a total amount of EUR 1,861,981.07; and
- payables towards affiliated undertakings in relation to the vesting of the stock-based compensation plan for a total amount of EUR 311,379.34 (2018: EUR 198,952.16) (Refer to note 4.1.2).

7.3. Other creditors

7.3.1. tax authorities

This item is mainly composed of VAT payable for a total amount of EUR 941,880.13 (2018: EUR 641,376.12).

8. Other operating income

This item is composed of:

- vesting of the stock-based compensation charged to affiliated undertakings for an amount of EUR 5,766,562.38 (Refer to note 4.1.1);
- head office costs charged to affiliated undertakings for an amount of EUR 293,790.43 (2018: EUR 1,104,782.33); and
- bond fees charged to affiliated undertakings for an amount of EUR 120,837.79.

9. Raw materials and consumables and other external expenses

9.1. Other external expenses

This item is composed of:

- the legal fees for a total amount of EUR 99,898.65 (2018: EUR 167,275.30);
- the recurring accountant fees for a total amount of EUR 97,717.84 (2018: EUR 61,213.55);
- the audit fees for a credit amount of EUR 137,736.90 due to reversed provision (2018: EUR 386,805.18);
- the fiscal fees for a total amount of EUR 39,783.03 (2018: EUR 4,800.00); and
- the other fees for a total amount of EUR 1,537,751.46 (2018: EUR 766,785.05).

10. Staff

The Company has not had any employees during the financial year ended December 31, 2019.

11. Other operating expenses

This item is mainly composed of:

- director fees for a total amount of EUR 313,177.86 (2018: EUR 156,426.79); and
- non-deductible VAT for a total amount of EUR 23,574.64 (2018: EUR 272,426.97).

12. Income from participating interests

12.1. derived from affiliated undertakings

This item is composed of share premium distribution from affiliated undertakings for an amount of EUR 0.00 (2018 EUR: 1,700,536.96).

13. Income from other investments and loans forming part of the fixed assets

13.1. derived from affiliated undertakings

This item is composed of interest income on Intercompany Loan 1 for an amount of EUR 78,499.96 (2018 EUR 78,499.99) (Refer to note 4.1.1).

14. Other interest receivable and similar income

14.1. other interest and similar income

This item is composed of foreign realized exchange gains for a total amount of EUR 84,043.34 (2018: EUR 88,061.18).

15. Value adjustments in respect of financial assets and of investments held as current assets

The value adjustment relates to impairment recorded on the own shares, due to the decrease in share price on the market for an amount of EUR 2,883,616.33 (2018 EUR: 0.00) (Refer to note 5.1).

16. Interest payable and similar expenses

16.1. concerning affiliated undertakings

This item is composed of interest expenses on intercompany loans from affiliated undertakings for a total amount of EUR 167,836.52 (2018: EUR 804,754.95) (Refer to note 7.2.1).

16.2. other interest and similar expenses

This item is mainly composed of foreign exchange losses for a total amount of EUR 115,616.98 (2018: EUR 875,974.22).

17. Tax on profit or loss

This item is composed of withholding tax on the head office costs charged to affiliated undertakings for a total amount of EUR 120,250.95 (2018: EUR 0.00)

18. Tax status

The Company is subject in Luxembourg to the applicable general tax regulations.

This item is composed of net wealth tax for the financial years 2018 and 2019 for a total amount of EUR 10,790.00 (2018: EUR 4,815.00).

19. Compensations granted to the Management

The Company has not granted any compensations to the Management for the financial year ended December 31, 2019 except for the third vesting of the stock-based compensation plan.

The third vesting of the stock-based compensation plan is composed of:

- the time restricted stock unit plan (the "**TRSU Plan**") granted on July 1, 2016 have been vested in January 4, 2019 for a total number of 1,161,870 shares delivered;
- the TRSU Plan granted on July 3, 2017 have been vested in January 4, 2019 for a total number of 235,067 shares delivered.; and

19. Compensations granted to the Management (cont.)

- the TRSU Plan granted on July 2, 2018 have been vested in January 4, 2019 for a total number of 100,364 shares delivered.

20. Off-balance sheet commitments and contingencies

During 2015, the Company launched a stock-based compensation plan for the employees of Atento group. The third vesting occurred on January 4, 2019.

During 2019, Atento granted a new share-based payment arrangement to directors, officers and other employees of the Group.

21. Subsequent events

On February 2, 2020, the Company vested the total of 1,305,065 TRSUs, issued by treasury shares.

On February 4, 2020, the shareholder's meeting of the Company approved the renewal of the authorization to the Board of Directors to acquire its own fully paid-up shares on the New York Stock Exchange or any other exchange without making an acquisition offer to the shareholders of the Company, for a period of 5 years, for a maximum number of shares to be acquired, which shall be up to 30% of the Company's share capital.

On February 26, 2020, our Board of Directors approved a new share buyback program, pursuant to the program approved by shareholders on February 4, 2020. The program authorized by the Board of Directors is limited to $30.0 million in up to 12 months, beginning March 2020. We believe the share buyback program approved by the Board of Directors as confidence in our business prospects moving forward.

Since December 2019, a novel strain of coronavirus (COVID-19) has spread from China to Italy, U.S., Brazil and other countries. Such events could cause the disruption of regional and/or global economic activity, which could reduce the need for and our ability to deliver our services and could, therefore, directly and adversely affect our business operations, financial condition, results of operations and outlook, or indirectly if our clients' businesses and financial results are adversely affected.

We are aware of the humanitarian challenge that the world is currently facing due the advance of COVID-19. Therefore, we continue to work assiduously to adopt measures that are intended to protect the health and safety of our employees. At the end of March 2020, we had around 27,000 company workers who were already performing their work remotely from home. Also, we continue to work to expand the number of managers who can fulfill their responsibilities by teleworking in a safe and effective way.

We are also focused on maintaining a good level of service for our clients. To this end, our technology and operations teams are working diligently to provide the telework option to more of our employees throughout Atento's operations. These teams are committed to continuing to optimize our operations during the COVID-19 pandemic by overcoming related technical and logistical limitations in order to fulfill our commitments to our employees, clients and society.

21. Subsequent events (cont.)

We endeavor to continue serving many of the more than 500 million people of Latin America, the United States and Spain.

The services offered by Atento or by its clients to the end-customers have been declared, in different countries, as essential, as many of our services allow citizens to remain in their homes while maintaining access to crucial services, such as healthcare, emergency services or banking, among others. One of the most current relevant examples is Praxair in Mexico, for which we provide a service that helps both hospitals and patients request oxygen supplies. Similarly, since March 24, 2020, Atento Guatemala is providing physical, technology, infrastructure and logistical support services for the government of Guatemala's COVID-19 services.

Traditionally, we have endeavored to guarantee our services and to safeguard the health and safety of our employees. We have implemented a series of measures intended to maintain this guarantee and safeguards during the COVID-19 pandemic, such as higher grade cleaning and disinfection of Atento's facilities, social distance, limiting access to common areas, offering flexible work shifts to facilitate the care of families, and the cancellation of all business travel and in-person meetings.

The extent to which COVID-19 will impact Atento's business, financial condition, results of operations and prospects will depend on future developments, which are uncertain and cannot be reasonably predicted, including new information which may emerge concerning the severity of COVID-19 and/or the actions of governments and other entities to contain COVID-19 in Brazil, among other countries in which we operate. Therefore, it is not possible to reasonably estimate the extent of potential impacts to our business, financial condition, results of operations and prospects. We are continuously monitoring the situation as closely as possible and are actively evaluating potential impacts to our business and implementing measures to help mitigate existing and potential risks.

Considering post year-end market conditions however, the carrying values retained for the investments in the financial statements may differ significantly from the current values of the investments.