

ATENTO S.A.
(THE "COMPANY")

SOCIÉTÉ ANONYME
REGISTERED OFFICE: 4, RUE LOU HEMMER
L-1748 LUXEMBOURG FINDEL
R.C.S. LUXEMBOURG: B 185.761

Management report to the general meeting of shareholders

Dear shareholders,

Before entering the financial details for this year end 2018, we would like to provide some highlights as a wrap up on the past financial year. Despite being a challenging year, we continued to expand our market penetration and strengthen our client relationships during 2018, adding some exciting new logos. For example, in Brazil, we announced a partnership with Samsung for a customer relationship center with more than 1,200 workstations and the Unimed-Rio carve-out, a strategic move into the fast-growing healthcare sector. Other examples include a digital strategy to enhance Kia's customer experience in Mexico, along with expanding our partnerships with several major organizations in the banking and financial services, insurance, technology, media and travel verticals. We delivered significant progress in our flagship Brazil operations, especially in the second half of the year, and ended 2018 on a high note with strong revenue expansion and solid EBITDA margin improvement. Our Multisector business was a growth engine for us in 2018, highlighting the continued diversification of our business. In addition to delivering solid growth across important lines of business, we also generated strong cash flow, enabling Atento to continue to make strategic investments and prepare itself for more predictable results and a profitable growth path.

Having said the above, we hereby wish to submit to you the annual accounts of the Company for the financial year ending on December 31st, 2018.

The balance sheet total amounts to five hundred nine million seventy-three thousand eight hundred ninety euro and five cents (EUR 509,073,890.05).

The financial year ending on December 31st, 2018 has produced a loss of five hundred nine thousand five hundred seventy-three euro and seventeen cents (EUR 509,573.17).

We suggest the following allocation of the result:

Result of the financial year	EUR	- 509,573.17
Result to be carried forward to the following financial year	EUR	- 509,573.17

Pursuant to Article 68 of the law of 19 December 2002 regarding the trade and companies' register and the accounting as well as annual accounts of companies, as amended, the board of directors hereby declares:

1. The Company's likely foreseeable future development is stable.
2. The Company is not involved in any research and development activities.

3. The Company did purchase a portion of its own shares.
4. The Company does not have established branches.
5. The board of directors declares that the Company has in place adequate internal regulations and policies with respect to risk management.

We kindly ask you to grant discharge to the directors for the exercise of their mandates during the financial year ended on December 31st, 2018.

Done in Luxembourg on April 30th, 2019,

For the board of directors:



Name : **Vishal Jugdeb**

Title: Director

Atento S.A.
Société Anonyme

Annual accounts and Independent auditor's report for the financial
year ended December 31, 2018

4, rue Lou Hemmer
L-1748 Luxembourg-Findel
RCS Luxembourg: B 185761
Subscribed capital : EUR 33,827.71

Atento S.A.
Notes to the annual accounts as at December 31, 2018

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Independent auditor's report

To the Shareholders of
Atento S.A.
4, rue Lou Hemmer
L-1748 Luxembourg-Findel

Opinion

We have audited the financial statements of Atento S.A. (the "Company"), which comprise the balance sheet as at 31 December 2018, 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 2018, 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 those Law and standards 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 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 the "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.

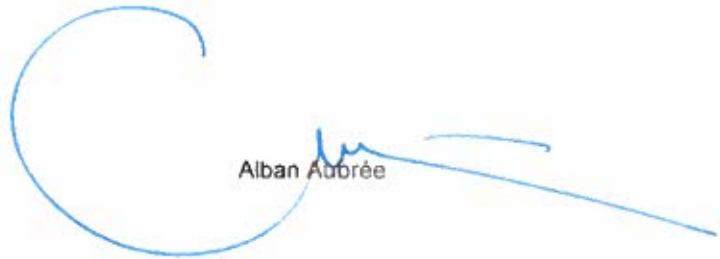
As part of an audit in accordance with the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- 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 the "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 our report of the "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

A large, stylized handwritten signature in blue ink, starting with a large 'C' and ending with a long horizontal stroke.

Alban Aubrée

Luxembourg, 19 March 2019

Annual Accounts Helpdesk :

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RCSL Nr. : B185761

Matricule : 20142205670

BALANCE SHEET

Financial year from ⁰¹ 01/01/2018 **to** ⁰² 31/12/2018 **(in** ⁰³ EUR)

Atento S.A.
4 rue Lou Hemmer
L-1748 Luxembourg-Findel

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	110
		495,744,107.59	496,744,107.59
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

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

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	136 496,744,107.59
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	0.00	140 1,000,000.00
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	13,298,295.84	152 30,846,359.41
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	4,829,746.17	164 29,882,734.67
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	4,379,878.70	172 29,877,857.67
a) becoming due and payable within one year	1173	4.1.1	173	3,043,183.59	174 28,541,162.56
b) becoming due and payable after more than one year	1175	4.1.2	175	1,336,695.11	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	449,867.47	184 4,877.00
a) becoming due and payable within one year	1185	4.2.1	185	449,867.47	186 4,877.00
b) becoming due and payable after more than one year	1187		187		188

RC SL Nr. : B185761		Matricule : 20142205670	
	Reference(s)	Current year	Previous year
III. Investments	1189 5	189 7,087,266.67	190 0.00
1. Shares in affiliated undertakings	1191	191	192
2. Own shares	1209 5.1	209 7,087,266.67	210 0.00
3. Other investments	1195	195	196
IV. Cash at bank and in hand	1197	197 1,381,283.00	198 963,624.74
E. Prepayments	1199 2.2.5	199 31,486.62	200 49,546.62
TOTAL (ASSETS)		201 509,073,890.05	202 527,640,013.62

CAPITAL, RESERVES AND LIABILITIES
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	Reference(s)		Current year		Previous year	
A. Capital and reserves	1301	<u>6</u>	301	<u>497,392,840.41</u>	302	<u>497,902,413.58</u>
I. Subscribed capital	1303	6.1	303	33,827.71	304	33,304.18
II. Share premium account	1305	6.2	305	483,482,286.92	306	511,608,659.21
III. Revaluation reserve	1307		307		308	
IV. Reserves	1309		309	7,090,597.09	310	0.00
1. Legal reserve	1311	6.3	311	3,330.42	312	0.00
2. Reserve for own shares	1313	6.4	313	7,087,266.67	314	0.00
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	7,295,701.86	320	-17,309,074.51
VI. Profit or loss for the financial year	1321		321	-509,573.17	322	24,608,630.32
VII. Interim dividends	1323		323	0.00	324	-21,039,105.62
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	<u>2.2.6.7</u>	435	<u>11,681,049.64</u>	436	<u>29,737,600.04</u>
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
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	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	850,302.60	368	1,095,521.62
a) becoming due and payable within one year	1369	7.1.1	369	850,302.60	370	1,095,521.62
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	10,184,493.92	380	28,381,935.92
a) becoming due and payable within one year	1381	7.2.1	381	9,985,541.76	382	10,311,788.74
b) becoming due and payable after more than one year	1383	7.2.2	383	198,952.16	384	18,070,147.18
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	646,253.12	452	260,142.50
a) Tax authorities	1393	7.3.1	393	646,253.12	394	260,142.50
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	<u>509,073,890.05</u>	406	<u>527,640,013.62</u>

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RCSL Nr. : B185761

Matricule : 20142205670

PROFIT AND LOSS ACCOUNT**Financial year from** ⁰¹ 01/01/2018 **to** ⁰² 31/12/2018 **(in** ⁰³ EUR)Atento S.A.
4 rue Lou Hemmer
L-1748 Luxembourg-Findel**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 8	713 1,104,782.33	714 1,648,491.99
5. Raw materials and consumables and other external expenses	1671 9	671 -1,414,575.84	672 -2,550,748.82
a) Raw materials and consumables	1601	601	602
b) Other external expenses	1603 9.1	603 -1,414,575.84	604 -2,550,748.82
6. Staff costs	1605	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 -428,853.76	622 -705,170.57

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

RCSL Nr. : B185761	Matricule : 20142205670
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	Reference(s)		Current year		Previous year	
9. Income from participating interests	1715	<u>12</u>	715	<u>1,700,536.96</u>	716	<u>26,495,920.00</u>
a) derived from affiliated undertakings	1717	12.1	717	1,700,536.96	718	26,495,920.00
b) other income from participating interests	1719		719		720	
10. Income from other investments and loans forming part of the fixed assets	1721	<u>13</u>	721	<u>78,499.99</u>	722	<u>57,172.59</u>
a) derived from affiliated undertakings	1723	13.1	723	78,499.99	724	57,172.59
b) other income not included under a)	1725		725		726	
11. Other interest receivable and similar income	1727	<u>14</u>	727	<u>88,061.18</u>	728	<u>110,113.66</u>
a) derived from affiliated undertakings	1729		729		730	
b) other interest and similar income	1731	14.1	731	88,061.18	732	110,113.66
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		665		666	
14. Interest payable and similar expenses	1627	<u>15</u>	627	<u>-1,680,753.30</u>	628	<u>-442,333.53</u>
a) concerning affiliated undertakings	1629	15.1	629	-804,754.95	630	-102,488.65
b) other interest and similar expenses	1631	15.2	631	-875,998.35	632	-339,844.88
15. Tax on profit or loss	1635		635		636	
16. Profit or loss after taxation	1667		667	<u>-552,302.44</u>	668	<u>24,613,445.32</u>
17. Other taxes not shown under items 1 to 16	1637	<u>16</u>	637	<u>42,729.27</u>	638	<u>-4,815.00</u>
18. Profit or loss for the financial year	1669		669	<u>-509,573.17</u>	670	<u>24,608,630.32</u>

Atento S.A.
Notes to the annual accounts as at December 31, 2018

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.

The registered office of the Company is established at 4 rue Lou Hemmer, L-1748 Luxembourg-Findel.

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 accounting policies. Changes in assumptions may have a significant impact on the annual

2.1. General principles (cont.)

accounts in the period in which the assumptions changed. 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.

Atento S.A.
Notes to the annual accounts as at December 31, 2018

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**”.

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.	4 rue Lou Hemmer, L-1748 Luxembourg Findel	100.00%	31/12/2018	566,216,962.97	22,815,699.97	495,744,107.59

On December 20, 2018, Atalaya Luxco Midco S.à r.l. declared a share premium repayment to the Company for an amount of USD 1,934,700.90 (equivalent to EUR 1,700,536.96). The share premium repayment was settled in kind by transfer of an intercompany receivable in the same amount.

Atento S.A.
Notes to the annual accounts as at December 31, 2018

3.1. Shares in affiliated undertakings (cont.)

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	Issuer	Maturity date	Interest Rate	Carrying Value 31.12.2017 (EUR)	Capitalisation / Reimbursement (EUR)	Carrying value 31.12.2018 (EUR)	Interest income 31.12.2018 (EUR)	Accrued interests 31.12.2018 (EUR)
Intercompany Loan 1	Atento S.A.	31/12/2019	7,85%	1,000,000.00	0.00	1,000,000.00	78,499.99	114,631.48

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, 2019 and shall bear a yield of 7.85% per annum.

As at December 31, 2018, the nominal value amounts to EUR 1,000,000.00 and the accrued interest to EUR 114,631.48.

The interest income on the Intercompany Loan 1 for the financial year amounts to EUR 78,499.99.

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, 2018 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 1,757,781.11 (2017: EUR 1,822,346.07); and
- invoices unpaid in relation with the Stock option plan for a total amount of EUR 170,771.00 (2017: EUR 186,765.00).

4.1.2. becoming due and payable after more than one year

This item is composed of invoices to be issued to affiliated undertakings in relation to the second vesting of the stock-based compensation plan for EUR 1,336,695.11 (2017: EUR 1,336,695.11).

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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 444,990.47.

5. Investments

5.1. Own shares or own corporate units

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

The company also raised its reserve for own shares to an amount of EUR 7,087,266.67 (Refer to note 6.4).

6. Capital and reserves

6.1. Subscribed capital

As at January 1, 2018, the share capital, amounting to EUR 33,304.18, is represented by 73,909,056 shares without nominal value.

On November 6, 2018, the board of Directors resolved to increase the Company's share capital by an amount of EUR 523.53 through the issuance of 1,161,870 new shares without nominal for a total subscription price of EUR 523.53 fully paid up by way of incorporation of distributable reserves of the Company.

As at December 31, 2018, the share capital, amounting to EUR 33,827.71, is represented by 75,070,926 shares without nominal value.

The authorised capital, excluding the issued share capitals, is set at EUR 999,997,174.29.

6.2. Share premium account

As at January 1, 2018, there is a share premium for a total amount of EUR 511,608,659.21.

On May 31, 2018, the general meeting of shareholders approved that the interim dividend distributed in 2017 was to be considered against the share premium account for a total amount of EUR 21,039,105.62.

The reserves from own shares was made from the share premium account on September 13, 2018 and October 5, 2018 for a total amount of EUR 7,087,266.67 (equivalent to USD 8,206,968.58). (Refer to note 6.4)

As at December 31, 2018, there is a share premium for a total amount of EUR 483,482,286.92.

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 7,087,266.67 (equivalent to USD 8,206,968.58).

7. Creditors

7.1. Trade creditors

7.1.1. becoming due and payable within one year

This item is composed of:

- invoices payable for audit, tax, administrative other fees for an amount of EUR 452,748.61 (2017: EUR 557,052.14); and
- accruals for audit, tax and administrative fees for a total amount of EUR 397,553.99 (2017: EUR 538,469.48).

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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 31.12.2017 (EUR)	Capitalisation/ (Reimbursement) (EUR)	FX changes 31.12.2018 (EUR)	Carrying Value 31.12.2018 (EUR)	Interest expenses 31.12.2018 (EUR)	Accrued interests 31.12.2018 (EUR)
Intercompany loan 2	Atento Chile S.A.	20/11/2019	3.00%	USD 5,000,000.00	4,244,121.89	0.00	157,878.11	4,402,000.00	111,905.10	131,423.58
Intercompany loan 3	Atento B.V.	16/11/2022	6.50%	USD 8,000,000.00	6,796,363.95	(7,031,730.68)	235,366.73	0.00	426,369.55	0.00
Intercompany loan 4	Teleatento del Peru S.A.C.	16/11/2019	2.50%	USD 5,000,000.00	4,247,727.47	(4,394,831.69)	147,104.22	0.00	102,492.43	0.00
Intercompany loan 5	Teleatento del Peru S.A.C.	21/11/2019	2.50%	USD 8,000,000.00	6,827,103.60	(7,031,730.68)	204,627.08	0.00	163,987.87	0.00
Total					22,115,316.91	(18,458,293.05)	744,976.14	4,402,000.00	804,754.95	131,423.58

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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 of 2 years and shall bear a yield of 3% per annum.

As at December 31, 2018, the nominal value amounts to EUR 4,402,000.00 and the accrued interest to EUR 131,423.58.

The interest expenses on the Intercompany Loan 2 for the financial year amounts to EUR 111,905.10.

- * On November 16, 2017, the Company entered in an intercompany loan agreement as borrower with Atento B.V. as lender for an amount of EUR 6,796,363.95 (equivalent to USD 8,000,000.00) (the “**Intercompany Loan 3**”). The Intercompany Loan 3 shall have a final repayment date of 5 years and shall bear a yield of 6.5% per annum.

On December 20, 2018, the Company offset the Intercompany Loan 3 for an amount of EUR 7,031,730.68 and the accrued interests for an amount of EUR 500,890.39 as a partial reimbursement of interim dividends distributed in 2017.

The interest expenses on the Intercompany Loan 3 for the financial year amounts to EUR 426,369.55.

- * On November 16, 2017, the Company entered in an intercompany loan agreement as borrower with Teleatento del Peru S.A.C. as lender for an amount of EUR 4,247,727.47 (equivalent to USD 5,000,000.00) (the “**Intercompany Loan 4**”). The Intercompany Loan 4 shall have a final repayment date of 2 years and shall bear a yield of 2.5% per annum.

On December 20, 2018, the Company offset the Intercompany Loan 4 for an amount of EUR 4,394,831.69 and the accrued interests for an amount of EUR 120,406.35 as a partial reimbursement of interim dividends distributed in 2017.

The interest expenses on the Intercompany Loan 4 for the financial year amounts to EUR 102,492.43.

- * On November 21, 2017, the Company entered in an intercompany loan agreement as borrower with Teleatento del Peru S.A.C. as lender for an amount of EUR 6,827,103.60 (equivalent to USD 8,000,000.00) (the “**Intercompany Loan 5**”). The Intercompany Loan 5 shall have a final repayment date of 2 years and shall bear a yield of 2.5% per annum.

On December 20, 2018, the Company offset the Intercompany Loan 5 for an amount of EUR 7,031,730.68 and the accrued interests for an amount of EUR 190,242.03 as a partial reimbursement of interim dividends distributed in 2017.

The interest expenses on the Intercompany Loan 5 for the financial year amounts to EUR 163,987.87.

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

This item is also mainly composed of:

- unpaid interim dividends for an amount of EUR 1,790.53 (2017: EUR 1,790.53); and
- 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 5,394,574.44 (2017: EUR 5,963,387.67).

7.2.2. becoming due and payable after more than one year

This item is composed of payables to affiliated undertakings in relation to the second vesting of the stock-based compensation plan for a total amount of EUR 198,952.16 (Refer to note 19).

7.3. Other creditors

7.3.1 tax authorities

This item is mainly composed of VAT payable for a total amount of EUR 641,376.12.

8. Other operating income

This item is composed of head office costs charged to affiliated undertakings for an amount of EUR 1,104,782.33 (2017: EUR 1,648,491.99).

9. Raw materials and consumables and other external expenses

9.1. Other external expenses

This item is mainly composed of:

- the legal fees for a total amount of EUR 167,275.30 (2017: EUR 167,392.59);
- the recurring accountant fees for a total amount of EUR 61,213.55 (2017: EUR 31,496.63);
- the audit fees for a total amount of EUR 386,805.18 (2017: EUR 1,079,738.15);
- the fiscal fees for a total amount of EUR 4,800.00 (2017: EUR 76,194.40); and
- the other fees for a total amount of EUR 766,785.05 (2017: EUR 1,195,927.05).

10. Staff

The Company has not had any employees during the financial year ended December 31, 2018.

11. Other operating expenses

This item is composed of:

- director fees for a total amount of EUR 156,426.79 (2017: EUR 203,270.19); and
- non-deductible VAT for a total amount of EUR 272,426.97 (2017: EUR 501,900.38).

12. Income from participating interests

12.1. derived from affiliated undertakings

This item is composed of a share premium distribution from affiliated undertakings for an amount of USD 1,934,700.90 (equivalent to EUR 1,700,536.96) (2017: EUR 26,495,920.00) (Refer to note 3.1).

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 78,499.99 (2017: EUR 57,172.59) (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 88,061.18 (2017: EUR 92,064.37).

15. Interest payable and similar expenses

15.1. concerning affiliated undertakings

This item is composed of interest expenses on intercompany loans from affiliated undertakings for a total amount of EUR 804,754.95 (2017: EUR 102,488.65) (Refer to note 7.2.1).

15.2. other interest and similar expenses

This item is mainly composed of foreign exchange losses for a total amount of EUR 875,974.22 (2017: EUR 339,844.88).

16. Tax status

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

This item is mainly composed of:

- withholding tax on the payments of head office costs recharged to affiliated undertakings for a total amount of EUR 162,726.92 (2017: EUR 0.00); and
- adjustment on the value added tax for the year 2016 and 2017 for a total amount of EUR 210,271.19.

17. Compensations granted to the Management

The Company has not granted any compensations to the Management for the financial year ended December 31, 2018.

18. Off-balance sheet commitments and contingencies

During 2015, the Company launched a stock-based compensation plan for the employees of Atento group. The Company have not declared any vesting for the financial year ended December 31, 2018.

During 2018, Atento granted a new share-based payment arrangement to directors, officers and other employees of the Group.

19. Subsequent events

On January 18, 2019, the Board approved to increase the share capital of the Company within its Authorized Share Capital by an amount of EUR 151.14 through the issuance of 335,431 shares, increasing its Subscribed capital from the current amount of EUR 33,827.71 to EUR 33,978.85.