LATAM

Integrated Report 2022

Index

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Presentation

GRI 2-2 and 2-3

In its Integrated Report, LATAM Airlines Group S.A. annually presents its main advances and challenges considering all the companies in the group, the economic, social and environmental dimensions of the business, and the relationships with its stakeholders.

This edition corresponds to the period from January 1, 2022 to December 31, 2022 and meets the requirements of General Standard (NCG, for its Spanish acronym) 461, of Chile's Financial Market Commission (CMF, for its Spanish acronym), which incorporates sustainability and corporate governance issues in the annual report. For LATAM, the new mandatory regulations represent an opportunity to deepen the movement initiated in 2018, when the group first published an Integrated Report, strategically connecting financial and non-financial information, previously the subject of two different publications: The Annual Report and the Sustainability Report. In addition to giving greater visibility to the corporate governance practices that the Company has always followed.

In the report of the information related to the relevant sustainability topics and the indicators that monitor the group's performance in these topics, the guidelines were the Global Reporting Initiative (GRI) standards—the main global benchmark for sustainability communication and management. The contents and indicators linked to the GRI standards were subjected to external verification by Deloitte.

Metrics established for airlines, defined by the Sustainability Accounting Standards Board (SASB)/International Financial Reporting Standards (IFRS) Foundation, complement the sustainability information.

LATAM's Consolidated Financial Statements are an integral part of the Report. They comprise the financial situation as at December 31, 2021 and 2022, and were externally audited by PwC. In addition to being available in this publication, starting on page 192, they can also be viewed on the *CMF website* and on the *LATAM Airlines Investor Relations website*.

CONVENTIONS

Currency and Exchange Rate

LATAM Airlines Group S.A. and most of its affiliates maintain their accounting records and prepare their financial statements in US dollars (USD); some use Chilean pesos, Colombian pesos, or Brazilian reals. The group's audited consolidated financial statements include the results of these affiliates translated into US dollars.

In accordance with the International Accounting Standards (IASB), assets and liabilities consider the exchange rate at the end of the period. The income and expense accounts take into account the exchange rate at the date of the transaction; however, a monthly exchange rate may be adopted if the rates do not vary widely.

Names

- **LATAM Airlines Group:** Except where the context requires it, mentions of LATAM Airlines Group refer to LATAM Airlines Group S.A., a non-consolidated operating entity.

LATAM: Mentions of LATAM, the group, and Society refer to LATAM Airlines Group S.A. and its consolidated subsidiaries: Transporte Aéreo S.A. (LATAM Airlines Chile), LAN Airlines Perú S.A. (LATAM Airlines Peru), Aerolane, Líneas Aéreas Nacionales del Ecuador S.A. (LATAM Airlines Ecuador), LAN Argentina S.A. (LATAM Airlines Argentina, formerly Aero 2000 S.A.), Aerovías de Integración Regional, Aires S.A. (LATAM Airlines Colombia), TAM S.A. (TAM or LATAM Airlines Brazil), Transportes Aéreos del Mercosur S.A.(LATAM Paraguay), LAN Cargo S.A. (LATAM Cargo) and the two regional cargo subsidiaries: Línea Aérea Carguera de Colombia S.A. (LANCO or LATAM Cargo Colombia) in Colombia, and Aerolinhas Brasileiras S.A. (ABSA or LATAM Cargo Brazil) in Brazil.

Other mentions of LATAM, as the context may require, refer to the LATAM brand, launched in 2016, and which brings together, under one internationally recognized name, all of the affiliate brands, such as LATAM Airlines Chile, LATAM Airlines Peru, LATAM Airlines Argentina, LATAM Airlines Colombia, LATAM Airlines Ecuador, and LATAM Airlines Brazil.

LATAM Cargo group: Refers to the group of cargo operators – LAN Cargo S.A. (LATAM Cargo) and regional cargo subsidiaries: Línea Aérea Carguera de Colombia S.A. (LANCO or LATAM Cargo Colombia) in Colombia, and Aerolinhas Brasileiras S.A. (ABSA or LATAM Cargo Brazil) in Brazil.

- **LAN:** Mentions of LAN refer to LAN Airlines S.A., currently known as LATAM Airlines Group S.A., in connection with circumstances and events occurring prior to the completion date of the combination between LAN Airlines S.A. and TAM S.A.

- **TAM:** Unless the context requires another form, mentions of TAM refer to TAM S.A. and its consolidated subsidiaries, including TAM Linhas Aéreas S.A. (TLA), which operates under the name LATAM Airlines Brazil, Fidelidade Viagens e Turismo Limited (TAM Viagens) and Transportes Aéreos del Mercosur S.A. (TAM Mercosur).

STANDARDS USED

Throughout the text, the information related to each of the standards used ***(NCG 461, SASB, and GRI)****, is indicated, ordered within two specific content indexes on* ***pages 100 and 104****. The aim is to make it easier for the reader to obtain the information related to each standard.*

MORE INFORMATION
GRI 2-3

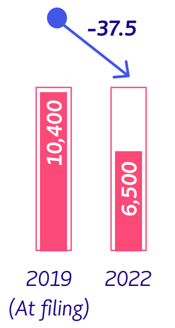
Any suggestions, criticisms, or concerns about the Report can be submitted to investorrelations **investorrelations@latam.com** *and* **sostenibilidad@latam.com**.

Highlights

Solid financial results

During the Chapter 11 proceeding, LATAM was able to improve its cost and capital structure

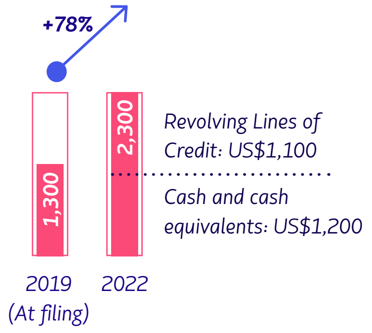
GROSS DEBT (US$ MILLION)



4.2x

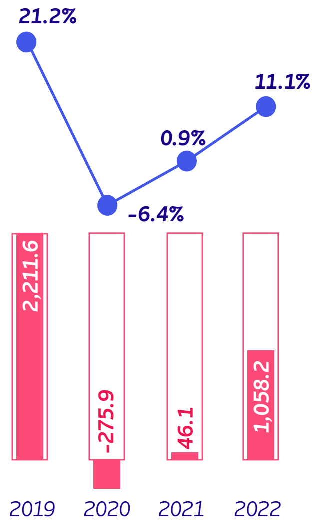
Leverage

LIQUIDITY (US$ MILLION)



Equivalent to 24.3% of total revenues in 2022

EBITDA[1] (US$ MILLION)

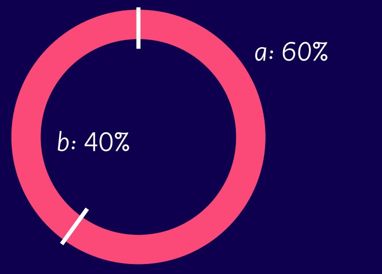


EBITDA MARGIN

1 Earnings before interest, tax, depreciation, and amortization.

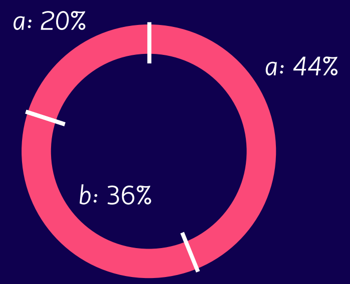
DIVERSIFIED REVENUE STRUCTURE AND OPERATIONS

BY CURRENCY TYPE



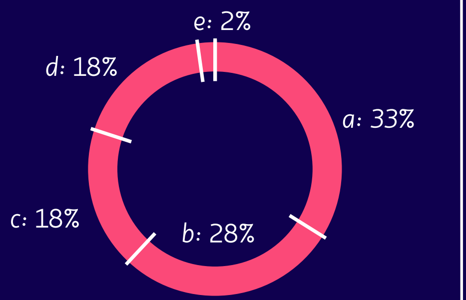
a: Dollar (USD) and Euro (EUR)
b: Other currencies

BY CAPACITY (ASK)
(PASSENGER OPERATION)



a: International
b: Domestic Brazil
c: Domestic SSC

BY BUSINESS UNIT



a: Passengers (international)
b: Passengers (domestic Brazil)
c: Passengers (domestic SSC)
d: Cargo
e: Others

Total (US$ million)

9,516.8

ASK: available seat-kilometers.
SSC: Spanish-speaking countries.

Operational recovery

PASSENGER OPERATIONS

62 million passengers

144 destinations

22 countries

Load factor: 81.3%
Consolidated traffic (RPK - million): 92,588
Capacity (ASK- million): 113,852

ASK: available seat-kilometers.
RPK: revenue passenger-kilometers.

The operation showed a steady recovery since the onset of the pandemic, reaching 85.2% (ASK) of 2019 levels in December 2022

CARGO OPERATIONS

901 thousand tons transported

154 destinations

(10 exclusively cargo) in 17 countries (3 exclusively cargo)

Load factor: 56.5%
Consolidated traffic (RTK- million): 3,532
Capacity (ATK- million): 6,256

RTK: revenue ton-kilometers.
ATK: available ton-kilometers.

Customer focus

JOINT VENTURE WITH DELTA AIR LINES

Access to over 300 destinations between the United States/ Canada and South America

NEW CABINS

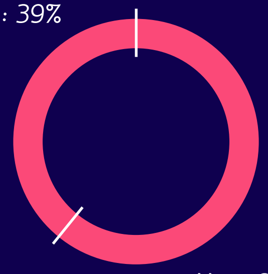
> Flexibility to serve the different passenger segments
> Competitive rates
> Renovated cabins in 89% of the narrow-body fleet

LATAM LOUNGE IN SANTIAGO – CHILE

4,200 meters in **3** lounges

> Colors inspired by the nature of Chile
> Sustainable furniture
> 80% of the energy consumed comes from renewable sources

Our people



44 nationalities

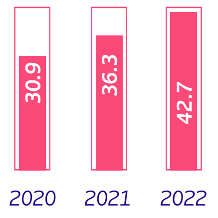
32,507 professionals

DIVERSITY AND INCLUSION

77 points in McKinsey's Inclusion Assessment

2-point increase compared to 2021

AVERAGE TRAINING (h/employee)



Sustainability Strategy – Pillars

>> CLIMATE CHANGE

687.9 thousand tons of greenhouse gas emissions managed through offsets and reducctions

> Emission reductions through operational improvements

> Emissions offsets and ecosystem preservation (LATAM + clients)

>> SHARED VALUE

117 million vaccines against COVID-19 transported free of charge by the Solidary Plane program

Networking: **51 alliances** and agreements with organizations in **5 countries**

>> CIRCULAR ECONOMY

77% reduction of single-use plastics[1] on board

1 Examples: cutlery, glasses, cups, trays, mixers, bags and lids.

LATAM was recognized by S&P's Corporate Sustainability Assessment as the fifth most sustainable airline worldwide

Letter from the CEO

GRI 2-22

Rarely in life does one find oneself confronted with a crisis such as the one that the pandemic was for the entire world and, in particular, for commercial aviation. From mid- to late March 2020, the LATAM group reduced passenger operations by 95%. The effects of the pandemic were dramatic and extended far beyond what we all expected. At the close of 2022, almost 3 years since the beginning of this crisis, we have not yet fully resumed our previous operation.

In these hard months and years, we had to make difficult, but unfortunately necessary, decisions for the continuity of the group. In this context, the LATAM group was forced to enter a financial reorganization process under Chapter 11 of U.S. Law in May 2020. This period has been extraordinarily challenging, but at the same time, it has offered a unique opportunity to review very deeply what the group has built over time, what should be kept and what should be changed.

On November 3, 2022, and after nearly 30 months, the LATAM group emerged from Chapter 11 strengthened, with a stronger financial condition and an extremely competitive cost structure. But more importantly, with a renewed sense of purpose, with clarity of what we must improve to be an asset in the societies where we participate, and to be better every day for our customers, people and the environment.

2022 reflects a strengthened group. The year ended with even healthier liquidity and debt levels than we had in the pre-pandemic period: liquidity of US$2.3 billion at the end of 2022 and a reduction in gross debt of 37.5% vs. US$10.4 billion upon entering Chapter 11, reflecting a leverage of 4.2x. Moreover, we have a better cost structure. The cash cost of the fleet is more than 40% lower than in 2019, and in the fourth quarter, the ex-fuel ASK (available seat-kilometers) cost of passenger operations was US$0,04, offsetting the inflation seen in recent years.

By the end of the year, in the group's passenger operations, capacity reached 85.2% of the 2019 level measured in ASK and, on average, throughout 2022, it was 76.4% compared to 2019. The LATAM group transported approximately 62 million passengers last year, representing an increase of 22 million passengers vs. 2021. By last December, the LATAM group operated 144 passenger destinations in 22 countries, matching the number of destinations flown during the same period in 2019.

The group continued to show its strength in the region, with subsidiaries in Brazil, Chile and Peru ranking first in market share in their respective domestic segments. In the case of the Brazil affiliate, it went from 34% market share in 2019 to 37% in 2022, while the affiliate in Peru went from 62% to 65%, and the one in Chile, from 58% to 60%. In turn, the LATAM group resumed 14 international routes that had been suspended due to the pandemic.

Nobody connects South America like LATAM. In 2023, LATAM Airlines Brazil will resume operations to Africa and the group will fly 38 new routes that it did not operate in 2019, including two that fall within the joint venture with Delta Air Lines.

The JV with Delta Air Lines will enable us to deliver more and better services to our passengers, as well as to connect them to more than 300 destinations in the United States, Canada and South America. As a first step, we have announced direct flights between São Paulo (Brazil) and Los Angeles (United States), and between Bogota (Colombia) and Orlando (United States). Regarding the latter, the Colombia affiliate plans to transport 120 thousand passengers per year, offering better connection alternatives from the inmost regions of Colombia and Ecuador to the East Coast of the United States through Delta's hub in Orlando and LATAM's hub in Bogota.

By the end of the year, capacity (measured in ASK) in passenger operations reached 85.2% of the pre-pandemic level

Due to its transportation and connectivity capacity, LATAM Cargo S.A. and its cargo subsidiaries in Colombia and Brazil played an important role in local supply logistics and exports. Our cargo capacity increased 30.7% compared to 2021. The cargo subsidiary ended the year with almost 901 thousand tons transported, representing an increase of 12.4% over the previous year.

In terms of projections, for this year, the group expects to continue progressing, with annual growth of more than 20% in its passenger and cargo operations.

Focused on providing passengers with a simpler, faster and more autonomous travel experience, we worked hard on the digital transformation. Progress in this arena is reflected in the Net Promoter Score (NPS) indicator, which speaks of customer satisfaction. In 2022, the digital experience rating reached 50 points, an increase of 10 points versus 2021, and the passenger operation's NPS was 46. Meanwhile, at LATAM Cargo, we reached 51 points in this gauge in 2022, up 21 points from 2021 and 33 points over the last two years—the best result in the history of the cargo business since we began measuring this in 2016.

At the same time, and with a view to improve passenger experience, we retrofitted 81 airplanes in 2022, bringing the total number of aircraft with renovated interiors to 198. In Brazil, 98 aircraft that the affiliate operates domestically have in-cabin Wi-Fi—a feature that will be included across the entire LATAM Airlines Brazil fleet during the first half of 2023. At the same time, and under the name "LATAM Lounge", LATAM Group opened the doors of a renovated space in Chile dedicated to prime passengers and airline partners with commercial agreements, where they can await their flight departure or connection to their destination.

Last year, we continued to work to be an asset in the different communities where the group operate, seeking to be part of the solution to current and future social, environmental and economic growth challenges. The guideline is the LATAM Sustainability Strategy, developed after much dialog and reflection during the first year of the pandemic, and launched in 2021 as a roadmap for the next 30 years.

Three pillars support it, each with clear goals, deadlines and action plans.

Under the pillar of climate change, the LATAM group has committed to reduce and offset the equivalent of 50% of domestic greenhouse gas (GHG) emissions by 2030 and to be a carbon neutral group by 2050. In 2022, the company surpassed its plan for the year, with 688 thousand tons of emissions managed, including operational improvement initiatives and support for preservation projects in strategic ecosystems across the region.

In 2022, the expansion of the partnership with the Cataruben Foundation in CO2Bio was announced; this is a project for the preservation and restoration of flooded savannas and forests in South America.

Located in the Colombian Orinoco basin, the CO2Bio project expects to capture 11.3 million tons of CO2 in a property of 575,000 hectares by 2030, equivalent to more than three times the size of cities such as Bogota or São Paulo.

The LATAM group continues to invest in modernizing the fleet with more efficient aircraft models, in addition to reducing the fuel consumption of the current fleet. Last year, LATAM made a commitment to get 5% of its fuel consumption to come from sustainable aviation fuels (SAF) by 2030, favoring production generated in South America. Although production is still below 1% of international demand, this type of fuel has the potential to reduce emissions by up to 80% compared to fossil fuels, making it a central tool for meeting our goal of achieving carbon neutrality by 2050.

Under the pillar of circular economy, progress was made on the goal of eliminating single-use plastic by 2023 and becoming a zero-waste-to-landfill group by 2027. By changing materials and improving processes, it was possible to eliminate 77% of single-use plastics from the in-flight service, surpassing the 60% target set for the year. In addition, progress was made in the design and implementation of a rigorous plan to reduce plastic in cargo operations.

Last, within the pillar of shared value, the Solidary Plane makes the connectivity, expertise and capacity of the passenger and cargo operations available to benefit communities in South America. At the end of 2022, the program had partnerships with 51 organizations in the countries with domestic operations, focusing its work on health, environment and disasters. Within this framework, the group transported 117 million vaccines against COVID-19, free of charge, and considering what has been transported since the beginning of the pandemic, this figure reaches 376 million vaccines. In Brazil alone, LATAM Airlines Brazil was responsible for the transportation, by air, of two out of every three doses within the country during 2022.

The sustainability management and performance have been recognized by S&P Global, which is responsible for selecting the companies that make up the Dow Jones Sustainability Index (DJSI). In S&P's 2022 Corporate Sustainability Assessment, LATAM ranked as the fifth most sustainable in the global airline industry. The results achieved by the group in the arenas of corporate citizenship, circular economy and labor practices are noteworthy.

A new LATAM is under construction and none of this would be possible without the support of each of the 32,507 people who make up this group, comprising 44 different nationalities thanks to the diversity of our operations. The multiculturalism of the group is an encouragement to move forward in building more inclusive work environments and we are taking important steps in gender equality by incorporating more women as pilots and maintenance mechanics, and in equal opportunities and professional success for all employees.

I began this letter by talking about the unique challenge that the crisis represented, and I would like to end it by highlighting what a privilege it has been to be part of a team like LATAM group's along this journey. The will, courage and commitment of each and every one of us was the driving force that pushed us out of this crisis. The group came away strengthened, united and with a renewed sense of purpose.

May this message also serve as a tribute to each and every one of those who have made this possible. It's an honor to count myself among you.

Roberto Alvo Milosawlewitsch
CEO LATAM Airlines Group

Who we are

IN THIS CHAPTER

LATAM group

NCG 461: 6.1 INDUSTRIAL SECTOR and 6.2 BUSINESSES | GRI 2-1, 2-6 and 3-3

LATAM group has domestic operations in five countries in South America — Brazil, Chile, Colombia, Ecuador, and Peru — and offers the best connectivity within, to, and from Latin America, covering 144 destinations in 22 countries with its pasenger operations and 154 destinations with its cargo operations.

This network, together with the flight frequency and the connection possibilities that it offers to its passengers, enhanced with the connection *hubs* of São Paulo (Brazil), Santiago (Chile), and Lima (Peru), makes it a benchmark in the regional and global airline industry and allows it to have a geographically diversified revenue base, from both passengers and cargo.

In 2020, LATAM group entered one of the most challenging periods in its history. The coronavirus pandemic brought along border shutdowns and prolonged quarantines, directly affecting the entire industry. Given this scenario, LATAM Airlines Group S.A. and its subsidiaries in Chile, Colombia, Ecuador, Peru, the United States and Brazil requested voluntary protection under the financial reorganization statute of the U.S. Chapter 11 in 2020, seeking to reorganize its debt to its creditors, as well as to access new sources of financing and transform its business in response to the global pandemic.

After more than two years of intense work in the reorganization process, and together with the necessary support from creditors and shareholders, in early November 2022, LATAM successfully completed its restructuring. Through the process, it achieved significant cost savings and a reduction in debt with the resulting improvement in capital structure.

After successfully overcoming this difficult process, LATAM emerged as a more efficient group, with less debt and more liquidity, a modern fleet, the largest network of connections in South America, and the largest loyalty program in the continent.

The process also allowed LATAM to become more competitive and open new routes. In Brazil, for example, the group operates 10 new destinations compared to what it was flying pre-pandemic, and globally, it expects to reach another 38 new routes during 2023, compared to what it was operating pre-pandemic.

In 2022, LATAM group signed its joint venture with Delta Air Lines, which applies for the markets of the United States, Canada, Brazil, Chile, Colombia, Paraguay, Peru and Uruguay and expands connectivity between the United States/Canada and South America.

Towards the end of December, LATAM Airlines Group reached a passenger operation of 85% (measured in available seats-kilometer, or ASK) compared to the same period of 2019, continuing on the path of recovery to pre-pandemic levels.

MORE INFORMATION

*Operations (page **24**)*

*Financial results (page **53**)*

*Legal incorporation (page **109**)*

*Company purpose (page **109**)*

*Property, Plant, and equipment (page **109**)*

*Brands, trademarks, licenses and franchises (page **110**)*

*Sales channels (page **111**)*

*Additional information (page **111**)*

Our strategy

NCG 461: 2.1 MISSION

MISSION AND PURPOSE

We make sure dreams reach their destination.

VISION

To be the group of airlines that connects Latin America with the world and the world with Latin America, and that accepts its social responsibility by being fair, empathetic, transparent and simple with its customers, employees and other key stakeholders.

VALUES

Our conduct is guided by the values of:

Safety

We guarantee at all times our own safety, that of our team, and that of our clients.

Being attentive

We genuinely care about people's needs and offer them a fair, empathic, transparent and simple experience (JETS, for its Spanish acronym).

Sustainability

We continually seek balance between economic growth, efficiency, environmental care and social well-being for a more sustainable future.

CORPORATE PRINCIPLES

Our internal value proposition establishes the corporate principles:

INDUSTRY
To be part of an attractive, global and multicultural industry.

ENVIRONMENT
To integrate a dynamic environment, with constant changes and challenges.

CAREER
To have broad and multiple career development options.

TRAVEL
To have the opportunity to know the world and access other benefits that LATAM Airlines has to offer.

JETS
To take care of people in a fair, empathetic, transparent, and simple work environment.

SUSTAINABILITY
To be part of a group committed to the diversity and sustainable development of South America.

Strategic objectives

NCG 461: 4.2 STRATEGIC OBJECTIVES | GRI 3-3

Ongoing strengthening of the network

Ongoing strengthening of the network: LATAM is the only airline group in South America with a local presence in five countries and national and international operations, creating the best connectivity within and to the region.

Enhance brand leadership and customer experience

The group is constantly working to be the preferred choice of passengers in South America, and for this purpose, it focuses on leveraging mobile digital technologies with its digital strategy, which seeks to provide information and solutions to customers in a timely and transparent manner.

Improve efficiency and cost competitiveness

Maintaining a competitive cost structure and further improving its efficiency is part of LATAM's challenges, with which it seeks to streamline the organization and increase the flexibility and speed in decision making. To do this, it aims to reduce costs in areas related to fuel and fees, procurement, operations, overheads, and distribution costs, and is working on the implementation of a personalized service in national

Organizational strength

LATAM comprises a group of passionate people, who work in a simple and aligned way, with leaders who make agile decisions, all of which allows it to offer a distinctive valu proposition to its customers and operate sustainably in the long term.

Proactive risk management

The group has a holistic and responsible view of risk in decisionmaking, and focuses its efforts on those risks that represent a high potential impact and a low probability of occurrence and that could significantly affect its strategic objectives.

INTEGRATED MANAGEMENT

NCG 461: 3.6 RISK MANAGEMENT AND 4.2 STRATEGIC OBJECTIVES

At LATAM, the economic, social, environmental, and governance dimensions of the business are managed in an integrated manner. The focus on generating and sharing value with shareholders, investors, employees, customers, suppliers, and the whole of society is a fundamental part of the group's long-term role.

This expanded view also applies to risk management. The environmental and social risks are identified and consolidated by the Corporate Affairs and Sustainability Directorate, and then reported to the Risk Management Unit to be integrated into the overall risk matrix of the group. Currently, these business components have identified risks mainly associated with climate change. No other social and environmental risks relevant to the operation were identified.

In 2021, after a series of dialogs between LATAM and representatives of non-governmental organizations (NGOs) from the five countries where it is present with domestic operations through its affiliates, the group launched its sustainability strategy, which aims to maintain a balance in economic development, and guide the behavior of the group in the next few years.

In this renewed strategy, LATAM defined challenging commitments with the ultimate goal being to be an asset in the countries where it operates, generating economic, environmental and social value. These commitments were built in line with the Sustainable Development Goals (SDGs) up to 2030 and, in turn, are part of the group's strategic objectives.

Progress on the implementation of the sustainability strategy in its different areas or pillars, which include environmental management, circular economy, climate change and shared value, is presented regularly to the Executive Committee and annually to the Board of Directors. In addition, in each of these pillars, high-level decision-making bodies are developed, involving the executives who lead the initiatives.

Sustainability commitments and goals

To be carbon neutral in ground and air operations by 2050

To be a zero waste to landfill group by 2027

To promote the Avion Solidario (Solidary Plane) program, which contributes through its expertise and connectivity to the benefit of society in South America

To reduce and offset the equivalent of 50% of domestic air emissions by 2030

To eliminate single-use plastics throughout the operation by 2023

The progress and results achieved in 2022 on the sustainability goals are covered in the chapter Commitment to the future (page 65)

LATAM's sustainability strategy responds to the region's climate, social and healthcare needs

HUMAN RIGHTS

LATAM's commitment to human rights is embodied in a public declaration, which defines the guidelines for action in its operations and relationships, such as the rejection of child labor, forced labor and labor similar to slavery, or situations of moral, physical and sexual harassment; and the commitment to freedom of association, health and safety, fair remuneration, adequate working conditions, without restrictions on gender, race, age, sexual orientation, religion, and nationality. The document, prepared according to international standards such as the Universal Declaration of Human Rights, the Charter of the United Nations and the Fundamental Principles and Rights at Work of the International Labour Organization (ILO), also contains the envisaged consequences in case of violation of any of these principles.

The group periodically monitors the risks related to the topic throughout its operation using a matrix that considers its potential impacts and the probability of occurrence.

In 2022, the group received 260 reports of sexual harassment and 41 reports of moral harassment under Chile's law No. 20.005 and equivalent legislation in foreign jurisdictions where the group operates. All complaints followed the corresponding procedure depending on the country. **NCG 461: 5.5 WORKPLACE AND SEXUAL HARASSMENT**

PRINCIPLES AND COMMITMENTS

NCG 461: 2.1 MISSION

LATAM is committed to the Sustainable Development Goals (SDGs), a global agenda of the United Nations Organization (UN) that proposes 17 objectives and 169 goals that governments, companies and institutions must achieve by 2030. The group seeks to actively contribute to the achievement of these goals and focuses its efforts on ten priority SDGs.

The group does not currently adhere to the UN Guiding Principles on Business and Human Rights. LATAM adheres to the Global Compact, which mobilizes the international business community to adopt in their business practices, fundamental and internationally accepted values in the fields of human rights, labor relations, environment, and anticorruption.

MORE INFORMATION

Human rights:
- Declaration of Commitment
- Risk mitigation actions

BENCHMARKING

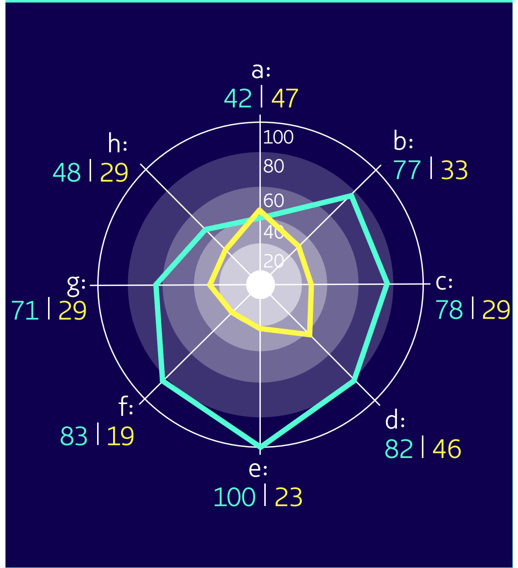
LATAM uses as a management, measurement and benchmark tool, the S&P Corporate Sustainability Assessment, responsible for the selection of companies that make up the Dow Jones Sustainability Index. The assessment is applied annually to companies and covers economic, environmental and social topics.

In 2022, according to this assessment, LATAM's sustainability performance was the fifth best in the world. The group's results stand out mainly in the variables associated with corporate citizenship, circular economy and indicators of labor practices.

LATAM

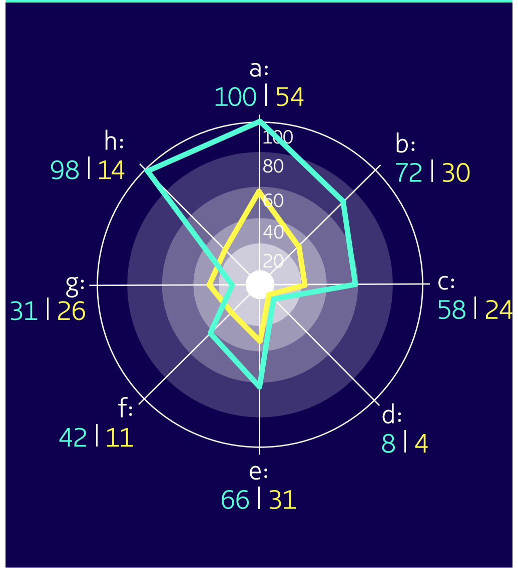
Industry average

ECONOMIC DIMENSION AND CORPORATE GOVERNANCE



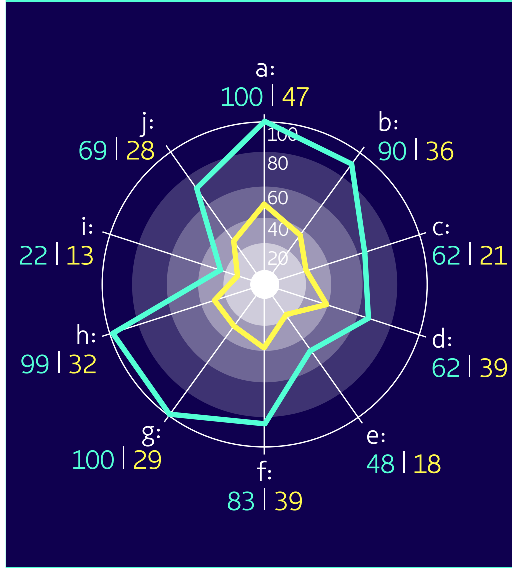
a: Corporate governance
b: Materiality
c: Risk and crisis management
d: Business ethics
e: Policy influence
f: Supply chain management
g: Information security, cybersecurity and system availability
h: Efficiency and reliability

ENVIRONMENTAL DIMENSION



a: Environmental reports
b: Environmental policy and management systems
c: Operational eco-efficiency
d: Biodiversity
e: Climate strategy
f: Food loss and waste
g: Fleet management
h: Packaging

SOCIAL DIMENSION



a: Social reports
b: Labor practice indicators
c: Human rights
d: Human capital development
e: Talent attraction and retention
f: Corporate citizenship and philanthropy
g: Passenger safety
h: Customer relations management
i: Sustainable marketing and brand perception
j: Privacy protection

Value generation model

1 To carry out its business, LATAM uses capitals of various natures, which serve as inputs for work.

2 Through its activities, LATAM transforms these inputs into results and impacts.

3 The results are the most visible facet of the operation, the materialization of the work.

4 However, the company's main value output is its capacity to generate lasting positive impacts for the business and its stakeholders.

For LATAM
For stakeholders

INPUTS

Human capital
- Employees

Financial capital
- Revenues
- Capital
- Assets

Natural capital
- Jet Fuel

Intellectual capital
- Knowledge of the region and the business
- Operating licenses and slot rights at airports
- Management Systems (environmental; security)
- Analytics (Customizing the Customer Experience)

Social and Relational capital
- Frequent Flyer Programs
- LATAM Brand
- Relations with authorities and industry
- *"Avión Solidario"* program

Industrial capital
- Fleet
- Maintenance Bases
- Hangars

ACTIVITIES

WHAT WE DO AND HOW WE DO IT

Governance and Management
- Ethics
- Financial responsibility
- Safety and efficiency
- Developing employees

Sustainability
- *"Avión Solidario"* program
- Climate change
- Circular economy

Customer orientation
- Digital experience and innovation
- Flexible sales model
- Trade agreements and partnerships
- Loyalty programs

RESULTS

- Broad destination network
- Financial results
- Customer base diversity
- Operational excellence
- Organizational health and development opportunities

IMPACTS

Customer-centric value proposition	Different profiles and segments Adapted to different needs and expectations Income diversification Autonomy and freedom of choice
Connectivity	Market share Mobility Leadership in the region Economic boost
Safety	Credibility Confidence
Eco-efficiency	Competitive advantage Economy of natural resources Cost reduction Less environmental impact and noise
Commitment to the region	Be a relevant player in society Economic development Identity and purpose Social strengthening Environmental care
Strategic debate	Knowledge sharing Joint construction Sector development Topics of interest of the various audiences Compliance

Timeline

NCG 461: 2.2 HISTORICAL INFORMATION

It was in 1929 when the history of LATAM began, following the emergence of Línea Aérea Nacional de Chile, LAN, the national airline. The airline made its first international expansion in 1946 with a Santiago-Buenos Aires trip, to which routes were next added to Lima, Peru; then to Miami, United States; and later, to Europe.

In 1983, it became Línea Aérea Nacional Chile Limitada through the Chilean Economic Development Agency (CORFO, for its Spanish acronym); in 1985, it became a joint stock corporation known as LAN Chile; and in 1989, its privatization process began. Following its growth path, in 1997, the airline was listed on the New York Stock Exchange trading American Depositary Receipts (ADR), becoming the first Latin American group of airlines to achieve this milestone.

In 2012, following the association with Brazilian airline TAM, created in 1961, LAN changed its name to LATAM Airlines Group S.A. and consolidated its expansion on a regional level.

In 2020, LATAM Airlines Group S.A. Began one of the most challenging periods in its history when its subsidiaries in Chile, Peru, Colombia, Ecuador, the United States, and Brazil filed for Chapter 11 of the U.S. Bankruptcy Act, as a result of the sharp drop in air transportation caused by the global confinement due to the COVID-19 pandemic.

At the end of 2021, the company presented its Reorganization Plan in the U.S. court, which was widely accepted by shareholders and creditors in 2022.

Finally, in November 2022, LATAM successfully completed its restructuring process, managing to restructure its debt and raise funding to prepare for a new stage in its history. The group emerged from the reorganization process as a more efficient group, with a modern fleet, the largest network of connections in South America and the largest loyalty program on the continent.

These and other important milestones in the group's history are highlighted below.

1929

Creation of LAN (Línea Aérea Nacional de Chile) by Commander Arturo Merino Benitez.

1947

First international flight: Santiago (Chile) – Buenos Aires (Argentina).

1956

Opening of operations in Lima (Peru).

1958

Start of operations to Miami (United States).

1961

Creation of TAM (Taxi Aéreo Marília), by five charter flight pilots.

London, England.

1970

LAN begins to offer flights to Europe.

1975

Founding of Tam Transportes Aereos Regionais by Captain Rolim Adolfo Amaro.

1976

Start of TAM services in Brazilian cities, especially in Mato Grosso and São Paulo.

1983

Incorporation of Línea Aérea Nacional –Chile Limitada, through CORFO (Production Development Corporation).

1985

LAN becomes a corporation.

1986

TAM acquires VOTEC (Brasil Central Linhas Aéreas), another regional airline operating in the northern and central sectors of Brazil.

1989

The privatization process begins: Chile's government sells 51% of its equity to domestic investors and to Scandinavian Airlines System (SAS).

1990

Brasil Central is renamed TAM – Transportes Aéreos Meridionais.

1993

TAM establishes TAM Fidelidade, the first frequent flyer program in Brazil.

1994

The privatization process of LATAM ends with the acquisition of 98.7% of the company's stock by the current controllers and other shareholders.

1996

- TAM buys airline Lapsa from the Paraguayan government and creates TAM Mercosur.
- Start of São Paulo (Brazil) – Asuncion (Paraguay) flights.

1997

LAN lists its shares on the New York Stock Exchange, becoming the first Latin American airline to trade ADRs in this important stock market.

1998

The first Airbus A330 arrives and the airline performs its first international flight from São Paulo (Brazil) – Miami (United States).

1999

The company's expansion process begins: start of operations of LAN Peru.

2000

LAN joins **one**world®.

2001

- LAN alliance with Iberia, and inauguration of the cargo terminal in Miami (United States).
- Establishment of the Technology Center and Service Academy in São Paulo (Brazil).

2002

LAN alliance with Qantas and Lufthansa Cargo.

2003

The company's expansion process continues: start of operations of LAN Ecuador.

2004

- Launch of the new Business Class for flights to Paris (France) and Miami (United States).
- Corporate Image Change: LAN Airlines S.A.
- TAM begins to fly to Santiago (Chile).

2005

- Another step in LAN's regional expansion plan: start of operations of LAN Argentina.
- TAM S.A. goes public listing its shares on Bovespa, Brazil.
- Launch of flights to New York (United States) and Buenos Aires (Argentina).

2006

- Start of flights to London (United Kingdom) and to Zurich and Geneva (Switzerland) through its agreement with Air France.
- Launch of the new Premium Business Class.
- TAM publicly listed on the New York Stock Exchange in the United States.

2007

- Launch of the Milan (Italy) and Cordoba (Spain) route.
- Authorization from Brazil's ANAC to start flights to Madrid (Spain) and Frankfurt (Germany).
- Implementation of the Low Cost model in domestic markets.
- Capital increase by US$320 million.

2008

- The short-haul fleet renewal process is completed, now consisting of A320-family aircraft.
- LATAM receives its first Boieng 777-300ER.

2009

- Start of cargo operations in Colombia and passenger operations in the domestic market in Ecuador.
- Launch of Multiplus.

2010

- Purchase of Colombian airline Aires.
- TAM officially joins Star Alliance.

2011

- LAN and TAM sign binding agreements for the partnership between the two airlines.

2012

- LATAM Airlines Group is born, through the association of LAN and TAM.
- Placement of 2.9 million shares.

2013

Capital increase of US$940.5 million.

2014

- TAM joins oneworld®, making oneworld® the global alliance for LATAM Airlines Group.
- LATAM launches its Strategic Plan 2015-2018, focused on becoming one of the most important airline groups in the world.

2015

- TAM joins oneworld®, making oneworld® the global alliance for LATAM Airlines Group.
- LATAM launches its Strategic Plan 2015-2018, focused on becoming one of the most important airline groups in the world.

2016

Capital increase of US$608 million, with which Qatar Airways acquires 9.999999918% of LATAM's total subscribed and paid shares.

2017

Implementation of the new business model in domestic markets by subsidiaries.

2018

- Inauguration of the first flight to Asia.
- New sales model comes to international flights.

2019

- Announcement of strategic agreement with Delta Air Lines to provide more and better options to passengers through a complementary network of connections between Latin and North America.
- LATAM announces its exit from the **one**world® alliance as of May 1, 2020.

2020

- LATAM Airlines Group S.A. and its subsidiaries in Chile, Peru, Colombia, Ecuador, the United States, and Brazil enter the financial reorganization process under Chapter 11 of the US Law and gain access to up to US$2.45 billion in DIP (debtor in possession) financing.
- E-Business unit launched, with the aim of improving the digital customer experience.
- Initiatives to support the fight against COVID-19 in South America.

2021

- Launch of the new Sustainability Strategy, which includes commitments to eliminate 100% of single-use plastics used in its operation by 2023, be zero waste to landfill by 2027, offset 50% of domestic emissions by 2030 and achieve carbon neutrality by 2050.
- LATAM releases its five-year business plan.
- Presentation of the reorganization plan, within the framework of Chapter 11 of the US Bankruptcy Law.

2022

- LATAM receives creditors' approval of its restructuring plan and successfully emerges from the Chapter 11 proceeding.
- Final approval of the joint venture with Delta Air Lines, which applies to the markets of the United States, Canada, Brazil, Chile, Colombia, Paraguay, Peru and Uruguay and provides passengers in both groups with access to 300 destinations between the United States/ Canada and South America.
- LATAM makes progress in the implementation of its sustainability commitments with a 14% reduction and offsetting of its domestic emissions (vs. a target of 50% by 2030), the strengthening of the "Avión Solidario" alliance network and a 77% reduction of single-use plastics (vs. the goal of eliminating this type of material by 2023).

Awards and acknowledgements

LATAM Airlines Group receives awards each year from different entities, in recognition of the quality of the service it offers to its passengers and other deliveries of the business to its stakeholders. Some of those awards received in 2022 are as follows:

APEX PASSENGER CHOICE AWARDS
It recognized LATAM as a 5-Star Global Airline, the highest level of its global airline ranking, which is based on the vote of clients of more than 600 airlines worldwide. In turn, they selected the airline as a leader in the Best Catering and Best Seat Comfort categories in South America.

WORLD AIRLINE AWARDS– SKYTRAX, THE MOST IMPORTANT AWARD IN THE AIRLINE INDUSTRY
LATAM became the “Best Airline in South America” for the third consecutive year. In addition, it received awards in the following categories: “Best Airline Staff in South America”, “Best Cabin Crew in South America”, “Best Business Cabin in South America”, “Best Economy Cabin in South America”, and “Cleanest Cabin in South America”.

WORLD TRAVEL AWARDS 2022
LATAM was again recognized in the categories “Leading Airline in South America” and “Leading Airline Brand in South America”. It should be noted that the company has earned these distinctions for the seventh and third consecutive year, respectively.

PAX INTERNATIONAL
The renowned international publication awarded LATAM for “Exceptional Gastronomic Service of a South American Airline”, and for the “Best Business Class Amenity Kit”, based on its readers’ vote.

DESIGN AIR
Chosen as the airline with the best design in South America in 2022 and with the best VIP Lounge in 2022, due to the recently opened VIP Lounge in Santiago.

WORLD LUXURY TRAVEL AWARDS 2022
Awarded LATAM the “Best Lounge in South America” award for its facilities at the airport in Santiago, Chile.

ONBOARD AWARDS
In its 2022 edition, it ranks LATAM Airlines as a leader in the categories “Class Amenity Kit” and “Best Sustainability On Board”.

Operations

IN THIS CHAPTER

Passenger operations

GRI 2-1 and 2-6

In 2022, LATAM group gradually recovered its operations, driven by the end of most of the restrictions resulting from the pandemic, and by improvements in its cost structure, which allowed it to operate new routes and more efficiently. Throughout the year, LATAM resumed routes and opened new destinations, connecting 144 destinations in 22 countries.

In December 2022, consolidated capacity, measured in ASK (available seat kilometers) reached 85.2% of the pre-pandemic level, with an annual average of 76.3% capacity compared to 2019.

In **domestic markets**, the operations of affiliates in Brazil, Colombia, Ecuador and Peru reached a size equal to or greater than in 2019 in terms of capacity, while LATAM Airlines Chile has had a relatively slower recovery. One of the highlights of the year was the resumption of the emblematic route that connects Santiago with Easter Island/Rapa Nui, after two years without operations due to the pandemic. LATAM Airlines Brazil recorded an average of 570 flights per day and the combined operations of LATAM Airlines Chile, LATAM Airlines Colombia, LATAM Airlines Ecuador and LATAM Airlines Peru recorded an average of 500 flights per day. LATAM's domestic operations cover 115 destinations. Overall, the company transported 25.3 million passengers — a 44.4% increase from the previous year.

In the year, passenger demand, measured in RPK (revenue passenger kilometers), increased 41.8% in Spanish-speaking countries (SSC), while supply, measured in ASK (available seat kilometers), increased 31.0%, and the load factor was 81.0%, 6.2 percentage points lower than in 2021.

In the Brazilian domestic market, LATAM Airlines Brazil operated a capacity 39.4% higher than in the previous year and 1.1% higher than in 2019, covering a total of 54 destinations — ten more than in the pre-pandemic period. This performance is attributed to the efficiencies generated as a result of the restructuring transformations ensuing from the Chapter 11 proceeding. A total of 28.6 million passengers were transported within Brazil.

In the **international passenger market**, which considers flights within the region and long-term flights to three continents, LATAM group offers 46 international destinations in 22 countries. In 2022, 14 international routes, suspended as a result of the pandemic, were resumed, including Lima and San Jose de Costa Rica, Santiago and Cusco, and Rome/Fiumicino.

Capacity, measured in ASK, increased by 142.3% compared to 2021 (although it was still below 2019 levels), and passenger demand, measured in RPK, increased by 204.7% compared to 2021. A total of 8.6 million passengers flew with LATAM group to international destinations during 2022 and the load factor was 83.0%, 17 percentage points above the level recorded in 2021.

San Francisco, USA.

More than **300** destinations through the joint venture with Delta Air Lines

STRATEGIC AGREEMENT

In 2022, the joint venture between LATAM and Delta Air Lines was made official, applying to the markets of the United States, Canada, Brazil, Chile, Colombia, Paraguay, Peru, and Uruguay and provides benefits to clients, such as the joint accumulation of miles/points in frequent flyer programs and faster connections to access more than 300 destinations between the United States/ Canada and South America. On the other hand, it allows the companies included in LATAM group and Delta to coordinate capacity and prices within the markets that are part of the agreement.

As part of this joint venture agreement, LATAM Airlines Brazil will start a direct flight between the cities of São Paulo (Brazil) and Los Angeles (United States) in July 2023, from where clients will be able to connect with Delta's most important destinations on the west coast of the United States, including San Francisco, Las Vegas and Seattle. Meanwhile, passengers will be able to connect from the hub in São Paulo with the different destinations in the domestic network of LATAM Brazil and other points that the group serves in the region.

LATAM group passenger operations

NCG 461: 6.1 INDUSTRIAL SECTOR

62
million passengers

Consolidated traffic (RPK): **92.58 billion**
Capacity (ASK): **13.85 billion**
Load factor: **81.3%**

144
LATAM destinations

5 North America
129 Latin America and the Caribbean
8 Europe
2 Asia and Australasia

289
Code sharing

105 North America
32 South America
86 Europe
38 Asia
17 Australasia
11 Africa

	LATAM Airlines Brasil	LATAM Airlines Chile	LATAM Airlines Colombia	LATAM Airlines Ecuador	LATAM Airlines Perú
Destinations	54 destinations	17 destinations	17 destinations	8 destinations	19 destinations
Market share	37%	60%	25%	42%	65%
Main competitors	Gol, Azul	Sky Airlines, JetSmart	Avianca, Viva Colombia, EasyFly, Satena, Copa Airlines Colombia (“Wingo”)	Avianca, Equair	Sky Airlines Perú, JetSmart Perú, Viva Airlines Perú, Star Perú

Source: websites of Agência Nacional de Aviação Civil (Anac) in Brazil (RPKs); Junta de Aeronáutica Civil (JAC) in Chile (RPKs); Dirección General de Aviación Civil (DGAC) in Peru (number of passengers transported); and Diio.net in Colombia and Ecuador (ASKs) for the whole of 2022.

LATAM Cargo group

GRI 2-6 and 3-3

LATAM Cargo S.A. and the cargo subsidiaries in Colombia and Brazil stand out among the air operators in Latin America for having a transport capacity and connectivity that are essential for local supply logistics. They carry out relevant work in the import of technological products, critical spare parts and pharmaceutical products, and in the export of flowers, fish and fruit.

The data provided by WorldACD, a global benchmark regarding cargo, demonstrate the relevance of LATAM Cargo group in the exports made by air in the region in 2022. LATAM transported 70% of the fish and fruits exported by Brazil; 50% of the fish exported from Chile; and 37% of perishable products from Peru (such as asparagus, fish and fruit). In the flower export market, it transported 36% of the cargo from Ecuador and 33% from Colombia.

In absolute terms, during 2022, 900,614 tons of cargo were transported—an increase of 12.4% compared to 2021. Revenues increased by 12% in the period compared to 2021 and revenue per ATK (available ton kilometers) decreased by 14%, as a result of the normalization of fares related to the recovery of belly capacity at the industrial level. The load factor was 56%. Cargo capacity increased by 30.7% as a result of progress on the three-year cargo fleet expansion plan initiated in 2021.

During the year, cargo operations recovered their pre-pandemic levels, ending the year with 62% growth in revenues compared to 2019 data. Its contribution to LATAM group's consolidated revenues in 2022 was 18%.

The LATAM Cargo group prepared for a new global scenario in which the business is expected to normalize with indicators similar to those registered in the years prior to the pandemic. That is why, in addition to advancing the growth plan, which includes renewing and expanding the freight fleet and developing new routes that are sustainable in the long term, cargo operators also worked to strengthen their value proposition, diversify revenues and increase productivity.

As part of this strategy, during 2022, the implementation of a new technological system for international operations was completed, which provides customers with more and better information regarding their cargo, as well as delivering a more efficient service and a better user experience. All the data on the shipments – from quotation to payment – integrate a single *end-to-end* platform hosted on the cloud. The solution began to be applied in 2021 to part of international operations, a task completed in early 2022. During the year, progress was made on the implementation in domestic operations, which will end in 2023.

In the same vein, LATAM Cargo group expanded its distribution through partnerships with Webcargo and Cargo.one, two digital marketplaces specializing in cargo transportation. The strategy of making its capacity available on both platforms responds to the group's vision of giving its clients all the options available for the dispatch of their cargo.

Cargo subsidiaries support local sourcing and the export industry in the region

CUSTOMER SATISFACTION

The group's efforts in the design and execution of its value proposition were favorably reflected in the evolution of LATAM Cargo group's Net Promoter Score (NPS), which reached 51 points in 2022—an increase of 21 points compared to 2021, and of 33 points in the last two years. The result was the best in the history of the cargo business since the indicator began to be measured, in 2016.

CERTIFICATIONS

In 2022, the LATAM Cargo group became the first airline group worldwide to receive the Center of Excellence for Independent Validators (CEIV) lithium battery certification from the International Air Transport Association (IATA), aimed at improving safety in the handling and transportation of lithium batteries throughout the supply chain. These batteries, whether alone or inside finished products, pose a risk due to their high level of combustion, and their transportation must comply with global safety standards covering the manufacturing process, testing, packaging, branding, labeling, and documentation included.

The group quickly approved the audit process, confirming the quality of its risk control and mitigation processes. Likewise, all cargo transportation carried out by the group's cargo and passenger operators follows these same processes and protocols, delivering the same standard of service throughout the network—a critical issue for air transportation safety.

Since 2018, the group has also been certified by IATA as a Center of Excellence of Independent Validators (CEIV) Pharma, which ensures compliance to safeguard the integrity of the product until its final destination. The certification was fundamental to the support that LATAM provided to countries with the mass transportation of vaccines against COVID-19.

Cargo operations

17 **countries**

3 ***exclusively for cargo***
Guatemala, Netherlands, Panama

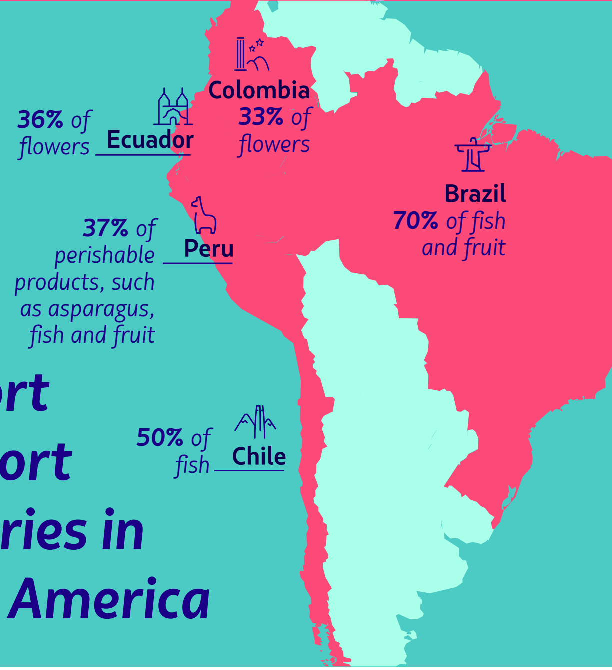
154 ***destinations***

10 ***exclusively for cargo***
Amsterdam (Netherlands), Cabo Frio and Campinas (Brazil), Guatemala City (Guatemala), Panama City (Panama), Ciudad del Este (Paraguay), Chicago (United States), Zaragoza (Spain), Santo Domingo (Dominican Republic), Huntsville (United States).

203.5 thousand
doses of vaccines against COVID-19 *transported to South America, between the countries of the continent and at the domestic level*

Of these, ***more than 117 million*** *were mobilized for free as part of the* ***Solidarity Plane*** *program (see page 67)*

Support to export industries in South America



Fleet

SASB TR-AL-000.F

As at December 31, 2021, 310 aircraft made up LATAM group's total fleet, with an average age of 11.6 years.

The international operations have 57 wide-body aircraft, all Boeing, including Boeing 767, Boeing 77, and Boeing 787 Dreamliner (versions 8 and 9), worldwide benchmarks for fuel efficiency and reduction of greenhouse gas (GHG) emissions and noise. The fleet for domestic and regional operations in South America consists of Airbus aircraft, mainly of the narrow-body type, such as Airbus A320, Airbus A321, and Airbus A320neo, which is 15% more fuel efficient and generates half the noise than the previous equivalent model.

LATAM Cargo group's operating fleet totals 16 Boeing 767 aircraft. In 2022, the group made progress with its plan to expand the cargo fleet through the conversion of up to 19 passenger aircraft into cargo aircraft by 2024, representing an increase of over 70% in its capacity. The first of the 10 Boeing 767 passengers converted for the cargo operation arrived at the end of 2021, and throughout 2022, another three were delivered. The conversion of the other six aircraft is planned for 2023 and 2024.

MAINTENANCE

Aircraft maintenance, planning, and return activities in compliance with the fleet plan are carried out at LATAM's Maintenance, Repair, and Operation (MRO) bases in Chile and Brazil. The units also perform contingent maintenance services for third parties.

The Chilean base is located in Santiago and can serve two narrow-body and one wide-body aircraft simultaneously. In Brazil, the base is located in São Carlos and has capacity for nine narrow-body or wide-body aircraft.

In 2022, the two bases were responsible for 479 maintenance services, representing 88.8% of total fleet maintenance and a total of 1.6 million man-hours worked. The rest of the aircraft were serviced by external suppliers.

Line maintenance (minor, preventive, and corrective tasks) is distributed across different LATAM group hangars, such as those located in Santiago (Chile); São Carlos, Congonhas/São Paulo, and Brasilia (Brazil); Lima (Peru), and Miami (United States). That network offers a series of automated and integrated services that ensure compliance with all safety requirements and in accordance with local and international regulations.

At December 31, 2022	Off balance	On balance	Total
OPERATING FLEET			
Passenger fleet[1]			
Airbus A319-100	1	40[2]	41
Airbus A320-200	40	91[3]	131
Airbus A320neo	15	1	16
Airbus A321-200	30	19	49
Boeing 767-300ER	0	16[4]	16
Boeing 777-300ER	6	4	10
Boeing 787-8	6	4	10
Boeing 787-9	19	2	21
Total	**117**	**177**	**294**
Cargo fleet			
Boeing 767-300F	1	15[5]	16
Total	**1**	**15**	**16**
TOTAL FLEET	**118**	**192**	**310**

1 All passenger aircraft *bellies* are available for cargo.
2 Includes 28 Airbus A319-200 aircraft classified as non-current assets and available for sale.
3 Includes 3 Airbus A320-200 aircraft classified as non-current assets and available for sale.
4 Includes 1 Boeing B767-300ER aircraft classified as non-current assets and available for sale.
5 Includes 2 Boeing B767-300 Freighter aircraft classified as non-current assets and available for sale.

For more information on **2-3-4-5**, see note 13 of the consolidated and audited Financial Statements.

11.6 years

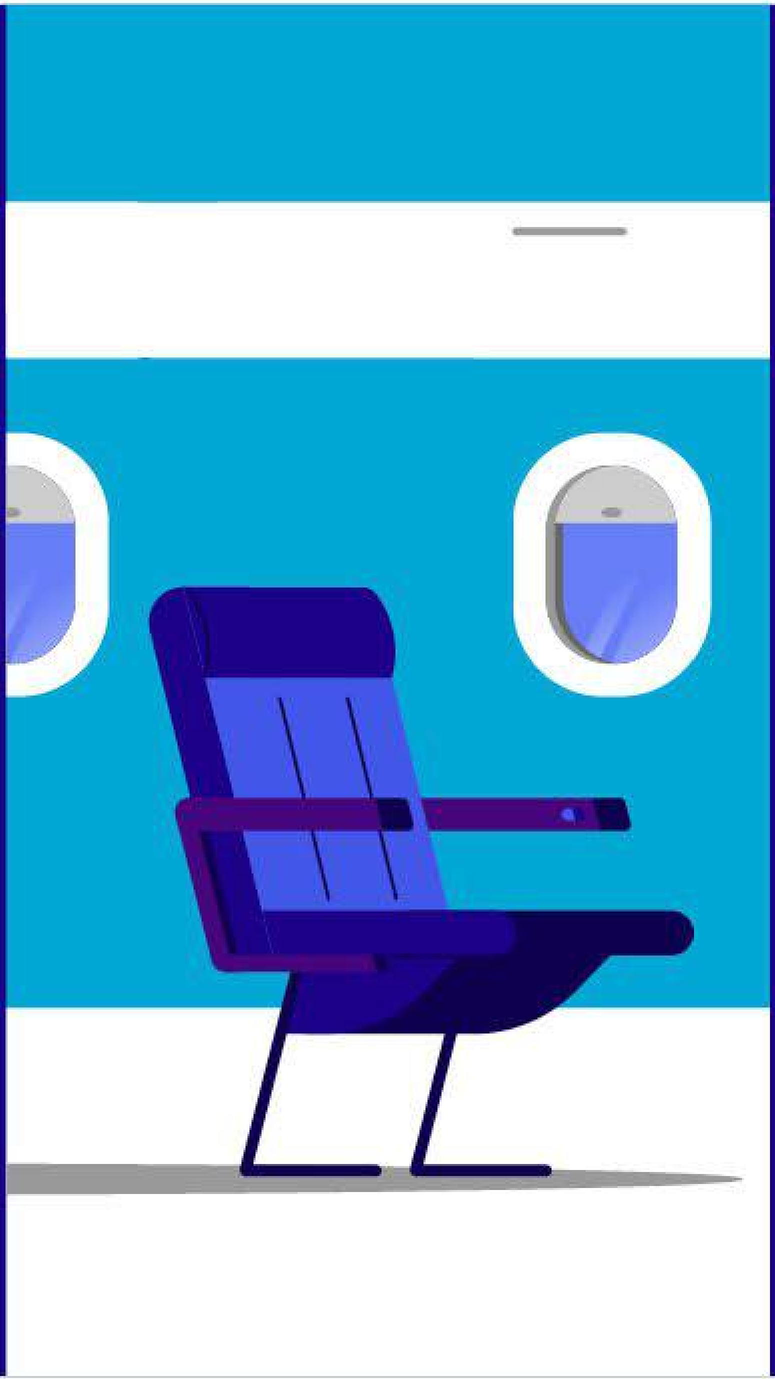
is the average age of the aircraft in the LATAM fleet

	Length (m)	Wingspan (m)	Seats	Cruise speed (km/h)	Maximum take-off weight (kg)
Passenger operations – short haul/narrow-body fleet					
Airbus A319 -100	33,8	34.1	144	830	70.000
Airbus A320 -200	37.6	34.1	156-168-174	830	77.000
Airbus A320 - 200neo	37.6	34.1	174	830	77.000
Airbus A321 -200	44.5	34.1	220	830	89.000
Passenger operations – long haul /wide-body fleet					
Boeing 767 -300ER	54.9	47.6	221-238	851	186.880
Boeing 777 -300ER	73.9	64.8	379	894	346.500
Boeing 787-8	56.7	60.2	247	903	227.900
Boeing 787-9	62.8	60.2	313	903	252.650
Cargo operations					
Boeing 767 -300F	54.9	47.6	445.3	851	186.880

Snapshot

Passenger operation SASB TR-AL-000.A, TR-AL-000.B and TR-AL-000.C	2020	2021	2022
Capacity (ASK) – million	55,718	67.636	113,852
Revenue per Passenger-Kilometer (RPK) – million	42,624	50,317	92,588
Load factor (ASK)	76.5%	74.4%	81.3%
Revenue/ASK (US$ cents)	4.9	4.9	6.7
Total PAX transported (thousands)	28,299	40,195	62,467
Cargo operation SASB TR-AL-000.D			
Capacity (ATK) – million	4,708	4,788	6,256
Revenue per ton-kilometer (RTK) – million	3,078	3,035	3,532
Load factor (ATK)	65.4%	63.4%	56.5%
Revenue/ATK (US$ cents)	25.7	32.2	27.6
Tons transported (thousands)	784.5	801.5	900.6

Corporate governance



IN THIS CHAPTER

Ownership structure

NCG 461: 2.3.1 CONTROL SITUATION and 2.3.4 STOCKS, THEIR CHARACTERISTICS AND RIGHTS

LATAM Airlines Group S.A. must maintain a suitable level of capitalization that will enable it to ensure safe access to financial markets to develop its medium- and long-term goals, optimizing returns to its shareholders and maintaining a sound financial position.

By December 31, 2022, the Company's statutory capital is represented by 606,407,693,000 shares, all issued, common, and without par value. Of this amount, 605,231,854,725 shares had been subscribed and paid by that date. The group's paid-in capital at December 31, 2022, totaled ThUS$13,298,486 divided among 605,231,854,725 shares from the same and only nominative, ordinary series, without par value. A year earlier, that is, at December 31, 2021, the paid-in capital was ThUS$3,146,265 divided among 606,407,693 shares, also from the same and only nominative, ordinary series, without par value. There are no special series of shares, nor preferences. The form of the stock certificates, their issuance, exchange, disablement, loss, replacement, and any other circumstance, as well as the transfer of shares, will be ruled by the provisions included in the Chilean Corporations Act and its Regulations.

The Company's Extraordinary Shareholders' Meeting, held on July 5, 2022, agreed to increase the Company's capital by US$10,293,269,524, through the issuance of 73,809,875,794 common stock and 531,991,409,513 backup shares, the last thing to be destined to respond to the conversion of convertible bonds, all ordinary, of the same and single series, without face value Within the context of its Reorganization Plan, the Company carried out the capital increase and by the end of 2022, 99.8% of the convertible bonds had been converted into shares. As a result of the above, the ownership structure underwent significant changes, illustrated in the graphs on the next page.

At December 31, 2022, the group does not have a controlling shareholder.

OWNERSHIP 2022

NCG 461: 2.3.2 MAJOR CHANGES IN OWNERSHIP OR CONTROL, 2.3.3 IDENTIFICATION OF MAJORITY PARTNERS OR SHAREHOLDERS and 2.3.5 OTHER VALUES

Main shareholders	Total shares	%
Sixth Street Partners Management Company	168,669,825,995	27.87
Strategic Value Partners	96,815,692,279	16.00
Delta Airlines, Inc.	60,722,284,826	10.03
Qatar Airways Investments (UK) LTD	60,640,769,249	10.02[1]
Sculptor Capital	39,724,001,608	6.56
Cueto Group	30,389,446,225	5.02
AFPs	6,534,051,959	1.08
ADRs	86,064,978	0.01
Others	141,884,529,792	23.44
Total	**605,231,854,725**	**100.00**

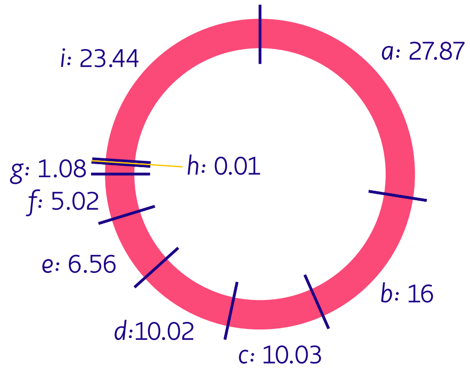
1 Qatar holds 9.999999918% of the total statutory capital, represented by 606,407,693,000 shares.

OWNERSHIP 2021[1]

Main shareholders	Total shares	%
Delta Air Lines	121,281,538	20.00
Cueto Group	99,381,777	16.39
Qatar Airways	60,640,768	10.00[2]
Eblen Group	27,644,702	4.56
Hirmas Group	1,488,971	4.56
Others	203,275,557	33.52
American Depositary Receipt (ADR)	79,240,114	13.07
Foreign investors	13,454,266	2.22
Total	**606,407,693**	**100.00**

1 At 12/31/2021, the shareholders' record at the Central Securities Deposit (DCV, for its Spanish acronym) did not register direct holding of shares under either of the two companies of the Amaro Group — TEP Aeronautica S.A. and TEP Chile S.A. — with which it participated in the ownership of LATAM.
2 Qatar owns 9.999999918% of total issued shares of LATAM.

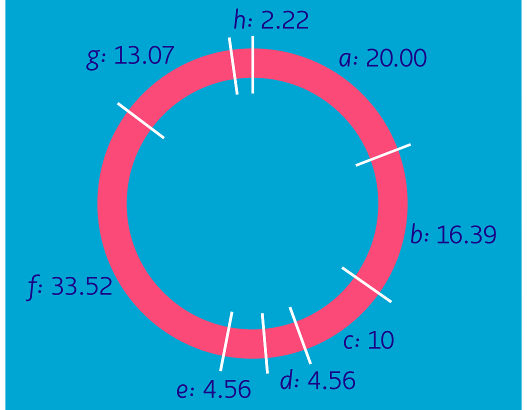
OWNERSHIP 2022 (%)



Total
605,231,854,725

a: Sixth Street Partners Management Company
b: Strategic Value Partners
c: Delta Airlines, Inc.
d: Qatar Airways Investments (UK) LTD.
e: Sculptor Capital
f: Cueto Group
g: AFPs
h: ADRs
i: Others

OWNERSHIP 2021 (%)



Total
606,407,693

a: Delta Air Lines
b: Grupo Cueto
c: Qatar Airways
d: Grupo Eblen
e: Grupo Hirmas
f: Others
g: American Depositary Receipt (ADR)
h: Foreign investors

MAIN SHAREHOLDERS

NCG 461: 2.3.2 MAJOR CHANGES IN OWNERSHIP OR CONTROL, 2.3.3 IDENTIFICATION OF MAJORITY PARTNERS OR SHAREHOLDERS, 2.3.4 STOCKS, THEIR CHARACTERISTICS AND RIGHTS and 2.3.5 OTHER VALUES

At December 31, 2022[1]

Name	Shares subscribed and paid	%
Banco de Chile on behalf of State Street	284,198,481,733	46.96%
Banco de Chile on behalf of non-resident third parties	76,741,518,770	12.68%
Delta Air Lines, Inc.	60,722,284,826	10.03%
Qatar Airways Investments,(UK) Ltd.	60,640,769,249	10.02%[2]
Banco Santander Chile	41,104,259,947	6.79%
Costa Verde Aeronáutica S.A.	23,789,209,717	3.93%
Banco Santander on behalf of foreign investors	13,371,541,340	2.21%
Larrain Phial S.A. Corredora de Bolsa	10,473,987,639	1.73%
Costa Verde Inversiones Financieras	6,592,460,617	1.09%
Banchile Corredores de Bolsa	2,604,713,175	0.43%
Cia de seguros de vida Consorcio Nacional de Seguros S.A.	2,328,707,088	0.38%
AFP CUPRUM S.A. para fondos de pensión C	2,248,823,180	0.37%

At December 31, 2021

Name	Shares subscribed and paid	%
Delta Airlines Inc.	121,281,538	20.00%
Costa Verde Aeronáutica S.A.	91,605,886	15.11%
JP Morgan Chase Bank	79,240,114	13.07%
Banchile Corredores de Bolsa S.A.	61,271,228	10.10%
Qatar Airways Investments (UK) Ltd.	60,640,768	10.00%[3]
Santander Corredores de Bolsa Limitada	25,667,681	4.23%
BCI Corredores de Bolsa S.A.	19,433,331	3.20%
Andes Air SpA	19,339,670	3.19%
Consorcio Corredores de Bolsa S.A.	16,902,522	2.79%
Banco de Chile on behalf of non-resident third parties	13,112,092	2.16%
BTG Pactual Chile S.A. Corredores de Bolsa	11,469,576	1.89%
Larrain Phial S.A. Corredora de Bolsa	10,823,190	1.78%
Valores Security S.A. Corredores de Bolsa	8,872,048	1.46%
Itaú Corredores de Bolsa Limitada	8,171,069	1.35%
Inversiones Costa Verde Ltda. y Compañía en Comandita por Acciones	7,775,891	1.28%

All shares are part of the same series. LATAM has only one series of shares.

1 Ignacio Cueto (Chairman of the Board of LATAM), Enrique Cueto (member of the Board at LATAM), and certain other Cueto family members and entities controlled by them, comprise the Cueto Group. By December 31, 2022, the Cueto group's shareholding stands at 5.0% of the shares.

2 Qatar holds 9.999999918% of the total statutory capital, represented by 606,407,693,000 shares.

3 Qatar owns 9.999999918% of total issued shares of LATAM.

DIVIDENDS

NCG 461: 2.3.4 STOCKS, THEIR CHARACTERISTICS AND RIGHTS

In accordance with the Chilean Corporate Law, and provided it does not have carryover financial losses, LATAM must distribute cash dividends equal to at least 30% of its annual consolidated net income calculated in accordance with IFRS subject to the terms of Oficio Circular no. 856 issued on October 17, 2014 by the Chilean Financial Market Commission, subject to limited exceptions. If there is no net income in a given year, LATAM can elect but is not legally obligated to distribute dividends out of retained earnings. The board of directors may declare interim dividends out of profits earned during such interim period. Pursuant to LATAM's bylaws, the annual cash dividend is approved by the shareholders at the annual ordinary shareholders' meeting held between February 1 and April 30 of the year following the year with regard to which the dividend is proposed. All outstanding common shares are entitled to share equally in all dividends declared by LATAM, except for the shares that have not been fully paid by the shareholder after being subscribed.

In 2022, since the Company incurred losses in financial year 2021, there was no dividend payment, pursuant to the legislation in force.

MORE INFORMATION

• *Shareholders's Agreement (page **112**)*

Decision-making bodies

NCG 461: 3.2 BOARD OF DIRECTORS and 3.3 BOARD COMMITTEES | GRI 2-9 and 2-11

The main governing body of LATAM Airlines Group S.A. is the Board, which defines and monitors the Company's strategic guidelines. It consists of nine permanent members, individually elected for two-year periods, by the cumulative voting system. Each shareholder has one vote per share and may cast all their votes in favor of a single candidate or distribute them among several. This practice ensures that shareholders of 10% of the shares on the market may choose at least one representative.

This structure is fixed. In cases of contingency or crisis (mainly in aviation emergencies) the Board of Directors remains unchanged and continues to function normally, supporting the continuity of the business' operations.

The Board of Directors holds regular meetings, both ordinary, as well as extraordinary, which are held according to social needs and that are convened following the legal requirements. There is no estimate of minimum face-to-face and remote time required for them.

In 2022, the average attendance at the 41 ordinary and extraordinary sessions carried was 98.1%. Directors Ignacio Cueto, Alexander Wilcox and Henri Philippe Reichstul attended 97.6% of the meetings, Director Sonia Villalobos attended 95.1% of the meetings, and Directors Nicolas Eblen and Eduardo Novoa attended 92.7% of the meetings, while the other members of the Board attended 100% of the sessions.

During 2022, the Board of Directors visited some of the LATAM group's facilities. In July, the directors visited the San Carlos Maintenance Base and the main hangar at Brazil's Congonhas airport. In December, the new Board of Directors visited the cargo operation's facilities in the United States. These visits were accompanied by the general manager and other executives and were aimed at providing more information about the operation and the opinions of the local teams.

DIRECTORS' COMMITTEE

The Directors' Committee reports monthly to the Board of Directors. Its function consists mainly of:

- reviewing and evaluating external auditor reports, balance sheets and other financial statements;
- proposing to the Shareholders' Meeting the names of external auditors and risk rating agencies;
- examining and reporting on all related-party transactions; and
- examining the remuneration systems and compensation plans for the group's management, senior executives, and workers.

In compliance with the requirements of the Chilean Corporations Act (LSA, for its Spanish acronym), the standards of the Sarbanes-Oxley Act, and the guidelines of the US Securities and Exchange Commission (SEC), the Directors' Committee also acts as the Audit Committee.

At December 31, 2022, the Committee was comprised by Frederico Curado, Michael Neruda and Sonia J. S. Villalobos, all considered independent under section 10A of the Securities Exchange Act.

Pursuant to the Chilean Corporations Act (LSA, for its Spanish acronym), Frederico Curado, member and chairman of the Committee, qualifies as independent; that is, he has no links, interests, economic, professional, credit, or commercial dependence of any relevant nature or volume on the company, the other subsidiaries of the group, its controller, or the main executives, nor any family ties with the latter, among other characteristics.

At December 31, 2021, the Committee included Eduardo Novoa Castellon, Patrick Horn García, and Nicolas Eblen Hirmas. According to the Chilean Corporations Act (LSA), the former two were considered independent, and according to Article 10A of the SEC, all three had that status.

In addition to the Directors' or Audit Committees, four other sub-committees support the Board in decision-making: Strategy & Sustainability, Leadership, Finance, and Clients.

TRAINING AND EVALUATION OF THE BOARD

NCG 461:3.2 BOARD OF DIRECTORS | GRI 2-17 and 2-18

Following the group's Induction Policy, after each election, new members receive the data and background information related to matters under evaluation and analysis by the Board, and a training on the regulatory framework and the duties involved in the position as members of the Board. This includes, among other aspects: sustainability and social responsibility issues; policies and guidelines, particularly the Code of Conduct; the regulatory framework and duties applicable to the group and its directors; business affairs; risks; and financial and accounting aspects of the group.

The Board of Directors is committed to an annual internal review of its performance. In 2022, the review was carried out in October, prior to the changes in its composition.

EXECUTIVE SPHERE

NCG 461: 3.6 RISK MANAGEMENT

The executive sphere is divided into five large areas: Clients, People, Operations, Commercial, and Finance, with clearly divided responsibilities to execute and monitor the strategy. The executives in these five areas and the Vice Presidents of Legal & Compliance, Technology & Digital, and Corporate Affairs and the LATAM Brazil CEO form an Executive Committee, which meets weekly with the CEO. The Strategic Planning area support the Executive Committee, and other vice-presidencies participate in meetings to address specific issues.

The Security, Legal and Compliance, Corporate Affairs, Technology, Strategic Planning, and Audit departments are transversal.

The Internal Audit team has an independent role, and its main responsibility is to ensure an independent review of the operation of the Risk Management Model developed in the organization. This model is managed by a dedicated team, where the Risk Owners—generally leaders of the various vice-presidencies—are the main individuals responsible for the identification and management of risks.

Each subsidiary has a CEO and a group of executives, who are responsible for the operations of each affiliate.

The Strategy and Sustainability Committee of the Board of Directors is the highest authority for analyzing results and making decisions on sustainability

SUSTAINABILITY

NCG 461: 3.1 GOVERNANCE FRAMEWORK and 3.2 BOARD OF DIRECTORS | GRI 2-12 and 2-13

The commitment to sustainability is a comprehensive part of the business and decision-making at all levels of the group.

Within the Corporate Affairs Directorate is the Sustainability department, which organizes the group in terms of its long-term sustainability strategy and promotes its implementation through focal points in each of the countries where LATAM operates.

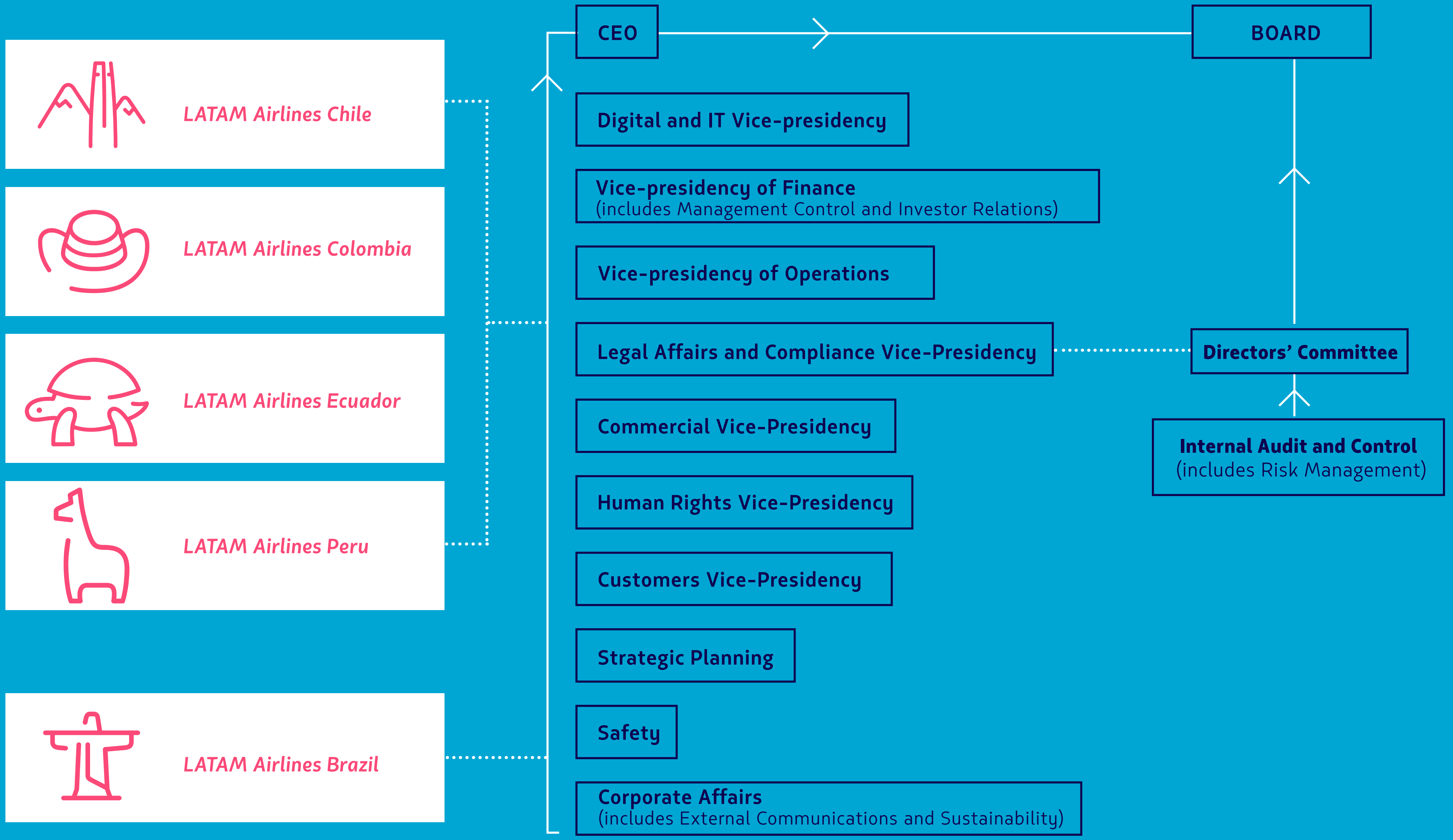
Quarterly, Corporate Affairs consolidates information on the main advances and gaps associated with environmental management, climate change, circular economy and shared value, which includes the social variable of the strategy.

According to the schedule, the results are presented to the Executive Committee, which also receives information on issues that require the support or involvement of senior management.

The Strategy and Sustainability Committee of the Board of Directors is the highest authority for analyzing results and making strategic decisions on sustainability, and it is periodically informed of the progress on the goals and commitments in this arena.

Organizational chart

NCG 461: 3.1 GOVERNANCE FRAMEWORK



MORE INFORMATION

*Board composition (page **114**)*

*Annual Report of the Directors' Committee's Administration (page **117**)*

*Main executives (page **123**)*

BOARD COMPENSATION

NCG 461: 3.2 BOARD OF DIRECTORS and 3.3 BOARD COMMITTEES | GRI 2-19

The compensations reported represent a monthly compensation for the Board and the Directors' Committee, approved in the Ordinary Shareholders' Meeting held on Tuesday, November 15, 2022. During financial year 2022, the Board of Directors reported $25,000 in consulting expenses related to Human Resources matters and the Directors' Committee did not record any consulting expenses.

GUIDELINES FOR ENGAGING SERVICES

The Board may hire experts to advise them on specific subjects, such as accounting, finance, taxes, legal issues or other matters. The director(s) who require the hiring of an expert must justify this in a Board meeting. The engagement of the advisor must follow the Company's policies for hiring suppliers, conflicts of interests, and market conditions. Additionally, Management will propose a list of names for the Board Members to choose from. It will be possible for one or more Board Members to veto the hiring of a specific advisor. Regarding the services engaged with the audit firm in charge of auditing financial statements, or other entities, there are no relevant deviations from the annual budget of the Board.

The compensation for participation on the Board of Directors is determined by the Shareholders' Meeting and is the same for all directors, except the Chairman, who receives double the sum

SALARY RATIO (women/men)[1]

NCG 461 3.2 BOARD OF DIRECTORS	Average[2]	Median[3]
Ordinary members[4]	100%	100%
Deputy members	NA	NA

NA: Not applicable. There are no deputy members.

1 Proportion of women's gross hourly salary vs. men's gross hourly salary. Gross salary includes all fixed and variable pay, such as base salary, social laws, transportation and food allowances, bonuses, overtime, commissions, or others.

2 Average: Average value of women's gross hourly salary divided by men's average gross hourly salary.

3 For the calculation of the median, the values of the gross hourly salary of women and men are ordered from lowest to highest, and the central value of the first group is divided by the central value of the second group.

REMUNERATION – ALLOWANCE[1] 2022 (US$)

Name	Position	Board	Directors' Committee	Subcommittee	Total
Ignacio Cueto Plaza	Chairman	165,078.0	-	21,112.1	186,190.1
Bornah Moghbel[2]	Vice-chairman	-	-	-	-
Enrique Miguel Cueto Plaza	Board member	82,260.2	-	20,900.1	103,160.3
Frederico Curado	Board member	8,725.6	3,612.1	2,086.6	14,424.4
Antonio Gil Nievas	Board member	10,331.0	-	2,889.2	13,220.2
Michael Neruda[2]	Board member	-	-	-	-
Bouk Van Geloven[2]	Board member	-	-	-	-
Sonia J. S. Villalobos	Board member	60,601.5	3,612.1	13,955.5	78,169.2
Alexander D. Wilcox	Board member	75,142.2	-	12,780.0	87,922.2
Nicolás Eblen Hirmas	Former board member	69,980.1	38,295.1	16,433.9	124,709.1
Patrick Horn García	Former board member	75,957.8	91,479.1	24,493.5	191,930.4
Eduardo Novoa Castellón	Former board member	69,867.8	88,624.8	18,010.9	176,503.5
Enrique Ostalé Cambiaso	Former board member	54,858.4	-	11,832.3	66,690.7
Henri Philippe Reichstul	Former board member	53,317.0	-	13,012.3	66,329.3

REMUNERATION – ALLOWANCE[1] 2021 (US$)

Name	Position	Board	Directors' Committee	Subcommittee	Total
Ignacio Cueto Plaza	Chairman	125,287.1	-	30,199.8	155,486.9
Sonia J. S. Villalobos	Board member	43,797.3	-	20,672.8	64,470.1
Eduardo Novoa Castellón	Board member	62,643.6	109,287.2	26,759.9	198,690.6
Nicolás Eblen Hirmas	Board member	62,643.6	41,964.7	28,623.9	133,232.2
Patrick Horn García	Board member	62,643.6	109,287.2	25,141.4	197,072.1
Henri Philippe Reichstul	Board member	42,212.3	-	21,811.0	64,023.3
Enrique Miguel Cueto Plaza	Board member	62,643.6	-	26,759.9	89,403.4
Enrique Ostalé Cambiaso	Board member	43,643.2	-	14,520.7	58,163.9
Alexander D. Wilcox	Board member	39,271.1	-	15,867.0	55,138.0

1 Net amounts.
2 Directors Bornah Moghbel, Michael Neruda and Bouk Van Geloven waived their compensation.

EXECUTIVES' COMPENSATION

NCG 461: 3.4 SENIOR EXECUTIVES and 3.6 RISK MANAGEMENT

LATAM has a compensation policy for salary structures, consisting of the methodology of weighting positions (points and grades) and salary scales (based on market research), which guides all salary movements, both for merit and promotions within the company. This applies to all positions in the group.

The Leadership Committee, comprising four directors, is responsible for analyzing LATAM's high-level organizational structure and corporate compensation policy. The goal is to align with the company's strategic objectives, reward good performance and behavior, and to prevent the compensation policy from generating any kind of incentive for senior executives to act against the interests of the group, its policies and guidelines or the current regulations. The work includes the review and evaluation of models and best practices available in the market (benchmarking).

In addition, whenever there is a change, the group's senior vice-president of Human Resources presents the compensation policy and compensation systems to the Directors' Committee. Once a year, the compensation for senior executives is presented to the Board.

The Leadership Committee analyzes the top-level organizational structure and the corporate compensation policy

The policy is not disclosed to the general public, but it is published on LATAM's internal portal for employees.

In 2022, executive remuneration totaled US$36,439,727 (US$21,277,246 from remuneration and US$15,162,482 from profit-sharing in March, 2023). In 2021, US$19,895,749 were paid as remuneration and US$0 were paid out as profit-sharing, amounting to US$19,895,749 as total gross remuneration.

COMPENSATION PLANS

Compensation plans implemented through the awarding of stock options to buy and pay for shares offered by the group to its employees are recognized in the Financial Statements pursuant to IFRS 2 "Share-Based Payments." These plans report the effect of the fair value on the options awarded as a linear charge to remunerations between the date when said options are granted and the date when they become irrevocable.

LP3 Compensation plan (2020-2023): LATAM implemented a program for a group of executives, lasting until March 2023, with a vesting period between October 2020 and March 2023, where the collection percentage is annual and cumulative. The methodology is an allocation of a number of units, where a target value is set for the stock.

The bonus is activated if the price target of the stock, defined each year, is met. Should the bonus be accrued, until the last year, the total bonus shall be doubled (if the stock price is activated). This compensation plan has not been provisioned yet, as the callable stock price stands below the initial target.

Corporate Incentive Plan: As part of the Backstop Agreements, the parties agreed on proposed terms for a Corporate Incentive Plan, subject to the approval, allocation and implementation by the company's board of directors. The Corporate Incentive Plan is expected to be equivalent to 2.5% of the fully-diluted, fully-converted post-reorganization shares, is intended to be implemented after the date of substantial consummation of the Plan of Reorganization (the "Effective Date") – November 3, 2022 – by the Board of Directors elected on November 15, and is anticipated to cover senior executives, other executives, and other employees, in the terms and conditions of, and as described in the Backstop Agreements. The terms and conditions of any subsequent incentive plans are expected to be determined and approved by the Board of Directors, in its sole discretion.

Corporate guidelines

NCG 461: 3.1 GOVERNANCE FRAMEWORK, 3.5 ADHERENCE TO NATIONAL AND INTERNATIONAL CODES, 3.6 RISK MANAGEMENT, 8.1.1 LEGAL AND REGULATORY COMPLIANCE IN RELATION TO CLIENTS, 8.1.2 IN RELATION TO THEIR WORKERS, 8.1.4 FREE COMPETITION and 8.2 SUSTAINABILITY INDICATORS | GRI 2-26, 2-27, 206-1 and 3-3 | SASB TR-AL-520a.1

LATAM Airlines Group S.A. is an open-ended corporation, registered with Chile's CMF, under registration number 306, with shares traded on the Santiago Stock Exchange, the Chilean Electronic Stock Exchange, and the OTC (over-the-counter) market in the United States in the form of ADRs (American Depositary Receipts). Its corporate governance model is in line with the applicable existing regulation, the Stock Market laws (n° 18,045) and Corporations Act (n° 18,046), and the CMF rules, as well as the US, SEC and specific regulations of the countries where it operates.

A series of corporate guidelines direct employee behavior, in accordance with standards of ethics, integrity, transparency, accountability, combating illegal acts (corruption, bribery, antitrust, and money laundering), and the group constantly evaluates the possibility of implementing better practices, such as adhering to national or international codes.

The group's Code of Conduct applies to all employees and collaborators of LATAM group companies, its branches, affiliates and offices around the world. The Compliance Program, managed by the Legal and Compliance Vice-presidency, directs monitoring and control processes and their ongoing evolution.

The group also has policies in place to prevent and detect regulatory breaches related to the rights of its customers and employees or that may affect free competition. A series of trainings prepare professionals on the subject. There were no penalties enforced in these arenas in 2022, or monetary losses as a result of legal proceedings relating to unfair competition regulation.

CONFLICT OF INTEREST

NCG 461: 3.1 GOVERNANCE FRAMEWORK and 8.1.5 LEGAL AND REGULATORY COMPLIANCE – OTHERS | GRI 2-11 and 2-15

LATAM has an internal process to detect and manage conflicts of interest.

Currently, all new employees are required to complete the conflict of interest statement prior to being hired. It is also completed each time they take the Code of Conduct course and when a potential conflict is identified. Suppliers must also answer a questionnaire on the subject. Cases where a potential or actual conflict is identified are reviewed by Compliance and raised before the appropriate bodies for approval.

On the other hand, LATAM employees and partners must request permission beforehand for non-routine meetings with competitors and public officials; this is done through the Approval System, where they must send the requirement and the agenda previously approved by Legal; finally, Compliance approves it in the system.

Finally, LATAM has a Crime Prevention Manual to prevent the crimes of bribery, money laundering, financing of terrorism, handling of stolen goods, incompatible negotiations, corruption among private parties, misappropriation and false administration.

RELATED-PARTY TRANSACTIONS

LATAM has a Related-Party Transactions Control Policy applicable to the parent, all affiliates, all members of the LATAM group, as well as their directors, employees, and partners. The policy states that such transactions must be conducted in accordance with the law, under market conditions at the time of the transaction, and focused on contributing to the social interest. The document also establishes the cases in which it is appropriate to submit such transactions for evaluation by the Directors' Committee and for the approval of the Board of Directors or the Shareholders' Meeting, pursuant to applicable law.

The consolidated financial statements for the financial year ended December 31, 2022, report the transactions carried out in 2022 between LATAM and its affiliates. For more information, see note 33 of the Financial Statements.

MORE INFORMATION

Code of Conduct

Corporate Practices Manual

Political Contributions Policy

Code of Conduct for Third Parties and Intermediaries

POLITICAL CONTRIBUTIONS

The Policy on Political Contributions sets out guidelines for possible financial support to parties and candidates during election campaigns in all the countries where the group operates. Contributions must adhere to current local legislation and be in line with the LATAM Code of Conduct. Since the creation of the policy in late 2016, the group has not made any political contributions. **GRI 415-1**

ETHICS AND COMPLIANCE NCG 461: 3.6

RISK MANAGEMENT | GRI 205-2 and 205-3

All employees, upon entering the group, undergo training on the guidelines for integrity and compliance in the onboarding process. The teams' annual training agenda includes topics such as ethics, corruption prevention, and free competition. There is also specific training on the content of the Code of Conduct, which is mandatory and must be revalidated every two years.

In 2022, 100% of the Board of Directors and all employees participated in Code of Conduct trainings. Communications on anti-corruption procedures reached 80% of employees and all suppliers. They are informed of the matter by accepting the Supplier Code of Conduct, at the beginning of the business relationship, in addition to committing to the anti-corruption clauses contained in contracts and purchase orders.

There were no cases of corruption in 2022. We should note that LATAM uses the definition of corruption from the (Foreign Corrupt Practices Act, FCPA), according to which an act of corruption is incurred when there is an offer, promise, or authorization of payment, or a payment in fact, made to a public official, with the aim to induce the receiver to abuse their position, regardless of whether the corrupt act succeeds in its purpose.

CONFIDENTIAL CHANNEL NCG 461: 3.6

RISK MANAGEMENT | GRI 2-16 and 2-26

The LATAM Confidential Channel receives reports on breaches of laws and internal rules, such as breaches of the Code of Conduct, labor irregularities, discrimination, labor and sexual harassment, fraud, corruption, and bribery, among others. The different stakeholders of the group can access this anonymously and LATAM ensures the principle of non-retaliation when reported in good faith. The channel is on the platform of an external and non-company provider.

When filing the report, the complainant receives an identification number, with which they can monitor their case. The information provided is only about the status of the case, such as if it is open, if it is being investigated, if it has been closed confirming the facts, or not. No information is given of the possible penalties that might be received by the people reported.

The investigation is carried out internally by the Compliance team, with support from the HR, Legal and any other departments or individuals necessary for the investigation.

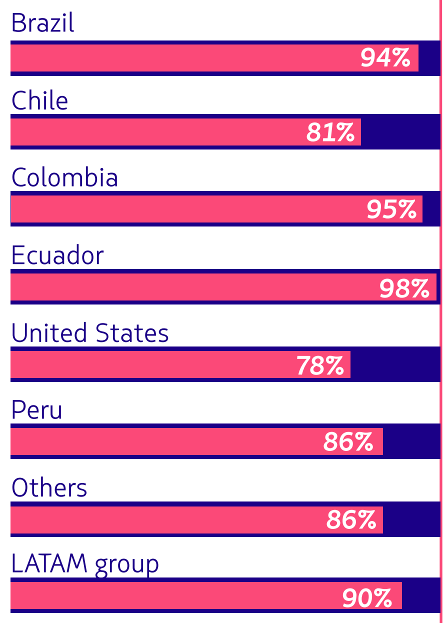
The channel is announced through communications, training carried out by the Compliance team, e-learning and group policies.

EMPLOYEES TRAINED[1] ON THE CODE OF CONDUCT GRI 205-2

	Brazil	Chile	Colombia	Ecuador	United States[2]	Peru	Others	LATAM group
Senior management	14	37	1	1	4	1	3	61
Top management	150	332	22	9	31	20	23	587
Middle management	625	421	67	34	48	76	60	1,331
Operators	9,273	1,887	743	94	8	935	384	13,324
Sales Force	242	285	12	11	5	48	31	634
Administrative staff	308	407	65	24	12	85	44	945
Other professionals	855	1,144	42	14	40	40	25	2,160
Other technicians	5,145	1,826	696	217	0	1,494	41	9,419

1 This percentage does not include personnel on permanent medical leave.
2 Percentage based on the personnel to whom the course is made available, i.e. direct personnel hired by LATAM.

EMPLOYEES TRAINED ON THE CODE OF CONDUCT



EMPLOYEE CATEGORIES

Senior management CEO, Vice President, Director.

Top management Senior Manager, Manager, Assistant Manager.

Middle management Area Manager, Department Manager.

Operators Cargo Operations, Maintenance, Airport and Operations Control Center.

Sales Force Sales Operations, Customer Care.

Administrative staff Support activities and general roles.

Other professionals Middle management in support activities.

Other technicians Command and cabin crew.

Stakeholder engagement

NCG 461: 3.1 GOVERNANCE FRAMEWORK, 3.7 STAKEHOLDER ENGAGEMENT, 6.1 INDUSTRIAL SECTOR and 6.3 STAKEHOLDERS | GRI 2-28

LATAM's main stakeholders include:

- authorities and different government bodies, which define the regulatory framework and public policies affecting the group and its operations;
- trade associations, with which LATAM shares common interests;
- international organizations, responsible for the international regulatory framework, and sector benchmarks and references that allow the group to comparatively analyze its own performance;
- capitals market—a key player for business sustainability and access to financing;
- communities, with which LATAM puts into practice its commitment to generating and sharing value;
- employees, who make LATAM, being essential to the business and its operations;
- network of suppliers with whom LATAM maintains business relationships;
- customers who choose to fly with LATAM.

CAPITALS MARKET

LATAM establishes an ongoing dialog with its shareholders, others players in the debt and capitals market, and the press. It also has Investor Relations and External Communications departments to manage relationships with these stakeholders.

The Investor Relations department makes it possible to clarify the concerns of shareholders, investors and other players of the capitals market about the group, its financial, economic or legal situation, the main risks, strategy and other aspects of the business.

In the Investor Relations website, the group offers a detail of the corporate governance structure, and releases updated financial statements, quarterly reports, and other relevant data to assist shareholders, investors and market analysts in their decision-making process. The contents are available in English, Spanish, and Portuguese.

The Investor Relations department reviews internally, without having external experts, the information presented to the market by other players in its industry to annually evaluate improvement opportunities for the data and the information presented to the public.

Shareholders' Meetings

All shareholders may participate in the Shareholders' Meetings, and have the right to voice and vote therein. In order to carry them out, LATAM complies with the times and information required by General Standard 30 of the CMF.

Prior to the Shareholders' Meetings with the agreement of the Board, LATAM uploads all the relevant information to said process into the Investor Relations website. As board member nominations are received, LATAM publishes the names of the shareholders's nominees along with their nomination and acceptance letters or sworn statements, as may be the case. No information is published on the Board's opinion regarding the experience, visions and abilities that are advisable for new members, nor is any information published on the experience, profession or trade of candidates to the Board.

The most recent Shareholders' Meetings have been held remotely or in a hybrid format, and shareholders have been able to participate and exercise their right to vote remotely and live. LATAM does not have a real-time audio and video streaming service for non-shareholder audiences.

RELATIONSHIP WITH THE PRESS

The External Communications department engages with the media for all their requirements and to communicate the milestones of LATAM group.

External Communications - Contact:
ComunicacionesExternas@latam.com

ASSOCIATION MEMBERSHIP

NCG 461: 6.1 INDUSTRIAL SECTOR and 6.3 STAKEHOLDERS | GRI 2-28

LATAM participates through memberships in representative entities that foster initiatives for strategic debate and joint creation of solutions, and it collaborates in the discussion of public policies and regulations affecting the sector. In 2022, financial contributions to the different entities totaled US$1.4 million. The entities that received the largest contributions were: International Air Transport Association (IATA), Sindicato Nacional das Empresas Aeroviárias (SNEA) Sociedad de Fomento Fabril (SOFOFA)

Argentina

- Cámara de Compañías Aéreas en Argentina (JURCA)

Brazil

- Associação Brasileira de Agências de Viagens (Abav)
- Associação Brasileira de Agências de Viagens Corporativas (Abracorp)
- Associação Brasileira das Empresas Aéreas (Abear)
- Associação Brasileira de Anunciantes (ABA)
- Associação Brasileira das Empresas de Mercado de Fidelização (Abemf)
- Associação Brasileira de Comunicação Empresarial (Aberje)
- Associação Latino Americana de Gestão de Eventos e Viagens Corporativas (Alagev)
- International Air Transport Association (IATA)
- Câmara Americana de Comércio para o Brasil (Amcham Brasil)
- Flight Safety Foundation (FSF)
- G100 Brasil (G100 Brasil)
- Junta dos Representantes das Companhias Aéreas Internacionais do Brasil (Jurcaib)
- SPC&VB – São Paulo Convention & Visitors Bureau
- Sindicato Nacional das Empresas Aeroviárias (Snea)

Chile

- Asociación Chilena de Aerolíneas (ACHILA)
- International Air Transport Association (Iata)
- Asociación Latinoamericana y del Caribe de Transporte Aéreo (ALTA)
- Cámara Chileno Norteamericana de Comercio (Amcham – Chile)
- Cámara de Comercio de Santiago
- Federación de las Empresas de Turismo de Chile (Fedetur)
- Fundación Chilena del Pacífico
- Instituto Chileno de Administración Racional de Empresas (ICARE)
- Pacto Global
- Sociedad de Fomento Fabril (SOFOFA)

Colombia

- Asociación de Líneas Aéreas Internacionales en Colombia (ALAICO) – Carga
- Asociación de Transporte Aéreo de Colombia (ATAC)

Ecuador

- Asociación de Representantes de Líneas Aéreas (ARLAE)
- Cámara de Industrias de Guayaquil
- Cámara de Industrias y Producción (CIP)
- Club 30%
- Global Compact
- Cámara de Comercio Ecuatoriano Chilena

Perú

- Asociación de Empresas de Transporte Aéreo Internacional (AETAI)
- Asociación Peruana de Empresas Aéreas (APEA)
- Cámara de Comercio Americana del Perú (AMCHAM PERÚ)
- Cámara Nacional de Turismo (CANATUR)
- Cámara Regional de Turismo de Cusco (CARTUC)
- Instituto Peruano de Economía (IPE)
- Perú Sostenible
- Sociedad de Comercio Exterior del Perú (COMEX PERÚ)
- Asociación Peruana de Hidrógeno (H2 PERÚ)
- UNESCO – Pact for Culture

MORE INFORMATION

Manual for Handling Relevant Information for Markets

Investor Relations: **latamairlinesgroup.net**

IR - Contact: **InvestorRelations@latam.com**

External Communications - Contact: **ComunicacionesExternas@latam.com**

Financing Policy

The scope of LATAM's Financing Policy is to meet the group's financing needs, including working capital financing, the acquisition of fleet assets, such as aircraft and engines, and the financing of other investments.

During the reorganization process under Chapter 11 of the United States Bankruptcy Act, LATAM obtained debtor-in-possession financing (DIP), initially for US$2.45 billion and up to US$3.70 billion, US$2.75 billion of which were drawn. This DIP financing allowed LATAM to operate with sufficient liquidity during the pandemic and its reorganization process. On October 12, 2022, said DIP credit agreement was fully paid through the DIP-to-Exit financing amounting to US$2.25 billion in a combination bridge-to-term loan financing, added to US$1.14 billion from a Junior DIP, effective during the remaining period of the Chapter 11, and a new Revolving Credit Facility (RCF) worth US$500 million that became fully available.

On October 18, 2022, the bridge loans were partially repaid through a bond issuance. Subsequently, on November 3, 2022, the bridge loans were fully repaid and replaced by an increase in term financing. Likewise, on that date, LATAM completed its reorganization process, achieving a reduction of 35% of its financial liabilities, in addition to a re-profiling of its debt maturities, with the upcoming important maturities due in 2027 corresponding to the US$1.1 billion Term Financing and the US$450 million 2027 Bonds, and the year 2029 corresponding to the US$700 million 2029 Bonds. As part of its new capital structure, LATAM has two committed revolving credit facilities for a total of US$1.1billion, one for US$600 million, secured by aicraft, spare engines and other spare parts and the aforementioned US$500 million line secured by intangibles. As at December 31, 2022, both lines are fully committed and undrawn.

During its reorganization, LATAM focused its resources on maintaining the operation and adjusting fleet size in line with current and projected demand for the next few years. LATAM reached agreements with Boeing to cancel and postpone aircraft arrivals, as well as to obtain more favorable terms for its financed fleet and fleet under operating leases, such as variable payment periods, rental reduction, and extended payment periods. By December 31, 2022, LATAM had placed orders with Boeing for two B787-9 aircraft and with Airbus for 83 A320neo family aircraft with delivery by 2029. Normally, LATAM finances between 70% and 85% of the value of the assets through bank loans, bonds covered by the export promotion agencies, or through commercial loans, capital investments, or the Company's own funds. The payment schedules of the various aircraft financing structures are mostly for 12 years. Moreover, LATAM contracts a large part of its fleet purchase commitments through operating leases as an additional source of financing.

In November 2022, LATAM completed its reorganization process, reducing its financial liabilities by 35%

Market Risk Policy

Given the nature of its operations, LATAM is subject to market risks, such as: (i) fuel price risk, (ii) interest rate risk, and (iii) exchange rate risk. In order to hedge fully or partially against these risks, LATAM uses financial derivatives to reduce the adverse effects that these risks could cause. Market risk is managed integrally and considers the correlation with each market factor to which the group is exposed. In order to operate with each counterpart, the Company must have an approved line and a framework signed with it.

Fuel price risk: Variations in fuel prices depend significantly on oil supply and demand in the world, as well as on the decisions made by the Organization of the Petroleum Exporting Countries (OPEC), the refining capacity worldwide, inventory levels, and the occurrence or absence of climatic phenomena or geopolitical factors. LATAM purchases aircraft fuel, known as jet fuel. For the execution of fuel hedges, there is a benchmark index on the international market for this underlying asset, which is the Jet Fuel 54 US Gulf Coast. LATAM has the ability to trade derivatives based on Jet Fuel, as well as other underlying assets, such as Jet Fuel, Brent, WTI and Heating Oil.

The Fuel Hedging Policy sets a minimum and a maximum hedging range for the group's fuel consumption, based on the capacity to pass through fuel price variations to airfares, anticipated sales, and the competitive scenario, among other factors. Moreover, this Policy sets hedging zones, a premiums budget, and other strategic considerations, which are assessed and presented periodically before the LATAM Finance Committee.

With regard to fuel hedging instruments, the Policy makes it possible to contract combined Swaps and Options only for hedging purposes.

Interest rate risk on cash flows: Interest rate variations depend largely on the state of the global economy. A change in the long-term economic outlook could modify rates, along with possible government interventions that could raise or lower rates, among other possible measures, in response to specific situations or to manage inflation targets.

The uncertainty surrounding how the market and the governments will behave, and thus, how the interest rate will change, leads to a risk related mainly to LATAM's debt subject to variable interest and to the investments they make. Interest rate risk on existing debt materializes in the impact on future cash flows related to financial instruments, given the interest rate fluctuations. Thus, a higher interest rate could translate into a higher cash flow from interest payments, and vice versa.

LATAM's exposure to the risk from market interest rate fluctuations is mainly related to long-term obligations with variable rates.

In order to mitigate the impact from an eventual hike in interest rates, LATAM can use interest rate swaps, swaptions, or other derivatives.

At December 31, 2022, the market value of interest rate derivatives positions totaled US$8.8 million (positive).

Exchange rate risks: The functional currency used by the parent Company is the US dollar. There are two types of exchange rate risks: Flow risk and balance sheet risk.

Cash flow risk is a consequence of the net revenue position and costs in currencies other than US dollars. LATAM sells its services in U.S. dollars and in local currencies. In the international passenger business, most fares depend on the US dollar and, to a lesser extent, the euro. On the other hand, in domestic businesses, most rates are in local currency. On the other hand, some of the group's expenses are denominated in US dollars or equivalent to the USD, like fuel costs, and aircraft leases. Other expenses, such as compensation, are denominated in local currencies.

Thereby, LATAM is exposed to the fluctuations in various currencies, mainly the Brazilian Real. At December 31, 2022, LATAM is hedged against the Brazilian Real for US$108 million for 2023.

On the other hand, balance sheet risks appears when entries in the balance sheet are exposed to exchange rate fluctuations, given that said entries are expressed in a currency unit other than the functional currency and must be converted to the relevant functional currency. The main mismatch factor is seen in TAM S.A., whose functional currency is the Brazilian Real, and as most of its liabilities are stated in U.S. dollars, even though its assets are stated in local currency. While LATAM may sign hedging derivatives contracts to protect against the impact of a potential currency appreciation or depreciation vs. the functional currency used by the parent Company, during 2022, LATAM made no hedges against balance sheet risk.

Financial Policy

The Corporate Finance Department is responsible for managing the Company's Financial Policy. This Policy makes it possible to effectively respond to changes in the environment, and conditions under which the Company operates, and thus maintain and anticipate a stable flow of funds to ensure the operation's continuity and growth and the fulfillment of its financial obligations.

Moreover, the Finance Committee, comprising the Executive Vice-Presidency and members of LATAM's Board of Directors, meets periodically to review the Company's financial situation and its compliance with this Financial Policy, and to propose to the Board the approval of issues that are not regulated by the Financial Policy. LATAM Airlines Group's Financial Policy S.A. aims to achieve the following goals:

- *To preserve and maintain suitable cash flow levels to ensure the requirements of the operations, to support growth, and to fulfill the group's financial obligations.*
- *To reduce the effects of market risks, such as variations in fuel prices, exchange rates, and interest rates on the group's net margin and cash position.*
- *To maintain a suitable level of credit lines with local and foreign banks to gain access to additional liquidity to face contingencies.*
- *To manage counterparty risk through the diversification and limits on investments and transactions with counterparties.*
- *To maintain an optimal debt level, diversify financing sources, manage the debt maturity profile, and minimize the cost of financing.*
- *To maintain, at all times, a short, medium, and long-term visibility of the group's projected financial situation to anticipate situations of low liquidity, financial ratio deterioration, etc.*
- *Capitalize excess cash flow through financial investments that will guarantee a risk and liquidity level consistent with the Financial Investment Policy.*
- *The Financial Policy delivers guidelines and restrictions to manage Liquidity and Financial Investment transactions, Financing Activities, and Market Risk Management.*

Liquidity and Financial Investment Policy

LATAM seeks to maintain an adequate liquidity position for the purpose of safeguarding against potential external shocks and the volatility and cycles inherent to the industry. In this sense, it seeks to maintain liquidity levels above 20% of the total income of the last 12 months.

This liquidity considers the cash available and short-term liquid investments in addition to a revolving credit line committed for a total of US$1.10 billion with 13 financial institutions, both local and international (the RCF or revolving credit facility).

On November 3, 2022, LATAM completed its reorganization process. As part of its new capital structure, LATAM has two committed revolving credit facilities for a total of US$1.1billion, one for US$600 million, secured by aicraft, spare engines and other spare parts and another for US$500 millon secured with intangible assets. As at December 31, 2022, both lines are fully undrawn. By the end of the year, LATAM closed with a total liquidity of US$2.30 billion and a liquidity index of 24%.

With regard to the Financial Investment Policy, its goal is to centralize investment decisions to optimize profitability, adjusted for currency risk, subject to maintaining suitable security and liquidity levels. Moreover, the aim is to manage risk through the diversification of counterparties, maturities, currencies, and instruments. In terms of interest rates, the years 2020 and 2021 were characterized globally by very low rates, whereas 2022 witnessed an increase in interest rates. During the Chapter 11 process, paragraph 345(b) regulates the holding of cash for companies under reorganization. In compliance with this regulation, LATAM held most of its deposits in authorized depository banks by the US Trustee of the Southern District of New York of the U.S. Bankruptcy Court. At the end of the year, this regulation did not apply, so LATAM maintained its deposits in investment instruments such as DDA Accounts, term deposits and mutual funds with our different relationship banks.

LATAM seeks to maintain liquidity levels above 20% of the total income of the last 12 months

Our business

IN THIS CHAPTER

Industry context

NCG 461: 6.2 BUSINESSES

The world enters 2023 amid high inflationary pressures, the Russia-Ukraine war and the resurgence of COVID-19 in parts of China. With the pandemic in full retreat worldwide, the opening of economies was an imminent event during 2022 but, just as normalcy returned, the slowdown in global economic activity also became evident. While the previous economic outlook suggested a pessimistic 2022, the results have surprised the market, with a stronger than expected real GDP in the third quarter, driven mainly by domestic factors, such as consumption and private investment, as well as fiscal support above what was previously expected. With this, the International Monetary Fund (IMF) in its latest projection dated January 2023, estimates 3.4% growth for the global economy in 2022, while projecting 2.9% growth for 2023. The latter is 0.2 percentage points higher than was estimated in its previous report. For 2024, it estimates a higher growth of 3.1%.

In this same projection, the IMF estimates that developed economies will face a downturn next year, with growth in 2022 projected at 2.7% and falling to 1.2% in 2023. The IMF estimates that the U.S. will expand by 1.4% during 2023, which is 0.4 percentage points higher than projected

The IMF estimates 3.4% growth of in 2022 and 2.9% in 2023 for the global economy

in its October report, in response to the carryover effects of resilient domestic demand. For 2024, growth is expected to reach 1.0% in the United States. As for the Euro Zone, the IMF estimates growth of 0.7% during 2023, upwardly revised by 0.2 percentage points reflecting more aggressive interest rate increases by the European Central Bank, in addition to the erosion of real incomes. These have been neutralized by the 2022 results: led by lower wholesale energy prices and the announcement of new energy cost-buffering strategies through price controls and direct transfers.

As for Latin America, socio-political processes are being experienced that have had repercussions on the economic scenarios of the region's countries. In Brazil, during October 2022, presidential elections were held between the right-wing Jair Bolsonaro and former president Luiz Inácio Lula da Silva, with the latter winning. Bolsonaro challenged the election results, giving way to a series of mass demonstrations against the current government.

In June 2021, presidential elections were held in Peru, where Pedro Castillo was declared the winner over Keiko Fujimori in the closest election in the country's history. The elections were not without controversy, with accusations of electoral fraud surfacing after the polls closed. Less than two years into Castillo's administration, the president announced the dissolution of Congress and called for elections, triggering a coup d'état. He was subsequently removed from office and arrested,

1.8%

is the growth projection for Latin America and the Caribbean in 2023

and power fell to Vice President Dina Boluarte. Since that time in 2022, Peru has been immersed in a social crisis with protests across the country, dozens of deaths and serious consequences for the local economy.

Considering the socio-political backdrop of the region, the projections for the area in the IMF's latest report were adjusted with regard to the estimates delivered in October. For Latin America and the Caribbean, growth is projected at 1.8% in 2023 with an upward revision of 0.1 percentage points compared to the October estimate. This readjustment in the projections is mainly due to the unexpected resilience in domestic demand, higher than expected growth in the economies of major trading partners, and in the case of Brazil, higher than expected fiscal support. For 2024, the IMF estimates an expansion of 2.1% for the region, which shows a downward revision of 0.3 percentage points. Brazil's economy is expected to grow by 1.2%, which is 0.2 percentage points above the last projection.

In Chile, President Gabriel Boric took office in March 2022, after a period of elections that polarized the country's political scenario. In this context, the current president was elected with a wide margin over his right-wing opponent Jose Antonio Kast. At the same time, a constituent process was being carried out with the goal of proposing a new Magna Carta for the country. On September 4, the final referendum was held regarding the constitutional draft that had been developed during the year. The proposal was rejected with 62% of the votes, giving way to a new constitutional process agreed upon transversally by the legislators, and on which work began during December. Subsequently, the Central Bank, in its last Monetary Policy Report (IPoM, for its Spanish acronym) estimated growth of between -1.75% and -0.75% for 2023.

Financial results

At December 31, 2022, the controlling company reported a ThUS$1,339,210 gain, translating into a positive variation of ThUS$5,986,701 vs. the previous year's loss of ThUS$4,647,491. Net margin for the year settled at 14.1% in 2022 and -90.9% during 2021.

The operating result for the year 2022 amounts to a loss of ThUS$121,279, compared to a loss of ThUS$1,119,277 at December 31, 2021, while operating margin reached -1.3%, 20.6 percentage points higher than the margin of -21.9% in 2021.

Operating income for the financial year increased 86.2% vs. the same period of 2021, totaling ThUS$9,516,807. This increase is largely due to a 128.5% rise in Passenger revenues and 12.0% in Cargo revenues, while Other revenues decreased by 32.1%. The effect of the Brazilian Real's appreciation translated into higher ordinary revenues by around US$111 million.

Passenger revenues totaled ThUS$7,636,429 which, compared to the ThUS$3,342,381 at December 31, 2021, translates into a 128.5% increase. This variation is due to an 84.0% increase in demand measured in RPK and a 24.2% increase in yields compared to the same period of the previous year. On the other hand, the load factor also shows a positive variation of 6.9 percentage points, reaching 81.3% during 2022. This increase is explained by a strong hike in demand.

By December 31, 2022, cargo revenues reached ThUS$1,726,092, translating into an increase of 12.0% over 2021; yields decreased 3.8%, while traffic measured in RTK increased 16.4%, as a result of the recovery in international operations and a solid performance of the cargo fleet.

The Other income item presents a decrease of ThUS$73,045, mainly due to the negative variation of income received for indemnification from Delta Air Lines, Inc., related to the implementation of the JBA signed in 2019 for ThUS$87,780, partially offset by higher income from Tour Services during the period of 2022.

At December 31, 2022, Operating costs totaled ThUS$9,638,086 which, compared to 2021, translates into higher costs by ThUS$3,407,463, equivalent to a 54.7% increase, whereas unit cost per ASK decreased by 8.1%. Furthermore, the effect of the Brazilian Real's appreciation on this line item translates into higher costs by roughly US$78 million. Item variations are explained as follows:

a) Wages and benefits increased ThUS$224,437 mainly due to higher crew costs, a 7.6% increase in the average headcount and compensation paid to employees during the last quarter of 2022.

b) Fuel increased 161.0%, equivalent to ThUS$2,394,729. This increase corresponds mainly to 73.4% higher average unhedged prices and 50.2% growth in consumption measured in gallons. The Company recognized a fuel hedge profit of ThUS$18,755 in 2022, compared to a ThUS$10,100 loss in financial year 2021.

c) Commissions to agents show an increase of ThUS$77,827, mainly due to the hike in operations related to passenger revenues.

d) Depreciation and amortization increased by ThUS$14,118, equivalent to 1.2%, a variation that is mainly explained by maintenance depreciation costs resulting from increased operations, offset by a smaller average fleet during fiscal year 2022.

e) Other Rental and Landing Fees increased ThUS$280,970, mainly in the costs of airport taxes and handling services, impacted by the recovery of the operation.

f) Passenger Services presents higher costs by ThUS$106,994, which translates into a variation of 138.3%, mainly explained by an increase in catering and in-flight service costs, due to the lifting of restrictions on food delivery during most of 2021 because of the COVID-19 pandemic, as well as a significant growth in demand, which represents an increase of 55.4% in the number of passengers transported, mainly in the international segment.

g) Aircraft Rentals costs total ThUS$82,215. Since the second quarter of 2021, operating aircraft leases under variable mode were reported, as a result of the various agreements reached by Company.

Aircraft Rentals includes the costs associated with leasing payments by the hour (PBH) for contracts that have been modified by incorporating that structure. For these contracts that include variable payments by the hour (PBH) at the beginning of the period and after that, have fixed fees, an asset from right of use and lease liability were recognized for these amounts at the date of contract modification. These sums continue to be amortized on a linear basis during the term of the lease from the date of contract modification, even if at the beginning they have a variable payment period. Therefore, and as a result of the application of the lease accounting policy, the result of the period includes both the leasing expense for variable payments (Aircraft leasing) as well as the expense resulting from the amortization of the right of use included in the depreciation line and the interest on the lease liability.

h) Maintenance has higher costs by ThUS$49,110, equivalent to 9.2%, mainly due to a higher operation.

i) Other Operating Costs increased ThUS$177,063, mainly due to the effect of higher variable costs of crew, marketing, sales and reservation systems, all of which are the result of the growth of the operation during 2022.

Financial income totaled ThUS$1,052,295, which compared to the ThUS$21,107 from 2021, translates into higher income by ThUS$1,031,188, mainly due to the fair value adjustment of the converted bonds whose origin was financial debt totaling ThUS$420,436 and write-offs of financial debt worth ThUS$491,326.

Financial costs increased 17.0%, totaling ThUS$942,403 by December 31, 2022, mainly due to the DIP financing and DIP *to Exit* financing that the Company had in place until the exit from Chapter 11. This effect was also increased by the impact on variable debt due to the high prime rates that the market is experiencing.

Other income / costs totaled ThUS$1,357,438 at December 31, 2022 which, compared to 2021, shows a positive variation of ThUS$3,537,931. This impact is mainly explained by ThUS$2,550,306 corresponding to the fair value adjustment of the converted bonds whose origin was Trade accounts payable and Other accounts payable, in addition to a lower expense of ThUS$1,564,973 related to the rejection of fleet contracts recognized during financial year 2021, partially offset by higher costs of ThUS$345,410 associated with the reclassification of 28 A319 aircraft to the line item of Assets held for sale, during the fourth quarter of 2022.

The main line items in the Consolidated Financial Statement of TAM S.A. and Affiliates, which caused a currency exchange gain of ThUS$36,973 at December 31, 2022, were the following: Other financial liabilities; ThUS$13,246 gain from USD-denominated loans and financial leasing for fleet acquisitions; net accounts receivable and payable to related companies, totaling a gain of THUS$16,791, and net accounts receivable and payable to third parties, totaling a loss of THUS$6,854. The other items of net assets and liabilities generated a gain of MUS$13,791.

ECONOMIC VALUE GENERATED AND DISTRIBUTED[1] (US$ THOUSANDS) GRI 201-1	2022
Direct economic value generated (income, financial investments, sale of assets)	**10,569,102**
Economic value distributed	**9,231,965**
Operating Costs	8,371,732
Employee salaries and benefits	1,266,336
Payment to capital providers (interest payment to lenders and dividend distribution)	-415,035
Payments to government (taxes)	8,914
Community investments	18
Retained economic value	**1,337,137**

1 This indicator provides an overview of how an organization generates value for its stakeholders.

Snapshot

FINANCIAL INDICATORS (US$ THOUSAND)	2020	2021	2022
Operating income	4,334,668	5,111,346	9,516,807
Operating expenses	(5,999,957)	(6,230,623)	(9,638,086)
Operating Results	(1,665,289)	(1,119,277)	(121,279)
Operating Margin	-38.4%	-21.9%	-1.3%
Net profit/(loss)	-4,545,887	-4,647,142	1,339,210
Net Margin	-104.9%	-90.9%	14.1%
EBITDA	-275,903	46,117	1,058,233
EBITDA margin	-6.4%	0.9%	11.1%
Cash and cash equivalents[1]/ revenues last 12 months	39.0%	20.5%	24.3%
Leverage[2]	NS	NS	4.2x

NS: Not significant.

1 Includes the revolving credit line.

2 Adjusted net debt/EBITDAR (last 12 months).

MORE INFORMATION
Risk Factors ***(page 164)***

Stock information

NCG 461: 2.3.4 STOCKS, THEIR CHARACTERISTICS AND RIGHTS

LATAM Airlines Group S.A. is an open stock corporation registered before the Financial Market Commission (CMF, for its Spanish acronym), under n° 306, whose stocks are traded in Chile on the Santiago Stock Exchange, and the Chilean Electronic Exchange-Stock Exchange. Due to the filing for Chapter 11, the American Depositary Receipts (ADR) program is no longer listed on the New York Stock Exchange. Since then, LATAM ADRs are traded in the United States of America on the over-the-counter (OTC) market.

Annual return

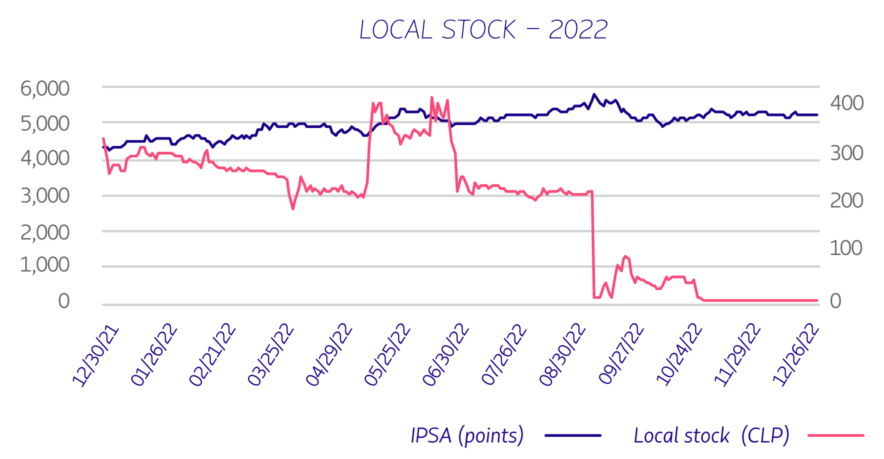
20.00%	-19.44%	-98.27%	22.38%
ADR	S&P 500	Acción local	S&P IPSA

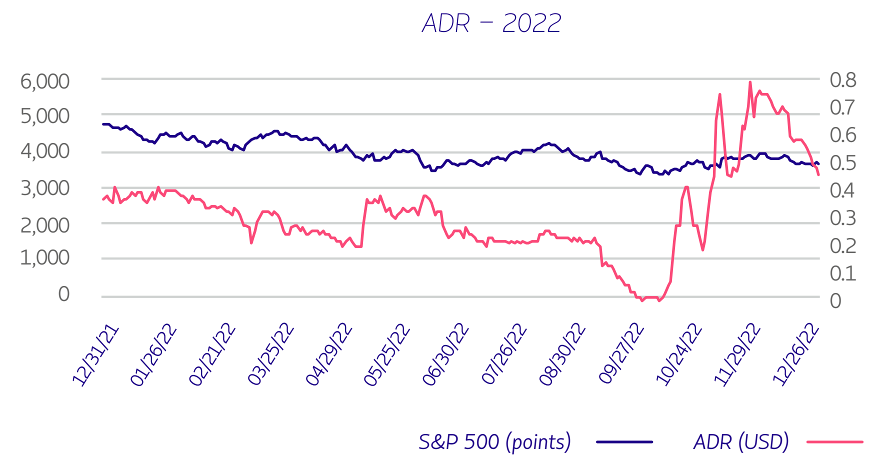
Volumes traded by quarter—local stock (Santiago Stock Exchange)

2022	N° of shares traded	Average price (clp)	Total value (million clp)
First quarter	51,875,200	278	14,432
Second quarter	79,325,000	290	22,999
Third quarter	687,100,980	173	118,881
Fourth quarter	11,790,342,900	17	203,977

Volumes traded by quarter – ADR

2022	N° of shares traded	Average price (USD)	Total value (million usd)
First quarter	22,006,960	0.38	8.44
Second quarter	28,723,100	0.33	9.37
Third quarter	45,615,330	0.25	11.27
Fourth quarter	86,296,710	0.46	40.07





Investment plan

NCG 461: 4.3 INVESTMENT PLANS

Capital expenditures are related to the acquisition of aircraft, maintenance CAPEX, restocking of parts, IT-related CAPEX, fleet projects such as cabin retrofits, cargo freighter conversions, and certain other strategic projects. LATAM's capital expenditures is recorded in the Financial Statements in its cash flow statement through the following lines: Purchase of Property, Plant and Equipment, Purchases of Intangible Assets, and is part of Payments to Suppliers for the Supply of Goods and Services. Purchase of Property, Plant and Equipment totaled US$780.5 million in 2022, US$597.1 million in 2021 and US$324.3 million in 2020, and purchases of intangible assets totaled US$50.1 million in 2022, US$88.5 million in 2021 and US$75.4 million in 2020. Maintenance CAPEX associated with operating leases included in Payments to Suppliers totaled US$163.7 million in 2022, US$149.1 million in 2021 and US$66.0 million in 2020.

The following chart sets forth the Company's estimated capital expenditures from 2023 to 2025 calendar year, which are subject to change and may differ from the actual capital expenditures. PDPs and Other expenditures, as shown in the table below, represent estimated cash out flows for the Company that will be recorded in the Net cash flow from (used in) investing activities under the Property Plant and Equipment and Purchases of Intangible Assets and in the Net cash flow from operating activities for the case of the maintenance related to the operating leases fleet. In the case of fleet commitments, in the below table they are presented as estimated Fleet CAPEX and the aircraft price of Fleet CAPEX represents the present value of the right of use aircraft (as per IFRS16) assumed to be received under operating lease agreements. However, aircraft arriving under an operating lease do not represent a cash outflow upon their arrival, but rather represent the recognition of a right-of-use asset and a lease liability, and therefore will not be recorded in the Cash Flow Statement as per IFRS accounting rules.

ESTIMATED CAPITAL EXPENDITURES BY YEAR, AS OF DECEMBER 31, 2023 (US$ MILLIONS)	2023	2024	2025
Fleet commitments[1]	(835)	(539)	(1,253)
PDPs[2]	50	(57)	(66)
Other expenditures[3]	(1,165)	(1,301)	(1,068)

1 The number of aircraft included in Fleet CAPEX calculation includes all the committed deliveries (from manufacturers and lessors) with estimates regarding current scheduled delivery dates. The aircraft price of Fleet CAPEX represents the present value of the right of use aircraft under operating lease agreements, as per IFRS16.
2 Represents pre-delivery payments made by LATAM, or inflows received by LATAM after the delivery of the aircraft is made.
3 Other Expenditures include estimates of capital expenditures on spare engines and parts, maintenance of fleet, projects and others, plus purchases of intangible assets.

For reference, LATAM group's fleet commitments presented as the value of all committed deliveries by manufacturers and/or lessors by year are US$1,217.0 million for 2023, US$756.8 million for 2024 and US$1,520.5 million for 2025. In the table above these commitments are assumed to be received under operating leases. In general, LATAM evaluates financing alternatives to meet its fleet commitments and therefore the amounts presented are not necessarily indicative of a cash outflow and depending on the type of lease agreement (operating or financial lease), the Cash Flow Statement will record fleet delivery differently: for financial leases, cash out will be recorded in the Net cash flow from (used in) investing activities based on the purchase price of the aircraft.

Safety

IN THIS CHAPTER

Number 1 priority

NCG 461: 8.2 SUSTAINABILITY INDICATORS BY INDUSTRY | GRI 3-3 | SASB TR-AL-540a.1

For LATAM group, the safety of its customers, employees and the communities where it operates is fundamental and the number one priority. The group bases its actions on the Safety, Quality, Health and Environment Policy, which contains the guidelines on the subject and complies with the parameters established by the International Civil Aviation Organization (ICAO).

The group's safety culture aims at the continuous improvement of its processes and the permanent monitoring of its performance, in order to constantly perfect its safety indicators. In addition to being rigorous in the application of the operational procedures established by the authorities, manufacturers and the company itself as an airline operator, LATAM seeks to continually surpass its own standards. In its quest for excellence, the group relies increasingly on the use of technology and the data that its systems provide for decision-making.

INTEGRATED SAFETY MANAGEMENT SYSTEM (SMS)

LATAM's SMS considers the areas of Safety, Security, Health, Safety and Environment (HSE) and Emergency Response Plan, meeting the requirements and guidelines of ICAO Annex 19 and the regulations required in the different countries where the group's subsidiaries are headquartered.

The Safety Management System includes tools and programs that enable LATAM to act proactively, monitor performance, identify risk situations, and react promptly to minimize them. The actions are guided by the matrix of risk factors and criticality degrees, updated periodically with data from internal analyses and events related to global aviation.

As part of the system, the group performs a series of periodic audits, divided into three types:

Periodical internal audits, which assess the maturity of the operational processes implemented in the Airports and Maintenance arenas;

Internal audits based on IOSA (IATA Operational Safety Audit) guidelines, which aim to ensure that all operational areas comply with the highest safety parameters in the industry; and IOSA recertification audits.

All affiliates have had this certification since 2007 and undergo a recertification every two years. The most recent recertification was in 2022.

With this information available, LATAM can improve its internal processes in a permanent effort to seek opportunities for improvement in safety matters. An example of this is the task on which the company embarked in 2022: a diagnosis of passenger boarding processes, with the aim of mapping the risks related to aircraft dispatch, in terms of weight and balance, and defining action plans to mitigate them. This work, carried out in conjunction with an external consultant, enabled the implementation of measures to improve the safety of the operation, employees and passengers.

ANALYTICS AND ADVANCED DATA USAGE

LATAM has been a pioneer in the sector in the use of data from its routine operation in the development and generation of action plans and ongoing improvement of operational safety. Since 2020, it has been moving forward with the Safety II or Data Learning for Safety (DLS) project, which generates valuable information about flights and allows it to analyze variables with the potential to affect operating performance.

The project continued its development in 2022, reaching several milestones. Among them is the implementation of the infrastructure to integrate different safety databases, such as flight data monitoring, advanced qualification program (Flight Operations Training Program), meteorological information, maintenance reports, and flight crew alert levels, among others. This database currently includes more than 670 thousand flights and has the capacity to process and analyze all the information in just one hour. The company is also working on the development of the Safety II indicator, with the capacity to point out best practices in flight operations and not only focus on adverse events. The next step of this project is to incorporate this new indicator into the monitoring and control processes.

DATA MONITORING

LATAM group has implemented a program that supports its internal processes, such as flight data monitoring, the Flight Operations Quality Assurance (FOQA) program, which makes it possible to compare actual flight parameters with Standard Operating Procedures. This is a computer system that collects 96% of the information of each flight, and processes the data automatically to identify deviations in operations and to manage preventive maintenance services.

This safety program is a key element of the Safety Management System and is crucial for detecting and identifying safety violations. Thanks to this program, in 2022, it was possible to monitor over 95% of the flights of LATAM group, providing useful information to mitigate risk and prevent future recurrences.

Likewise, the system provides segmented information by pilot and houses this data in the Pilot LATAM application, through which crews can view the details of their performance and compare it to the average of the fleet to which they belong, and have access to the incidents identified during flights. We should note that pilot data is treated with absolute confidentiality.

670 thousand

flights in the Safety II database

TECHNICAL ASSISTANCE

During the second half of 2022, LATAM received a team of consultants from the Boeing Flight Operations Support Program (FOSP) to provide technical assistance on safety issues related to flight operations and training and to create effective lines of communication. In addition, the FOSP provides LATAM Airlines with an objective view of its operations from a global perspective.

HUMAN FACTOR GRI 403-7

While it is concerned with the safety of all its employees, the LATAM group is aware that they themselves are the main players in making its operations increasingly safer. The group invests

permanently in generating awareness and commitment among all its employees and seeks to bolster the safety culture through training and initiatives in engagement and communication. Through internal campaigns, LATAM group raises awareness among its teams about the importance of safe behavior, and an online platform receives notifications of incidents and deviations, whose information is used to map risks and generate improvement plans.

Efforts along this line during 2022 focused on consolidating the Peer Support Pilot Program, which brought together the program's Volunteer Pilots in all subsidiaries and through which it is possible to develop indicators related to the psychological wellbeing of its pilots.

This program is additional to "SeguraMente" (safe mind), which offers support to pilots in cases of personal and family problems, through medical consultation and psychological support.

AIRPORT SECURITY

When it comes to airport security, LATAM group follows national and international standards and invests permanently in the continuous improvement of its processes so that the cargo and passengers it transports arrive safely at their destinations.

DISRUPTIVE PASSENGERS

NCG 461: 3.6 RISK MANAGEMENT

Between 2020 and 2021, the rate of disruptive passengers increased, the main cause being the protocols associated with the Covid-19 pandemic, displacing passengers under the influence of alcohol. Complementing the procedure for disruptive passengers and their categorization, in early 2022, the Sexual Harassment or Sexual Molestation Procedure was generated and published, describing and addressing these behaviors. In addition, and in a joint effort between the vice-presidencies of Human Capital and Safety, a protocol was established to offer support to abused employees, in order to ensure their physical and emotional wellbeing in this type of events with professional support.

This issue continues to be very relevant, since the level of aggressiveness and the variety of this type of events has increased, currently representing a concern not only for LATAM but also for the industry in general. Along this line, LATAM Airlines Group S.A. focuses its efforts on crew training, providing the necessary tools to deal with these issues in the best possible way.

Particularly in Brazil, LATAM Airlines Brasil is working hand in hand with the authorities to generate a regulatory framework that establishes consequences for disruptive passengers and that protects the company should it decide not to transport a passenger considered dangerous. LATAM Airlines Brasil expects to have a regulation soon, as this is an issue that the authority also understands as fundamental for air traffic safety.

EMERGENCY RESPONSE PLAN

LATAM group has an Emergency Response Plan that determines which resources and people should be activated in the event of an air emergency, considered as an accident with deceased persons. The objective of this plan is to support the affected people and their families, acting as facilitator with the aeronautical authorities in the investigations, and maintaining communication with the different stakeholders to ensure the continuity of the operation.

There are currently Emergency Response committees in eight subsidiaries of the group: Chile, Brazil, Peru, Colombia, Ecuador, the

United States, Paraguay and Spain are holding work groups with ground teams and volunteers to support the people affected and their families.

Likewise, the group performs emergency drills and training annually in all its subsidiaries within the framework of the Safety Weeks. During 2022, face-to-face and online training reached 3.5 thousand employees.

In 2023, the focus will be on increasing the capacity to respond to major events, and on training and coordination sessions among the Emergency Response Committees before critical events in the operation.

SECURITY INCIDENTS

In 2022, LATAM group had to face two emergency situations in which it implemented the Emergency Response Plan, which is practiced continuously to be able to respond to such occurrences as quickly and efficiently as possible.

In November, a LATAM Airlines Peru flight (LA 2213), covering the Lima - Juliaca route, was hit by a fire truck that entered the runway during its take-off run at the Jorge Chavez International Airport in the Peruvian capital. Although no crew member or passenger was injured and they were taken to health centers as a precautionary measure, the subsidiary regretted the death of the two aeronautical firefighters who were in the fire truck. The reasons for the vehicle entering the runway are still under investigation by the Peruvian aeronautical authorities. LATAM Airlines Peru deployed all its human and technical resources to assist those affected and to support the corresponding investigations.

The other case occurred in October. A LATAM Airlines Paraguay flight (1325) between Santiago de Chile and Asunción de Paraguay was affected by bad weather conditions and hail, requiring a stopover at the international airport of Foz do Iguazu in Brazil and, subsequently, an emergency landing in the Paraguayan capital.

For both cases that affected LATAM group's safety, the airline's responsibility is focused on understanding and identifying the operational reasons behind these events, analyzing the cases self-critically and working to strengthen the safety culture as an effective tool to manage risk in its operation.

Snapshot

SECURITY NCG 461: 8.2 SUSTAINABILITY INDICATORS	2020	2021	2022
Aviation accidents[1] SASB TR-AL-540a.2	1	0	2
Government measures for the implementation of aviation safety regulations[2] SASB TR-AL-540a.3	N/A	N/A	0
Emergency Response			
Members of the emergency team	2,814	2,240	N/A
People trained	746	3,400	3,500

N/A: information not available.
1 In 2020: Accident with the crew, due to turbulence. En 2022: As described on this page.
2 The indicator began to be collected in this way in 2022, so there is no information available for previous years.

Commitment to the future

IN THIS CHAPTER

Objectives and results

With a view towards the long term, LATAM laid the groundwork for the future of the business by launching its new Sustainability Strategy in 2021. More than just renewing the group's commitment to sustainable development in Latin America, the new strategy serves as a roadmap for the next 30 years.

The focus on climate change, circular economy and shared value guides LATAM's work and strengthens its role as part of the solution to the social, environmental and economic growth challenges facing society. The path to achieving clear objectives and challenging goals is a collective effort and involves different internal and external stakeholders.

Given each pillar that makes up the strategy, commitments and challenging and traceable goals were defined, which in turn contribute to the Sustainable Development Goals (SDGs) of the United Nations (UN), specifically SDG 3 Good Health and Well-being, SDG 5 Gender Equality, SDG 8 Decent Work and Economic Growth, SDG 9 Industry, Innovation and Infrastructure, SDG 12 Responsible Consumption and Production, SDG 13 Climate Action, SDG 15 Life on Land and SDG 17 Partnerships for the Goals.

Shared value, climate change and the circular economy are the priorities of the Sustainability Strategy

Sustainability Strategy

NCG 461: 8.2 SUSTAINABILITY INDICATORS BY INDUSTRY | SASB TR-AL-110a.2

	COMMITMENTS AND TARGETS	2022 GOALS	PROGRESS IN 2022	STATUS OF THE COMMITMENT
SHARED VALUE	Provide the connectivity, capacity, and speed of our passenger and cargo operations for the benefit of communities in South America on three action fronts: **> Health** **> Environment** **> Natural disasters**	Expand and strengthen the network of strategic partnerships of the Solidary Plane program	> Partnerships and agreements with **51 organizations**, foundations and government agencies in five countries **> 117 million** vaccines transported **> 3,554 people transported** free of charge within the framework of the alliances	Commitment fulfilled; the program was strengthened, from evaluating partnerships to measuring the impact and the expansion of the scope of those partnerships
CLIMATE CHANGE	> Achieve carbon neutral growth in scope 1 (direct emissions) with 2019 as the base year > Reduce and offset the equivalent of 50% of domestic greenhouse gas (GHG) emissions by 2030 > Be a Carbon Neutral group by 2050	> Reduce and offset 670,000 tons of CO_2 emissions, including offset programs with clients. > Make progress in the consolidation of a portfolio of preservation projects in strategic areas of the region	**> 687,968 tons** of CO_2 emissions managed **> 82,000 t** from operational improvements (emission reduction) **> 572,782 t** from support to the preservation of strategic ecosystems, mainly in the Colombian Orinoco basin (offset) > Additionally, through the offset program of LATAM Airlines Group S.A., its clients offset a total of 33,184 tons of CO_2e	Overall, the emission reduction, the offsets made by the group, and those made by clients under the LATAM offset program resulted in the management of 687,968 tons of CO_2e, equivalent to 13.6% of domestic emissions
CIRCULAR ECONOMY	> Eliminate single-use plastics[1] throughout the operation by 2023 > Be a zero-waste-to-landfill group by 2027	Reduce single-use plastics on board by 60%	> Eliminate **77%** of single-use plastics in the in-flight service, where that material is most used – compliance with the 2022 target at 128% > Pilot tests for plastics reduction in the cargo operation	**77%** reduction of single-use plastics on board

1 Single-use plastics are considered cutlery, glasses, cups, straws, plates, trays, food wrappers and bags, among others. (View the list on **page 75**).

Shared value GRI 3-3 and 203-1

The Solidary Plane program is emblematic in LATAM's commitment to be an asset for society in South America. The initiative was created in 2011 and, making use of its structure, connectivity and transport capacity. It meets needs in three arenas, free of charge: Health, Environment and Disasters.

LATAM's expertise in cargo and passenger transportation is complemented by the knowledge and experience of a whole network of organizations with social purposes and government agencies with which the group establishes partnerships and agreements. At the end of 2022, the Solidary Plane program worked with 51 organizations in countries where LATAM has domestic operations.

The focus on shared value, and its most emblematic Solidary Plane program, allows the company to contribute directly to the fulfillment of the Sustainable Development Goals 3 Good Health and Well-being, SDG 5 Gender Equality, and SDG 17 Partnerships for the goals.

As of 2023, the group will seek to reinforce the concept of co-creation, so that organizations in partnership with the Solidary Plane can also bring forth initiatives that generate value for their environments and communities.

Snapshot

Solidary Plane GRI 203-1	2020	2021	2022
Health			
Air tickets donated	1,374	3,210	3,554
Organs, tissues, and stem cells transported	1,174	976	964
Medical supplies (t)	395	59	4,577
Vaccine doses – COVID-19 (million)	NA	208	117
Disasters			
Cargo transported as humanitarian aid (t)	525	3	149
Environment			
Animals transported	143	192	246
Recyclable materials transported (t)		195	170

NA: not applicable

Solidary Plane

HEALTH

Vaccines against COVID

Since the first doses of COVID-19 vaccines were made available, LATAM has provided support free of charge to the governments of Brazil, Chile, Ecuador and Peru in domestic transportation. In 2022, **117 million doses** were transported, totaling **376 million mobilized since the end of 2020**. In Brazil, LATAM was responsible for the transportation, by air, of two out of every three doses within the country during 2022.

Organs and tissues

Transportation of **952 organs** and tissues and **12 stem cells** to support transplants.

Donation of airplane tickets

3,554

patients, medical personnel and health teams transported for treatment or surgery, professionals involved in the implementation of preservation projects and work with the community.

ENVIRONMENT

Animal rescue

246

animals transported, eincluding birds, turtles, monkeys, primates typical of the Amazon rainforest of Brazil, flamingos, boa, otters and penguins.

The program supports organizations for the rehabilitation, preservation and protection of species.

Removal of recyclable waste

170

tons of waste removed from Easter Island /Rapa Nui (Chile), San Andres (Colombia), and the Galapagos Islands archipelago (Ecuador).

The program collaborates with waste management in particularly challenging environments, such as islands.

DISASTERS

149

tons of various elements for humanitarian aid in situations such as floods in the northern region of Brazil, or forest fires in Chile, among others.

Climate change

NCG 461: 8.2 SUSTAINABILITY INDICATORS BY INDUSTRY | GRI 3-3 | SASB TR-AL-110a.2

The climate emergency is one of today's major global challenges. Tackling it requires the joint work of governments, companies, research and development centers, organizations and individuals, as well as the implementation of different strategies. In the aviation sector, especially, where technological solutions for the transition to a low-carbon energy model are not yet available on a massive scale or are in the pilot phase, effort coordination becomes even more important.

JOINT EFFORT

CORSIA: In 2009, the airline industry pioneered the development of a global climate action plan, with long-term goals aligned with the Paris Agreement. In 2016, the Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA) was established, through which the sector regulates the GHG emissions of international civil aviation.

The scheme is being implemented in three stages: pilot (2021-2023), first phase (2024-2026) and second phase (2027-2035). In the first two, until 2026, countries' participation is voluntary. Until 2022, 110 countries were part of the pilot phase and another eight had committed to participate as of 2023. The first phase already has the commitment of 115 countries.

TCFD: In 2022, LATAM began work to incorporate the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD), which was created in 2015 by the Financial Stability Board (FSB) to develop consistent disclosures of climate-related financial risks. The initiative seeks to consolidate best practices in climate risk management and help standardize climate disclosures for all companies. By assuming this commitment to the TCFD, throughout 2023, LATAM will identify and evaluate the risks and opportunities related to the climate to start publishing its information under these standards as of 2024.

AT LATAM, CLIMATE CHANGE MANAGEMENT FOCUSES ON

Operating efficiency: *fleet renewal, adoption of new technologies and practices, that contribute to fuel savings and efficient use;*

Sustainable Aviation Fuels (SAF): *this type of fuel is crucial to achieving carbon neutrality in the operation. However, its production is only incipient in the world and null in the region, so it is necessary to develop an agenda with the different players to progress in its production and use in the region. LATAM seeks SAF to represent 5% of all fuel consumption in its fleet by 2030;*

Emissions offsetting: *development and participation in offsetting programs based on reforestation and ecosystem preservation projects in strategic areas across the region. The initiatives involve clients, NGOs and academia, among others.*

Clean Flight: In Chile, LATAM participates in the Clean Flight program, an initiative of the Civil Aeronautical Board and the Energy Sustainability Agency, which promotes public-private collaboration with the aim of improving the energy and environmental management of the airline industry. The program seeks to identify and implement opportunities to reduce fuel consumption and encourage the use of cleaner technologies, such as sustainable aviation fuels (SAF).

National Carbon Neutrality Program Colombia: LATAM participates in the program promoted by the Ministry of Environment, which aims to boost, strengthen and make visible the management of GHG emissions in public and private organizations. Participants are organized into four work groups, according to their level of progress in GHG emissions management. LATAM was ranked at level 4, the most advanced and where organizations that have carbon neutrality exercises and are interested in strengthening their capabilities for the identification and alignment of Colombia's climate goals to 2030 and 2050 are registered.

Reduce emissions

LATAM FUEL EFFICIENCY

NCG 461: 3.1 GOVERNANCE FRAMEWORK

LATAM Fuel Efficiency is the corporate fuel-efficiency program, which considers initiatives focused on reducing consumption and operational efficiency to optimize their savings.

Between 2010 and 2022, the group achieved 6% jet fuel efficiency through the program, and the gross savings amounted to 53 million gallons — an equivalent of 507.1 thousand tons of CO_2 that stopped being emitted, thanks to the increase in energy efficiency in the operation, taking the start of the program as the baseline. In economic terms, savings were close to 212 million dollars.

Different initiatives were added to lead to these results. Some have already been routinely incorporated into the operation, based on lessons learned year after year, and program consistency. Some examples: rationalizing the use of the auxiliary engine, optimizing flight routes and plans, finding opportunities to eliminate unnecessary weight during the flight, in addition to the implementation of DPO (Descent Profile Optimization) — software that improves the aircraft computer and descent performance database, reducing about 40 kilos of fuel in this phase.

FLEET OVERHAULS

In 2022, the group added five new Airbus A320neo aircraft, now totaling 16 in the fleet, and by the end of the decade, it plans to have more than 100 A320neo, A321neo and A321XLR aircraft. These aircraf use more efficient engines and feature aerodynamic improvements and the latest technologies that provide 20% more fuel efficiency and related carbon emissions. The new models also make it possible to reduce 50% of nitrogen oxide emissions and 50% of the acoustic footprint. In addition, the group has 31 aircraft in its current fleet of Boeing 787 Dreamliners, also noted for their fuel efficiency, and therefore, lower emissions.

Fleet renewal actions also involve upgrading aircraft with new technologies. Since 2021, LATAM has been incorporating the Descent Profile Optimization (DPO) function into the A319, A320 and A321 aircraft. The new software updates the descent models in the Flight Management System (FMS) database and proposes optimized procedures. In 2022, 193 aircrafts out of a total of 196 were upgraded as such.

SAF

NCG 461: 3.1 GOVERNANCE FRAMEWORK and 3.6 RISK MANAGEMENT

Aware of the need to develop a more sustainable commercial aviation and progress towards the decarbonization of the industry, LATAM reinforced in 2022 its goal to incorporate sustainable aviation fuel into its operation, preferring the production generated in South America.

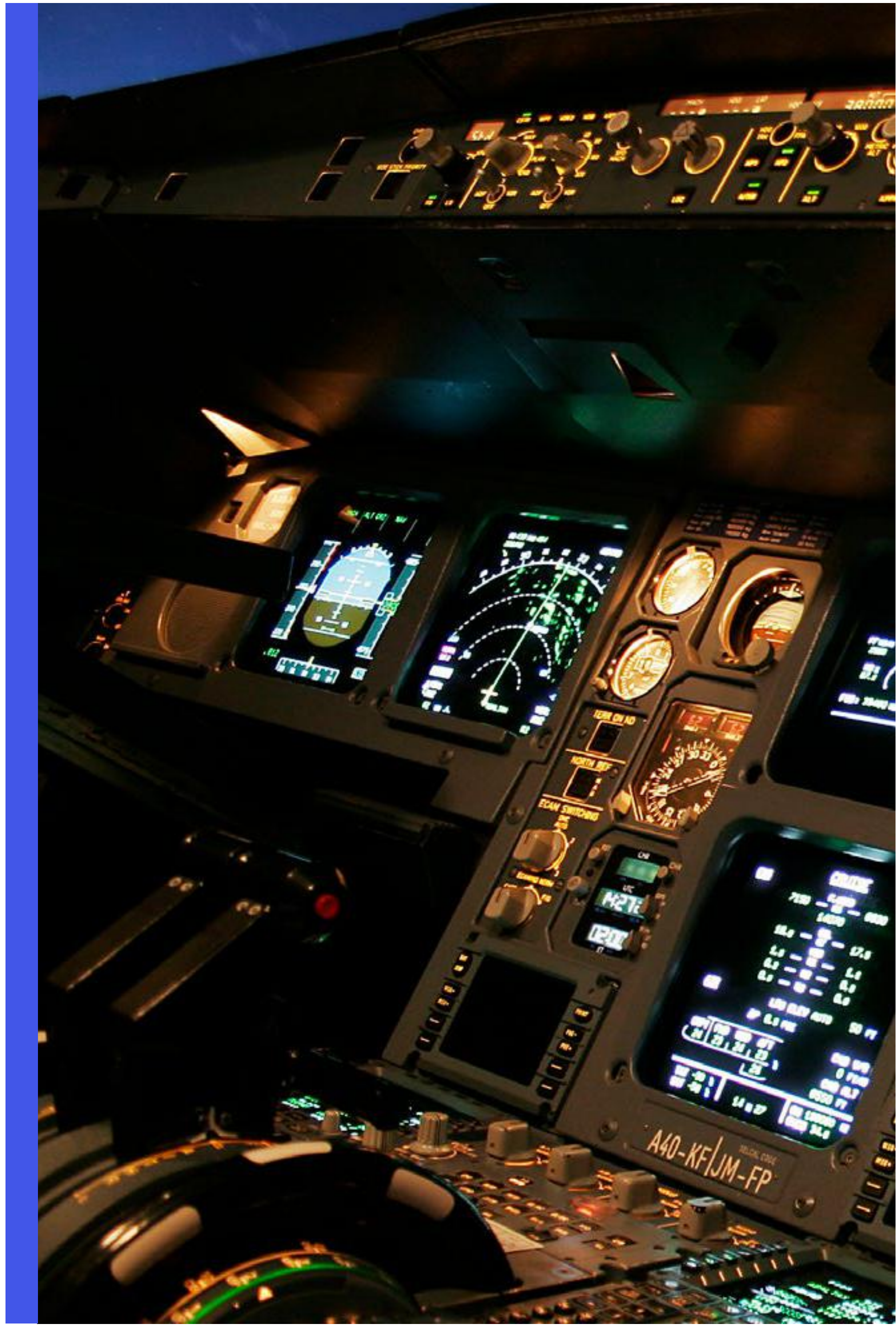
According to data from the International Air Transport Association (IATA), SAF provides a reduction in emissions of up to 80% compared to traditional fuels, and is proposed as the most immediate tool to contribute to a sustainable aviation operation. However, its high production costs and the immaturity of the market pose great challenges for its mass use.

The region has a high production potential due to its unbeatable conditions in terms of resource availability and sustainable raw materials. Brazil could produce up to 9 billion liters of SAF from different sources, such as agricultural and logging industry waste, and Chile has the potential to produce green hydrogen under highly competitive conditions. Raw materials for the production of SAF are also found in other countries of the region.

Despite these privileged conditions to make progress in the construction of a solid market for sustainable aviation fuels in the region, there is still a long way to go in matters of regulation, promotion of technology and innovation, support to production and logistics chain, and cost reduction mechanisms, among others. That is why LATAM has been working on this issue and during 2022, began partnerships with two strategic partners to promote projects related to the use of sustainable alternative fuels.

LATAM is working to meet the challenge of having 5% of the total fuel consumption in its fleet come from sustainable alternative fuels produced mainly in the region by 2030. To this end, LATAM actively participates in the different agencies and dialogs in Latin America, with the aim of generating enabling conditions in the region for the development of SAF, both at the public and private level. Among these agencies, it is worth noting the participation in the *Programa Nacional de Combustivel Sustentavel de Aviação* (ProBioQAV) in Brazil, and the public-private round table of Sustainable Aviation Fuels (SAF) in Chile, within the framework of the Clean Flight program, which seeks, through industry collaboration and innovation, to achieve operational improvements that reduce emissions.

According to IATA, SAF can reduce emissions by up to 80% compared to traditional fuels



Preserve ecosystems

One of the distinctive features of LATAM's strategy in climate change management is the search for the preservation of global strategic ecosystems, located in the region. The group supports such projects and, supported by the carbon capture potential of the initiatives, makes progress in offsetting emissions as a complementary measure.

In terms of eligibility criteria, LATAM is mainly focused on nature-based, collaborative work solutions that provide environmental, social and economic co-benefits, are linked with communities capable of protecting ecosystems, and can be scalable.

CO2BIO INITIATIVE

In 2022, the LATAM group expanded the scope of its alliance with CO2Bio, an initiative of the Cataruben Foundation and the community in the Colombian Orinoco basin. The partnership aims to preserve and restore flooded savannas and forests, whose importance lies in their high capacity to capture carbon dioxide, the preservation of biodiversity and the positive impacts on the community.

Located in the Colombian Orinoco basin, the CO2Bio project expects to preserve environmentally important areas that total 575,000 hectares by 2030, equivalent to more than three times the extension of cities such as Bogota or São Paulo. The initiative will benefit 700 families in the area, contributing to the protection of around 2,000 species, some of them considered endangered, threatened or vulnerable. In turn, it has the potential to capture 11.3 million tons of CO_2 by 2030. It was supported by the Natural Wealth Program of the United States Agency for International Development (USAID).

EMISSIONS OFFSETTING (SCHEME 1 + 1)

In both passenger and cargo operations, LATAM initially offers corporate customers the opportunity to participate in emissions offsetting. By means of a 1+1 scheme, for every ton offset by a client in previously verified and validated environmental projects, LATAM matches the amount of tons offset by the client.

As part of the program, LATAM also promotes the Fly Neutral Friday initiative, through which it supports ecosystem preservation and restoration projects in Brazil, Peru and Colombia to offset the emissions from flights operated on Fridays on emblematic regional routes.

In the passenger operation, the initiative covers the Galapagos – Guayaquil, Guayaquil – Baltra Island, Santiago de Chile-Castro, Arequipa – Cusco, Rio de Janeiro – São Paulo, Brasilia – Belem routes. In cargo, the shipments that are transported on passenger planes on the Iquitos – Lima, Guayaquil – Baltra Island, Brasilia – Belem and Bogota – Miami routes are offset.

LATAM-supported projects contribute environmental, social and economic co-benefits

Carbon footprint

LATAM monitors its impacts on climate change and the results of reduction initiatives through the greenhouse gas inventory, conducted annually based on ISO 14.064 and the GHG Protocol.

In 2022, emissions totaled 12,985,755 tons of CO_2e—a significant increase from 2021, a year still affected by the pandemic. This growth is due to two reasons, mainly. On the one hand, there is the recovery of operations in all countries, which reached levels of around 85% compared to the pre-pandemic period. On the other hand, in its process of continuous improvement and strengthening of its carbon inventory, LATAM incorporated seven new categories from Scope 3, in all countries, which measures other indirect emissions from the value chain.

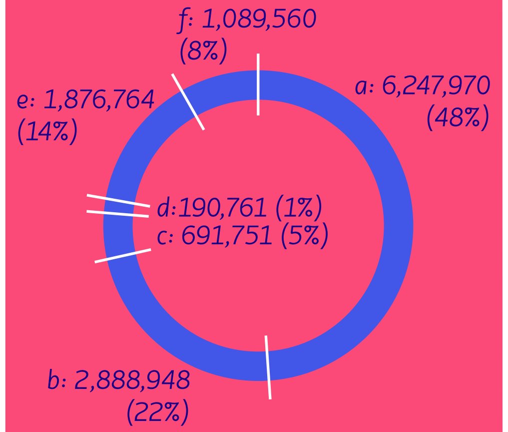
In view of its commitment to carbon-neutral growth in Scope 1 compared to 2019, in 2022, LATAM offset 572,784 tons of CO_2e, through carbon credits from two preservation projects. Through the project located in the Colombian Orinoco basin, CO2Bio[1], of the BioCarbon Registry, using the BCR0002 methodology (quantification of GHG emissions reduction REDD+ Projects) 568,981 tons of CO_2e were offset, and through the Jari-Amapa project[2], of the Verra registry, using the VM0015 methodology (Methodology for Avoided Unplanned Deforestation) 3,803 tons of CO_2e were offset. All these offsets are directed to the group's Scope 1 (direct emissions).

Notes:

1 Project ID: PCR-CO-635-141-001.

2 Project ID: VCS 1115.

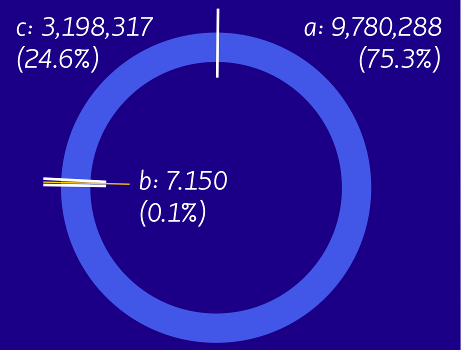
TOTAL CARBON FOOTPRINT BY COUNTRY (t CO_2e)



a: Brazil
b: Chile
c: Colombia
d: Ecuador
d: Peru
e: Ecuador
f: LATAM Cargo group

Total
12,985,755

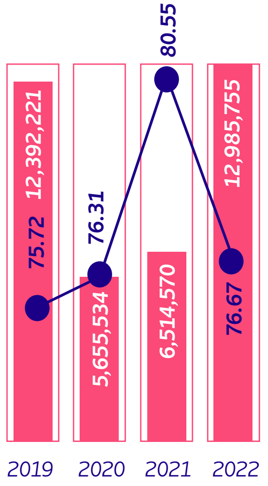
TOTAL CARBON FOOTPRINT BY SCOPE (t CO_2e)



a: Scope 1 (direct emissions)
b: Scope 2 (Indirect emissions from electric energy purchases)
c: Scope 3 (Other indirect emissions – value chain)

Total
12,985,755

TOTAL FOOTPRINT AND INTENSITY SCOPE 1



GHG emissions
Intensity indicator – Scope 1 ($kgCO_2e$/100RTK)

RTK: revenue-ton kilometers.

For the year 2022, the footprint calculation contains the inclusion of more categories from Scope 3 compared to previous years, including indirect emissions related to fuel and energy (cargo and passengers) and the purchase of goods and services. Formerly, it considered mainly ground transportation related to operations. This inclusion represents a 23% increase in the 2022 footprint compared to 2019.

CHALLENGES FOR 2023

Continue to strengthen efficiency programs to maintain and improve efficiency achieved to date

Make progress in t he articulation of preservation and restoration projects in strategic areas of the region

Strengthen the agenda for the development and use of sustainable aviation fuels in South America

Snapshot

CLIMATE CHANGE NCG 461: 8.2 SUSTAINABILITY INDICATORS BY INDUSTRY | GRI 305-4	2019[1]	2020[1]	2021[1]	2022
Climate change				
Total emissions (tCO_2e)	12,392,221	5,655,551	6,514,570	12,985,755
Net emissions (tCO_2e)[2]	12,253,203	5,521,062	6,138,957	12,411,550
Scope 1[3] emissions	12,149,725	5,614,368	6,497,576	9,780,288
Intensity Scope 1 (kg CO_2e/100 RTK)	75.72	76.31	80.55	76.67
Intensity total footprint (kg CO_2e/100 RTK)	77.20	76.87	80.76	101.80
Net emissions intensity in total operations (kg CO_2e/100 RTK)	76.33	75.04	76.10	97.02
Rational fuel use (reduction compared with IATA average)	N/A	12.6%	2.3%	3.2%
LATAM fuel efficiency (liters/100 RPK)	N/A	30.1	31.7	30.0
Passenger operations	N/A	3.2	3.4	3.7
Cargo Operations	N/A	20.7	20.1	22.1
Fuel consumption (GJ) SASB TR-AL-110a.3	166,786,630	76,826,100	88,734,840	133,991,160
% of alternative fuels	0%	0%	0%	0%
% of sustainable fuel	0%	0%	0%	0%

N/A: information not available.
RTK: Revenue ton-kilometer.
RPK: Revenue passenger-kilometer.
1 They do not include the measurement of Scope 3 emissions, which are equivalent to 24.6% of the total carbon footprint in 2022.
2 Net emissions are the total emissions minus the offsets made.
3 Scope 1 emissions: refers to direct emissions — fuel consumption in air operations, fixed sources, and LATAM fleet vehicles, as well as fugitive refrigerant gas emissions.

MORE INFORMATION

- *Greenhouse gases: Inventory, emission factors and scope of information (**pages 185 and 186**)*
- *Significant atmospheric emissions (**page 186**)*

Circular economy

GRI 306-1 and 306-2

LATAM made progress in its challenge of eliminating single-use plastic by 2023 and becoming a zero-waste-to-landfill group by 2027. The group ended 2022 at 77% of the target related to single-use plastics on board (see table), exceeding the plan for the year, which was 60%.

These levels were possible thanks to the involvement of the experience and operations departments in the leadership of the project and the diagnosis carried out in 2021 in the main areas that generate waste in the operation, such as Airport, Maintenance, In-flight Service and Cargo. The survey also made it possible to establish the most common types of waste and, therefore, those where changes in processes and materiality would have the greatest impact.

Among the actions it is worth noting the change of mixers and cutlery from plastic to bamboo, paper cups instead of plastic cups, the use of reusable bags and pans, replacement of plastic lids for sugar cane lids, and the progressive elimination of plastic bags to cover rest items with the use of paper tapes in the Economy cabin and reusable bags in the Premium Business cabin, among others. In addition, new amenity kits, with less environmental impact, were implemented in the Premium Business cabins of the group's international routes. The kits consist of toothbrushes made of bamboo with sugar cane caps, reusable eye mask and socks, and vegan and cruelty-free products (which do not involve experiments on animals). The products are designed by South American artists chosen for their emerging career and/or for being transformers of their communities.

In the cargo business, pilot tests were developed to implement alternatives for the use of plastic film, which is high in the operation. In 2022, around 20 initiatives were tested to replace this material with reusable products or products with less environmental impact. The work included seven initiatives promoted by the subsidiaries' employees themselves, based on their knowledge and expertise in the area and the operation. Two of them have already been approved and another five are in the pilot stage.

One of the proposals of the team, already approved, was the use of pallet blankets, which are reusable and made of polyester, and which keep the cargo protected during transport. This initiative is initially being developed in Chile and Brazil, precisely where more waste is generated in the operation, and the project is expected to be extrapolated to other markets.

Another initiative is related to the bulk palletizing process, which consists of fixing and stabilizing boxes of different sizes for transport. The use of narrow recyclable plastic tapes

Amenity kits y bolsas reutilizables para los elementos de descanso en la cabina Premium Business

Change of materials in the Economy cabin instead of several meters of plastic film that is discarded at the time of delivery enabled an 80% reduction in the plastic used in this specific process in the import cargo in Santiago, Chile.

Although the reduction of plastic waste is the main focus of the cargo affiliates in matters of circular economy, there are other initiatives such as those related to wooden pallets for transport, which are repaired to be reused in the same operations or, in some cases, converted into leisure furniture, tables, and others.

Finally, the Circular Economy pillar makes it possible to contribute to the achievement of SDG 8 Decent Work and Economic Growth, SDG 9 Industry, Innovation and Infrastructure, SDG 12 Responsible Consumption and Production, and SDG 17 Partnerships for the goals.

SINGLE-USE PLASTIC

After thoroughly reviewing the applicable regulations of Brazil, Chile, Colombia, Ecuador, the United States, Peru and the European Union on single-use plastics and taking the most demanding list applicable to the airline industry, LATAM defined the products included in its disposal plan. The main examples are:

Cutlery (fork, spoon, knife, toothpicks)

***Food containers or packaging,** such as boxes, with or without a lid (intended for immediate consumption, on-site or takeaway)*

***Balloons** and their plastic supports, used in internal and external employee events*

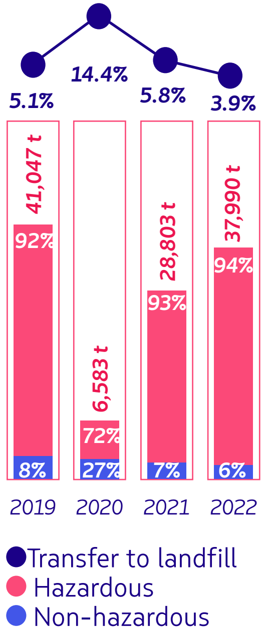
***Bags** used for packing, carrying or transporting packages and goods (including bags for advertising and washing)*

Glasses, cups, and bowls (including lids and caps)

Plates, dishes, trays and individual

Straws and mixers

WASTE

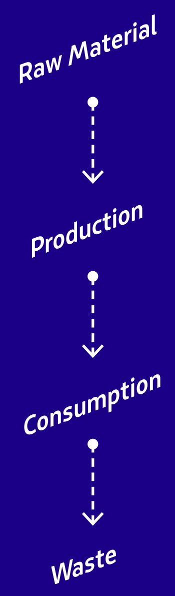


Note: The waste shown in the graph corresponds to waste for which there are supporting documents; therefore, the distribution does not represent LATAM's overall waste generation because in several of the operation's facilities for non-hazardous waste that goes to landfills, the service provider does not provide supporting documents. This process of control of the generation of non-hazardous waste is being improved in 2023.

WASTE DISPOSAL (t) 2022 GRI 306-3, 306-4 and 306-5	Hazardous	Non-hazardous
Waste not intended for disposal	**248.9**	**1,046.8**
Preparation for reuse	0	0
Recycling	131.9	915
Other recovery operations	117	131.8
Waste intended for disposal	**35,575.7**	**1.118.6**
Incineration (with energy recovery)	0	0
Incineration (no energy recovery)	36.5	0
Transfer to landfill	349.6	1,117.6
Other disposal operations	35,189.66	1

WHAT IS THE CIRCULAR ECONOMY?

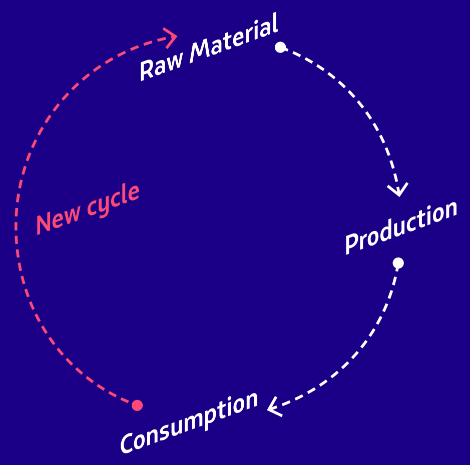
LINEAR ECONOMY



Raw materials are extracted, produced, consumed and then discarded.

Waste is disposed of in landfills, incineration processes or other operations.

CIRCULAR ECONOMY



The value of the products, their parts and materials, is maintained for the longest possible time.

The materials that would be waste from a process return to the production cycle as raw material.

HOW DOES LATAM IMPLEMENT THE CONCEPT?

Some examples:

Reducing the use of materials

> Reusing boxes in cargo and warehouse processes

> Aircraft material, such as seats, galleys and mats
- Reuse in the same operation and by other companies
- Internal sales campaigns for parts that can be reused in the home
- Shipping to suppliers of recycling

> Reuse, repair and re-manufacture of pallets (for use as pallets or in the production of furniture and signs)

Changing to recyclable or lower-impact materials

> Amenity kits

> Pallet-covering blankets (cargo transport)

> Replacement of the plastic film with recyclable tapes to secure the load

Uniform recycling

Brazil, Chile, Colombia, Ecuador and Peru

> More than 38 tons of fabric (discarded uniforms) donated to organizations and artisans that generate job opportunities and with which new products are created

> More than 3 thousand artisans benefited

> Training in leadership skills, teamwork, and business topics, such as finance, marketing, and management

Redesigning processes and services

Comprehensive vision of waste management

Composting

Maintenance Base in Chile: **36 tons of food waste** and **92 tons of wood composted**

Recycle Your Trip

> Separation and recycling of waste from the in-flight service

> Participation of customers and suppliers in domestic flights

Donation

Donation of crockery and items to keep warm to non-profit foundations

Environmental management and eco-efficiency

In its environmental management, throughout the operation, LATAM applies a world-class, transparent, auditable system certified under the IEnvA (IATA Environmental Assessment) standard, which is IATA's voluntary environmental assessment program, designed in two stages:

- Stage 1 considers the environmental management system, the commitment of senior management, and the mapping of the relevant environmental legal requirements and the environmental aspects and impacts of the activities.
- Stage 2 includes the definition of goals, the implementation of programs and operational controls, audits, and team training.

LATAM Airlines Group S.A. and its subsidiaries in Brazil, Chile, Colombia, Ecuador and Peru were certified under IEnvA – Stage 1. In 2022, the group focused its efforts on getting certified in Stage 2. The internal audit carried out by IATA was successfully approved while the results of the external audit detected some observations, for which a Corrective Action Plan was implemented to obtain final certification in Stage 2.

It should be noted that the completed implementation and certification process corresponds to Stage 2 and includes Core and Core+ (MRO), i.e. it considers administrative and flight activities, as well as aircraft inspection, maintenance and repair activities. With this certification, LATAM Airlines Group S.A. becomes part of the select group of thirteen airlines worldwide that have this Stage 2 certification under this scope.

Looking ahead in 2023, one of the major challenges in environmental management will focus on strengthening environmental management programs and the articulation of critical suppliers that render services to the group to support them in their efforts to improve their performance in environmental management. In this context, the program will start with critical ground assistance providers, to continue throughout the year with the same process with suppliers in general.

ENVIRONMENTAL COMPLIANCE

NCG 461: 8.1. 8.1 LEGAL AND REGULATORY COMPLIANCE | ENVIRONMENTAL

LATAM's Environmental Management System is carried out under the IATA Environmental Assessment Program. For each country, an environmental compliance matrix is established, evidencing the applicable requirements and standards, their compliance, and the related evidence. The information serves as the basis for defining action plans and execution times, according to the scope of the initiative and the legal deadlines.

Identification of legal requirements: In the framework of the implementation of its environmental management system under the IEnvA – Stage 2 standard, LATAM updated the internal diagnosis of the environmental standards applicable to its operation, identifying about 10 thousand that apply in the different arenas, such as water, energy, waste, emissions management, and environmental contingencies.

Compliance Plans: The Directorate of Safety and HSE (Health, Safety and Environment) is responsible for leading the environmental compliance action plans in the group. The work is supported by the Corporate Affairs and Sustainability Directorate and by the direct participation of the leaders of the operational areas.

Environmental Compliance Update: Annually, the areas responsible for overseeing environmental compliance must conduct an environmental compliance audit and, in the event of non-compliance, they are evaluated according to the company's risk matrix.

MORE INFORMATION

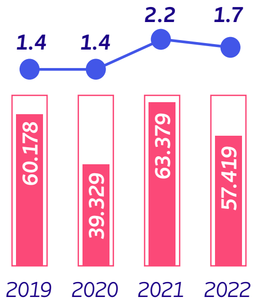
https://www.latamairlines.com/co/es/sostenibilidad

NATURAL RESOURCES

LATAM seeks to reduce the environmental impacts of its operation through eco-efficiency measures in Energy and water consumption.

The energy consumed by LATAM Airlines Group S.A. is acquired through the power grid of each country; therefore, the composition in terms of renewable and non-renewable energy is constructed with the latest available information about the composition of the matrix of each of the countries, distributing the consumption according to the corresponding weight.

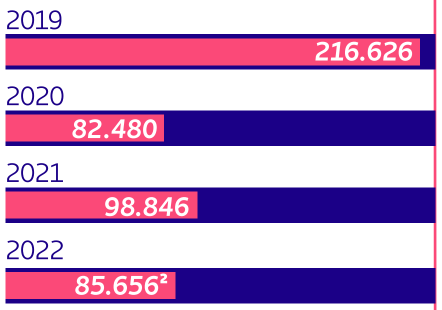
POWER CONSUMPTION (MWh) AND ENERGY INTENSITY (MWh/FTE) **GRI 302-3**



● Energy intensity

Note:
FTE: full-time employee.

WATER WITHDRAWAL (m^3)[1] **GRI 303-3**



Notes:

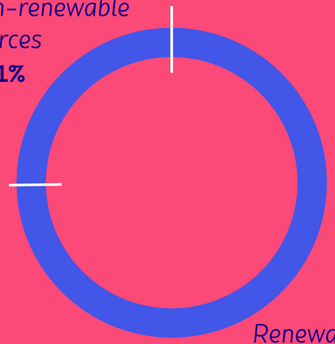
1 Supply is obtained from the municipal networks of the various countries of operation, without LATAM's direct collection of water.

2 In 2022, 100% corresponds to fresh water.

INTERNAL ENERGY CONSUMPTION (TJ) GRI 302-1	2019	2020	2021	2022
Non-renewable energy				
Jet Fuel	166,786.63	76,826.10	88,734.84	133,991.16
Gasoline	9.64	3.97	24.32	162.53
Diesel	118.63	97.74	118.5	67.49
Liquefied petroleum gas	8.35	6.28	5.41	8.75
Natural gas	0.42	0.29	0.11	0.02
Electricity[1]	55.19	35.96	50.47	21.772
Total non-renewable energy	**166,978.86**	**76,970.35**	**88,933.7**	**134,251.72**
Renewable energy				
Ethanol	20.65	0.20	0.56	0.00
Electricity[1]	161.44	105.62	177.87	184.99
Total renewable energy	**182.09**	**105.83**	**178.43**	**184.99**
TOTAL	**167,316.18**	**77,076.18**	**89,112.08**	**134,436.71**

1 The energy consumed comes from different sources. The share percentage of each source varies year over year, based on the power grid of each country.

ELECTRIC ENERGY CONSUMPTION[1] – 2022



Total
57,419 MWh

1 Based on information on the composition of the energy matrix of each country, with H2LAC as the source; this is a program created in 2020 by the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) together with the World Bank, ECLAC, and the European Union's Euroclima+ Program.

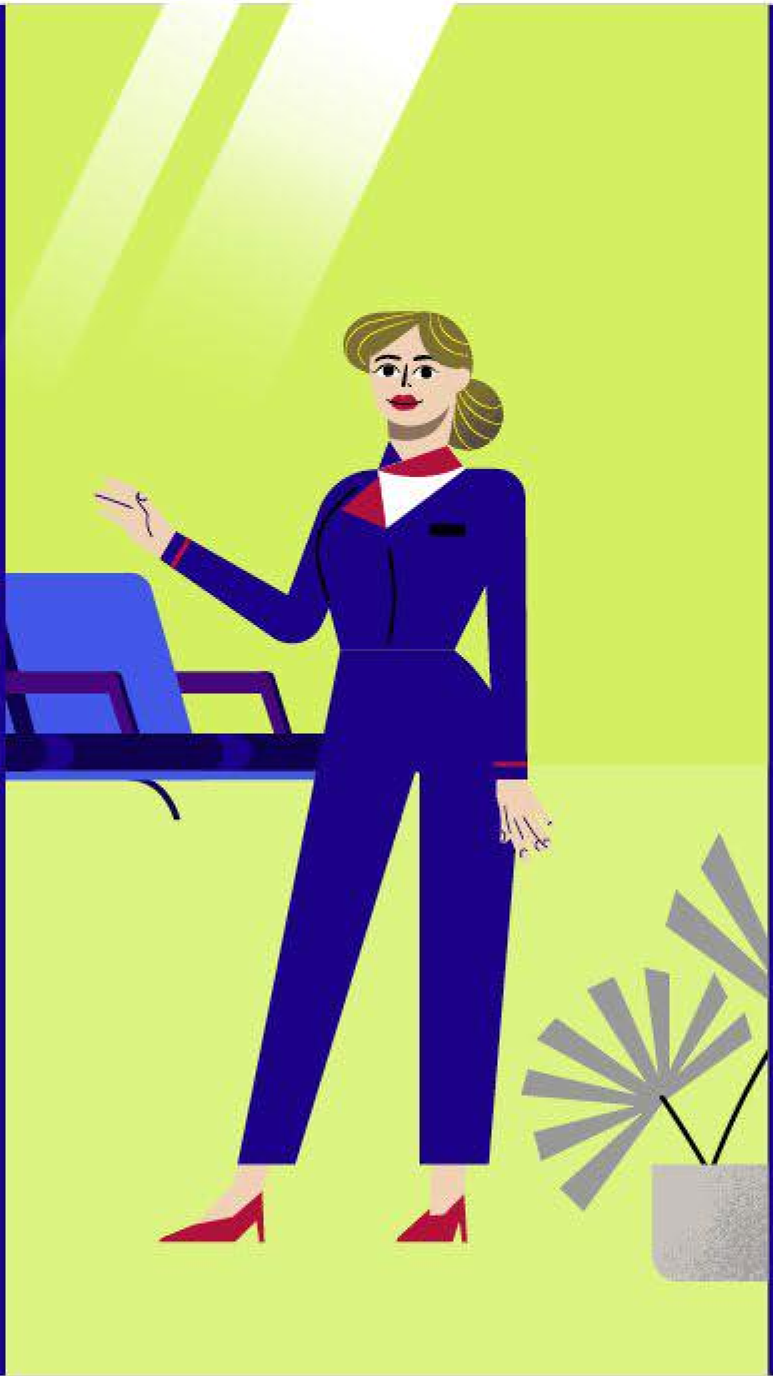
Snapshot

ECO-EFFICIENCY	2020	2021	2022
Energy GRI 302-1 and 302-3			
Energy consumption – ground and air operations (TJ)	77,076	89,112	134,436.71
Energy intensity (MWh/100 RTK)[1]	0.6	0.8	0.5
Water consumption (m^3)	**82,480**	**98,846**	**85,656**
Waste disposal (t)	**6,583**	**28,803**	**37,990**
ENVIRONMENTAL MANAGEMENT			
Units with Environmental Management System (EMS)/Total Units	91%	95%	99%
Units with certified EMS/total units	3%	90%	99%

COMPLIANCE[2] NCG 461: 8.1.3 ENVIRONMENTAL LEGAL COMPLIANCE | GRI 2-27	2020	2021	2022
Enforced sanctions[3]	N/A	N/A	1
Fines (CLP th.)	N/A	N/A	1,528,072.70[4]
Approved compliance programs	N/A	N/A	8[5]
Compliance programs executed successfully	N/A	N/A	7[6]
Environmental damage recovery plans presented	N/A	N/A	NA
Environmental damage recovery plans executed satisfactorily	N/A	N/A	NA

N/A: information not available.
NA: not applicable
1 Considering internal and external consumption.
2 The information was first collected in this format in 2022 and therefore the previous information is not available.
3 Considers the Public Sanctions Registry of the Chilean Environment Superintendency (Superintendencia del Medioambiente) and equivalent bodies in other jurisdictions. The information from 2022 corresponds to a case in Brazil that arose due to failure to make a timely payment of the TCFA (Environmental Control and Inspection Tax).
4 Value converted to Chilean pesos with the exchange rate from February 16, 2023; the fine in reais amounts to R$10,072.36.
5 Seven in Brazil and one in Chile.
6 Six in Brazil, still in execution, and one completed in Chile.

Employees



IN THIS CHAPTER

Better, simpler and more transparent GRI 3-3

People management is one of the critical processes for LATAM in implementing its mission to connect people and destinations. In this work, the group considers structured training and professional promotion practices that respond to the transformations and trends of the labor market. Likewise, dialog and closeness between staff and management are important factors to reinforce their joint commitment to the execution of the business strategy and make LATAM better, simpler and more transparent.

The dialog agenda includes meetings conducted by the Human Resources department and leaders from different areas of the group on topics such as leadership, sustainability, and diversity and inclusion, among others.

The goal is to reinforce strategic alignment and empathy with LATAM group employees and gather insights that make it possible to improve human capital management. Other bodies that reinforce the permanent dialog are:

- ***LATAM News:*** weekly meetings meeting between leaders and their teams
- ***Expanded:*** periodic meetings conducted by the vice-presidents
- ***1:1 Accompaniment:*** specific conversations between the employee and their leader to support the professional individual training and development process

Leaders are trained to manage their teams and act in line with the leadership model defined by LATAM. They are evaluated in their role at the head of the teams by means of the leadership index and the tool called Barometer. The tools include, among others, variables that allow the group to measure progress toward its objectives of simplicity and transparency, as well as compliance with leadership practices, such as timely feedback,team meetings, 1 to 1 meetings, and recognition. In addition, there is a measurement from the team itself toward their superiors, making it possible to extract a 360° view of the leader's performance, which has the fundamental role of driving overall development.

77 points in the Organizational Health Index in 2022, same level as in 2021, and the best in LATAM group's history

ORGANIZATIONAL HEALTH

In 2022, the group reached 77 points on the Organizational Health Index (OHI), which measures employee perception in different dimensions, such as alignment, ability to execute, and ability to renew and adapt to market needs. The index is a repeat of the one reached in 2021, which was the best in LATAM group's history. The result shows a robust organizational health and places LATAM in the first quartile of the survey, which ranks 25% of the best companies.

The group excelled mainly in topics such as strategic direction, leadership and external orientation.

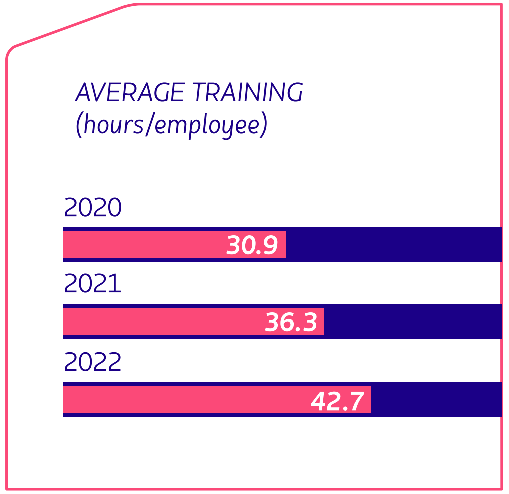
A total of 21,570 people participated voluntarily in the survey, translating into 76% of the total workforce when the consultation was conducted.

TRAINING

In 2022, LATAM group invested US$13.2 million in professional training activities for its teams, which translates into 0.14% of total operating income.

30.6 thousand people were trained (93% of the total workforce) in matters such as operational and job safety, diversity and inclusion, leadership, aeronautical maintenance, emergencies, first aid, risk prevention and hazardous goods, among others. Overall, the trainings totaled 1.3 million, with an average of 42.7 hours per employee.

These initiatives open up room for teams' professional growth.



AVERAGE TRAINING (h/employee) NCG 461: 5.8 TRAINING AND BENEFITS | GRI 404-1	Men	Women
Senior management	12.6	6.6
Top management	12.9	11.0
Middle management	29.0	21.0
Operators	45.0	51.4
Sales Force	11.9	11.9
Administrative staff	16.4	11.7
Other professionals	38.0	71.4
Other technicians	14.2	12.1
Subtotal by genre	38.2	49.9
Total	42.7	

NB: The calculation considers the average workforce.

1.3 million

trainings, 42.7 hours per employee

SUCCESSION PLAN

NCG 461: 3.6 RISK MANAGEMENT

The LATAM group's companies have Succession Plan that identifies potential replacements for the CEO position and the main executives among internal and external professionals. This plan is reviewed and updated annually and, in the event of the exit of critical executives, is the first thing that is reviewed in deciding on the replacement. On the other hand, with some possible successors, development plans are worked out to better prepare them to take over the higher position.

HIRING AND TURNOVER

Throughout the year, 6,930 people were hired, resulting in a hiring rate of 21.3%. The turnover rate was 11.4%, which is much lower than in 2021 (22.5%) and similar to pre-pandemic levels (13.7% in 2019).

EMPLOYEE CATEGORIES

Senior management CEO, Vice President, Director.

Top management Senior Manager, Manager, Assistant Manager.

Middle management Area Manager, Department Manager.

Operators Cargo Operations, Maintenance, Airport and Operations Control Center.

Sales Force Sales Operations, Customer Care.

Administrative staff Support activities and general roles.

Other professionals Middle management in support activities.

Other technicians Command and cabin crew.

NEW HIRES AND WORKFORCE TURNOVER GRI 401-1	New hires		Turnover
	Total	Rate[1]	rate[2]
LATAM Airlines Brasil	3,847	21.7%	10.2%
LATAM Airlines Chile	1,469	19.0%	11.8%
LATAM Airlines Colombia	499	29.2%	17.4%
LATAM Airlines Ecuador	109	26.7%	5.6%
United States	393	36.3%	32.0%
LATAM Airlines Perú	464	15.3%	7.0%
Others[3]	149	19.6%	15.6%
Total	**6,930**	**21.3%**	**11.4%**

1 Total hired/Total workforce as at December 31.
2 Total number of employees who left the organization voluntarily or due to severance, retirement, or death in service/ Total workforce as at December 31.
3 LATAM operations in other countries of the Americas, Europe and Oceania.

6,930 ***individuals hired throughout the year***

BENEFITS

NCG 461: 5.7 POSTNATAL LEAVE and 5.8 TRAINING AND BENEFITS

The LATAM group's companies provide their employees with a series of benefits that are not part of the remuneration. These include: health and life insurance (with different conditions and applicability in each country) and medical insurance for international work travel, subject to the policies of each affiliate and the applicable local legislation.

There is also a discount ticket policies so that employees and their registered beneficiaries can fly on LATAM or other airlines.

In addition, some companies in the group provide other benefits that vary according to legal regulations, market practices and/or collective agreements.

The postnatal leave granted by the group's companies complies with the legal regulations in each country.

Diversity, equality and inclusion

NCG 461: 3.1 GOVERNANCE FRAMEWORK and 5.4.1 EQUALITY POLICY | GRI 3-3

LATAM group addresses diversity and inclusion in a broad and comprehensive way, aware of the challenges related to the different social groups that comprise it.

In the recruitment and selection processes, the group has the support of a network of foundations, organizations, and consultants specialized in attracting and hiring plural talents. The process is based on the Global Diversity and Inclusion Policy.

Working hand in hand with an external consultant, the group gathers the opinion of employees from all the countries where it operates, identifying the different experiences and visions on the subject. In addition, there are agencies of open dialog with leaders in the Human Capital department and internal periodic measurements regarding the workforce's perception on key aspects of the organizational culture, internal value proposition and employee experience.

The group develops specific actions for five groups: women, people of color, LGBTQIA+, people with disabilities, and multi-generations. The goal is to foster plurality in professional profiles to reflect the societies in which it operates. Among the transversal actions developed, the following are noteworthy:

Inform and educate employees to strengthen the culture of inclusion

Develop inclusive leadership

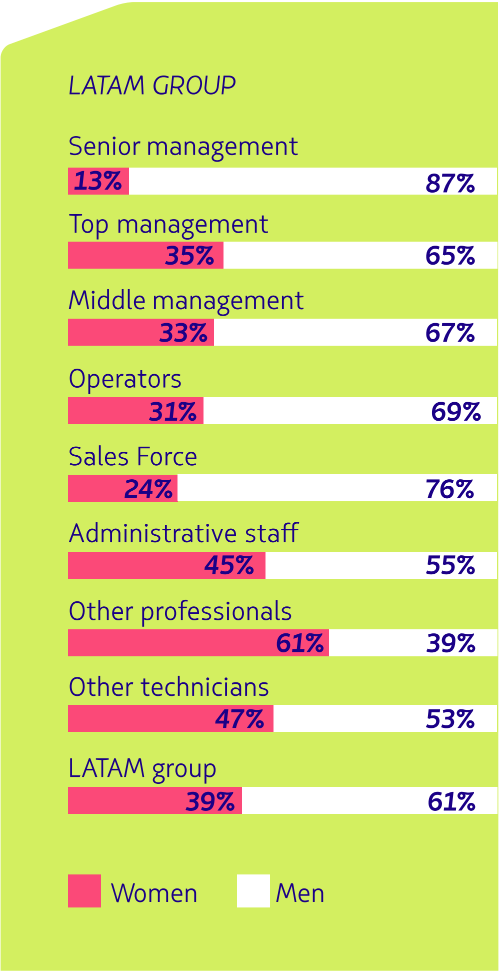
Gather information that supports decision-making and timely management of initiatives to promote diversity and inclusion

5 groups

with specific inclusion actions

In line with the Diversity Commitments, which aim to have a gender balance of around 40/60 by 2030 at all functional levels, LATAM incorporated more women in the roles of pilots and maintenance mechanics, and reached a ratio of 39/61 in those categories.

The group's progress in building increasingly inclusive work environments was also reflected in the results of McKinsey's Inclusion Assessment. The diagnosis considers the organizational systems and leadership practices that the company carries out, in addition to the perception of subgroups of employees regarding equal opportunities for growth and professional success. In 2022, LATAM reached 77 points in the assessment—two more than in 2021—ranking in the third quartile globally.



PAY EQUITY

LATAM has policies and practices in place to ensure equal compensation among employees, in accordance with their roles and responsibilities. The policy begins with the position weighting methodology (points and grades) to define the relative weight of each position within the organization. Additionally, salary scales by grade are defined, through market surveys, in order to position each employee within the salary range defined for their grade.

All individuals within the same salary grade have the same income range (between 80% and 120% of the segment), but the particular position of each one in the range will depend on aspects such as seniority and performance, which are the only determining factors for income differences.

The annual merit review is aimed at reducing those gaps, but always based on the performance of the individual.

SALARY RATIO (WOMEN/MEN)[1] NCG 461: 5.4.2 WAGE GAP	AVERAGE[2]	MEDIAN[3]
Senior management	101%	87%
Top management	94%	95%
Middle management	91%	88%
Operators	92%	90%
Sales Force	100%	107%
Administrative staff	98%	90%
Other professionals	98%	89%
Other technicians	85%	90%

1 Proportion of women's gross hourly wage vs. men's gross hourly wage in each functional category. Gross salary includes all fixed and variable pay, such as base salary, social laws, transportation and food allowances, bonuses, overtime, commissions, or others.
2 The calculation methodology considers the average income by country, pay grade and seniority category, excluding data where there is no record for both genders.
3 For the calculation of the median, the values of the gross hourly salary of women and men are ordered from lowest to highest (considering country, pay grade and seniority category, excluding data where there is no record for both genders) and the central value of the first group is divided by the central value of the second group.

EMPLOYEE CATEGORIES

Senior management CEO, Vice President, Director.

Top management Senior Manager, Manager, Assistant Manager.

Middle management Area Manager, Department Manager.

Operators Cargo Operations, Maintenance, Airport and Operations Control Center.

Sales Force Sales Operations, Customer Care.

Administrative staff Support activities and general roles.

Other professionals Middle management in support activities.

Other technicians Command and cabin crew.

OCCUPATIONAL SAFETY NCG 461: 5.6

OCCUPATIONAL SAFETY | GRI 403-7 and 403-9

Employee safety is a priority for the LATAM group's companies and its management is supported by risk analysis, awareness programs, and mitigation and prevention plans. Five risks are classified as critical in the operation because of their potential to cause employees' death or permanent disability, and are the subject of permanent work for the group:

- Operation of mobile equipment,
- Exposure a noise,
- Work in confined spaces,
- Handling hydraulic systems,
- Handling aircraft engines, and
- Work at height.

In 2022, LATAM group made structured progress in the management of critical risks, implementing an inspection plan for all subsidiaries. The work included an analysis of the safety conditions of more than 8 thousand equipment items related to critical risks (ladders, forklifts, mobile equipment, manlift, and anchor systems for work at height) and more than 700 infrastructure inspections. Nearly 200 audits of work at height and another 400 of the use of personal protective equipment were also carried out. With the aim of training employees to deal with accident situations, 35 drills were carried out.

In the last quarter of the year, a risk mitigation methodology based on the level of exposure was adopted under a pilot program. The goal is to capitalize on the lessons learned through the experience and extend it to the entire operation in 2023.

Performance in the monitored indicators was positive. The API (Action Plan Index), which manages the effectiveness of potential risk mitigation plans (all identified and different severity levels) settled at 95.5%, above the 0% target. The accident rate per 100 employees reached 0.64—15% below the target for the year.

Snapshot

LATAM GROUP PEOPLE MANAGEMENT NCG 461: 5.8 TRAINING AND BENEFITS	2020	2021	2022
Total employees	28,396	29,114	32,507
Turnover rate[1]	53.7%	22.5%	11.4%
Average hours of training[2]	30.9	36.3	42.7
NCG 461: 5.8 TRAINING AND BENEFITS			
Total individuals trained | % of total workforce	N/A	N/A	30,600 | 93%
Investments in training (% of revenues)	N/A	N/A	0.14%
OHI survey			
Result	75	77	77
Quartile	1	1	1
Occupational safety **NCG 461: 5.6 OCCUPATIONAL SAFETY[3] | GRI 403-9**			
Accident rate[4] (target | result)	N/A	N/A	0.75| 0.64
Work accident fatalities[5] (Total | Rate[6]: Target | Result)	0| 0.00| 0.00	0| 0.00| 0.00	0| 0.00| 0.00
Occupational disease rate (target[7] | result)	N/A	N/A	NA | 0.03
Average number of days lost due to accidents[8]	N/A	N/A	5,26
Recordable work accidents[9] (Total[10] | Rate[11])	145.5| 0.41	134.5| 0.48	192.0| 0.64
Occupational accidents with severe consequences[12] (Total[10] | Rate[11])	3.0| 0.01	0.0| 0.00	0| 0.00

N/A: information not available.
NA: not applicable.
1 Employees who left the group (voluntarily, due to severance, retirement, or death in service)/Total employees as at December 31.
2 Hours of training in the year/Average workforce.
3 Some indicators in this section began to be counted in this way in 2022, so there is no information from previous years.
4 Total work accidents/Average workforce X 100.
5 Excluding those related to accidents in transit and those suffered by leaders of trade union institutions because of, or in the performance of their trade union duties.
6 The calculation of the rate follows the formula: Total fatalities per work accident/Average workforce X 100,000.
7 Total occupational diseases/Average workforce X 100.
8 Total days lost due to work accident/Total work accidents. NB.: The count of lost days begins on the day after the accident.
9 Accidents resulting in death, days off work, work restrictions, transfer to other positions, fainting or medical treatment beyond first aid.
10 Accidents related to some critical risk and high-impact events (accidents resulting in over 100 days lost) represent 1.5 in the calculation.
11 Rate calculation formula: total injuries with work interruptions/ average no. of employees x 100.
12 Accidents resulting in such damage that the worker cannot recover, does not recover, or is not expected to fully recover their state of health from before the accident, within six months.

MORE INFORMATION

Employee profile (sex, nationality, age range, seniority, people with disabilities): page ***187***

Postnatal leave: page ***190***

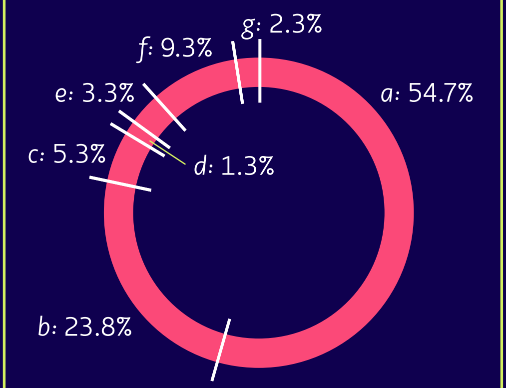
Formality of work (type of contract, type of work hours, work flexibility): page ***189***

Freedom of association: page ***189***

Number of work stoppages and total days idle: page ***189***

Who makes up LATAM group

EMPLOYEES – BY COUNTRY



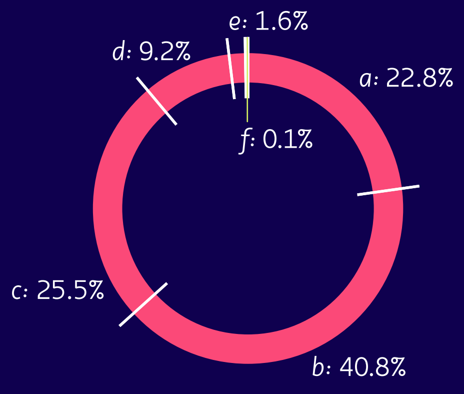
a: Brazil
b: Chile
c: Colombia
d: Ecuador
e: United States
f: Peru
g: Others (Germany, Argentina, Bolivia, Cuba, Spain, France, Italy, Mexico, Oceania - several countries, Netherlands, Paraguay, Peru, Portugal, United Kingdom and Uruguay)

EMPLOYEES – BY GENDER and COUNTRY

	Women	Men
Brazil	35%	65%
Chile	44%	56%
Colombia	42%	58%
Ecuador	40%	60%
United States	25%	75%
Peru	48%	52%
Others	50%	50%
LATAM group	39%	61%

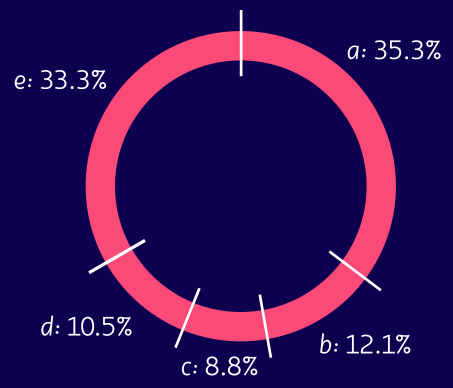
Women Men

EMPLOYEES – BY AGE GROUP



a: Under 30 years
b: From 30 to 40 years old
c: From 41 to 50 years old
d: From 51 to 60 years old
e: From 61 to 70 years old
f: Over 70 years

EMPLOYEES – BY SENIORITY



a: Under 3 years
b: From 3 to 6 years
c: More than 6 and up to 9 years
d: More than 9 and up to 12 years
e: Over 12 years

32,507 employees

Clients

IN THIS CHAPTER

The best experience

GRI 3-3

Focused on the customer, LATAM works to offer the best experience throughout the process of interaction with the brand, from choosing the flight to claiming their baggage. This careful management considers aspects such as security, autonomy and convenience in booking, *checking in* and making changes, channels for dialog, on-time performance, cabin comfort, entertainment on board and service options, among others. The work is supported by a culture of customer care, and technology is an important ally.

In 2022, the group continued to invest in process automation and simplification, as well as in adding new functionalities to the digital services it offers. Some of the advances are:

LATAM App: A web view was implemented to purchase tickets, make cabin upgrades and check on flight status, and the stages for hiring additional services, such as extra baggage or seat choice, were simplified.

The entire experience in cases of voluntary or involuntary flight changes was also overhauled to allow the client to digitally manage the process, with positive results. Throughout 2022, there was an increase from 20% to 80% in the use of the LATAM App by customers to get answers to their concerns. The review of these flows enabled LATAM to reduce the term for processing refunds from 14 to 7 days, while increasing fulfillment from 64% in 2021 to 88% in 2022.

Boarding Pass: New LATAM app functionality that allows the user to export their boarding pass to Apple and Google Play wallets.

Automatic check-in (for domestic flights) and digital self-check-in at kiosks or through the App: Coverage was extended and the service reached a satisfaction level of over 63% among passengers.

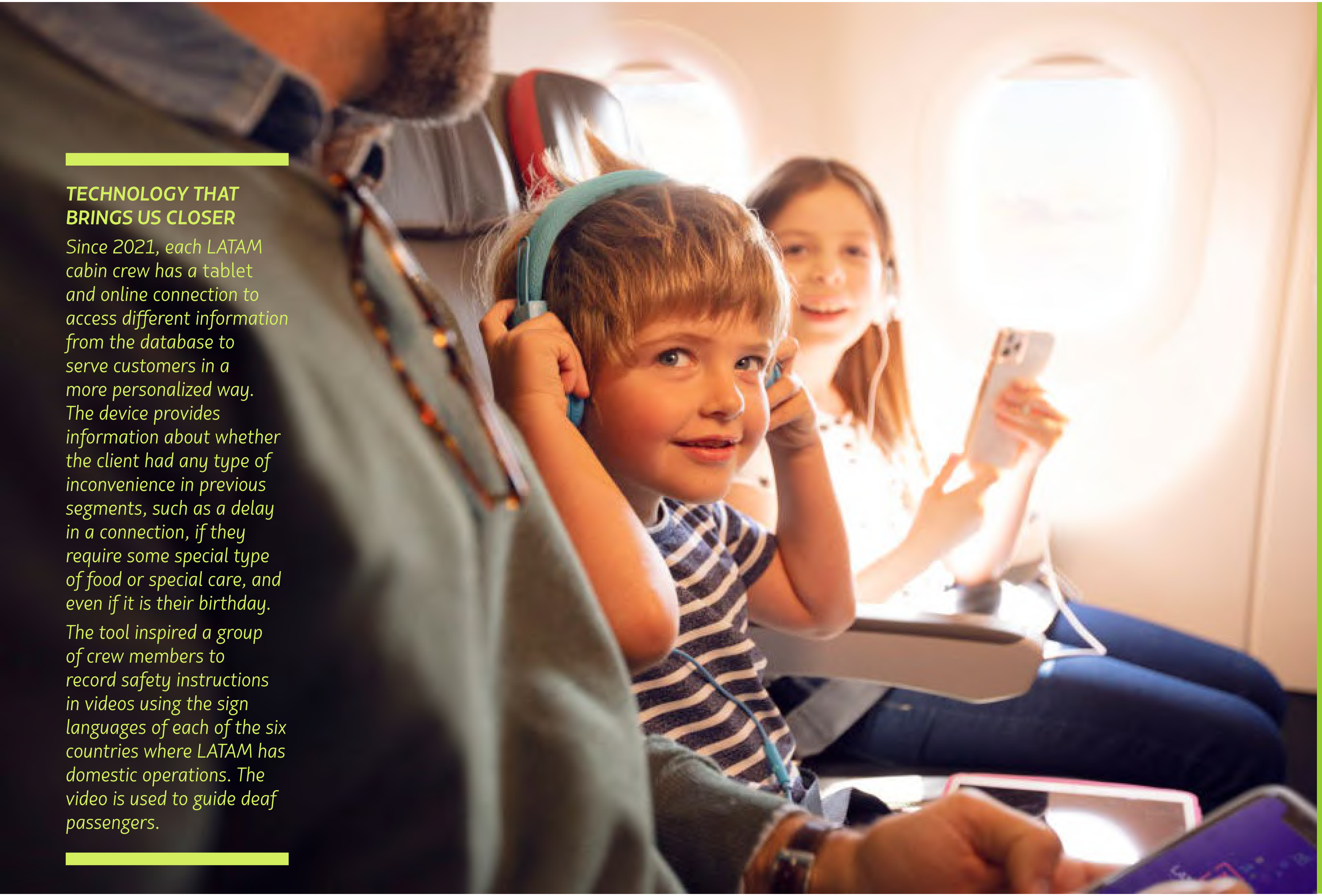
Self Bag Tag: 24 airports in seven countries offer self bag tag, which translates into almost 50% of passengers. In 2023, 24 more airports will be added, aiming to improve performance, service times and travel experience. Validation of the necessary documentation for international flights to the United States and the domestic network in Brazil is also ongoing.

Facial recognition by biometrics during boarding: With this technology, passengers only need to present their documents to the police authorities once. In 2022, improvements were made to the facial recognition system for the digital login of clients in Chile. The system implementation was completed in all the airports in the United States where LATAM operates and this functionality was launched under a pilot program in Brazil.

LATAM Play: The platform offers more than 150 movies, 400 TV shows and 100 albums. LATAM was the only airline in the world to offer the premiere of the series "House of the Dragon" on its on board entertainment platform, 48 hours after the global launch on HBO. The series is a prequel to *Game of Thrones*, one of the most watched series in the world.

In-flight Wi-fi connectivity: Currently, 98 LATAM Airlines Brazil airplanes have this service, which will be extended to the entire narrow-body fleet operating in the country during the first half of 2023.

Dialog channels: LATAM maintains channels for dialoging with customers via its app, website and WhatsApp.



TECHNOLOGY THAT BRINGS US CLOSER

Since 2021, each LATAM cabin crew has a tablet and online connection to access different information from the database to serve customers in a more personalized way. The device provides information about whether the client had any type of inconvenience in previous segments, such as a delay in a connection, if they require some special type of food or special care, and even if it is their birthday.

The tool inspired a group of crew members to record safety instructions in videos using the sign languages of each of the six countries where LATAM has domestic operations. The video is used to guide deaf passengers.

AUTISM SPECTRUM

LATAM was the first airline group in South America to receive certification for training customer service teams to serve passengers with Autism Spectrum Disorder (ASD). The training was carried out by Autism Double-Checked, an organization dedicated to preparing and advocating adequate care for this audience and reached 10 thousand employees who interact with clients.

The training considers three steps: Autism Aware, which provides awareness tools; Autism Ready, which provides professionals with job-specific information and trains them for situations that may arise and how to address them; and Autism Double-Checked, focused on publishing the information so that the autism community can be guided and have a more enjoyable flight.

With the support of the Hidden Disabilities Sunflower program, the group also implemented the use of a lanyard that seeks to discreetly and voluntarily facilitate the self-identification of people in a situation of disability that cannot otherwise be recognized with the naked eye. The lanyards are available at 19 airports in the LATAM network in Chile, Peru, Brazil, Ecuador, and Colombia and are delivered free of charge to anyone who requires them when traveling.

The initiatives are a first step in generating change processes that improve the travel experience of passengers with ASD and help teams identify challenging factors for that audience, such as excessive noise or crowds.

DATA INTELLIGENCE

LATAM applies advanced analytics and machine learning tools to automatically process large volumes of information that guide their decision-making, streamline processes, and make it possible to customize the customer experience. Fraud prevention, aircraft fueling optimization and flight experience customization are some of the improvements that can be achieved.

The group's data lake (centralized repository of information that feeds the business intelligence system) already covers 80% of all operational data, and LATAM is making progress in the integration of the remaining information. One of the focuses of the work in 2022 was to integrate into the data lake databases related to the strategic agreement with Delta Air Lines, enabling new business opportunities adjusted to the different regulatory frameworks of all the countries affected by the agreement.

SYSTEMS IN THE CLOUD

The move of applications to a cloud environment continued throughout 2022, and should be completed in the first quarter of 2023. The work aims to streamline the ecosystem of technological platforms and consolidate applications in the cloud, providing the group with a simpler, more elastic and stable infrastructure.

DATA GOVERNANCE AND CYBERSECURITY

In data governance and protection, LATAM applies the strictest regulations, such as the European or Brazilian ones, in compliance with the General Data Protection Regulation (GDPR).

The data monitoring and governance structure was expanded, with more than 50 people in charge. Within the data lake, 100% compliance with governance standards was achieved on the 18 thousand data assets, in line with the growth plan.

Advances included the application of new and more advanced quality and performance control processes for the Customer Data Platform (CDP), enabling LATAM to develop customization tools in the future.

Looking at cybersecurity, the group also focused efforts on strengthening digital defenses with advanced cyber-attack protection processes and tools and employee awareness campaigns.

89%

of the narrow-body fleet has new cabins

NEW CABINS

The aircraft cabin transformation process progressed, contributing more flexibility to serve different customer segments, offering more comfort, especially on long-haul trips, and a product at competitive rates. Customers can choose, on the same plane, the type of seat that best meets their needs. The first rows have seats with greater spacing between them, exclusive areas to store carry-ons, and larger individual screens, as well as priority boarding. The back section of the plane optimizes the cost-benefit ratio to serve passengers seeking lower airfares.

By the end of 2022, 89% of the entire narrow-body fleet has been retrofitted.

MINDING EACH DETAIL

Other customer-focused enhancements:

New Lounge in Santiago: Opened in April 2022, the LATAM Lounge in Santiago's new Terminal 2 (International) has 4,200 square meters separated into three lounges: Signature, Premium and WorldMember. Its world-class interior design surprises through the design of different elements: Comfortable, sustainable furniture with a combination of colors inspired in the nature of Chile, a"virtual sky" and pergolas that help to generate more welcoming and private spaces, as well as a display of sculptures by emerging artists created with recycled materials. The lounges are powered by 80% renewable energy, prioritize efficient use of resources, and feature interactive games for children, focused on recycling and reforestation.

Overhauled in-flight service: At the beginning of the second semester, the Economy cabin menu for international flights was renewed, mainly showcasing the local ingredients and preparations that evoke the dishes of the destinations where LATAM group operates. Additional elements are incorporated into the service and the new proposal also makes it possible to offer hot sandwiches on regional flights, where they were previously delivered cold.

In the Premium Business cabin, the overhaul took place in two stages starting in October, when the easing of health measures resulting from the pandemic made it possible to adjust some protocols for customer interaction. These are small details that promote a better experience, such as offering to hang jackets in closets, sauna towels to freshen up before meal services. And a welcome snack. The second stage was implemented in January 2023 and focused on a new gastronomic proposal. Local products reflecting regional heritage were included, with high-quality ingredients and an additional main course option. In addition, new elements were added to the service such as an entrée, a green salad, diversity of breads, and a greater variety of desserts.

Circular economy: Over a thousand tons of in-flight plastic materials were replaced by more sustainable alternatives throughout the year, contributing to LATAM's goal of eliminating single-use plastics by 2023 (*see page 65*). Care for sustainability also guided the creation of the new Amenity Kits for the Premium Business and Premium Economy cabins, made of materials with less environmental impact (*see page 74*).

LATAM PASS

The LATAM Pass Frequent Flyer program has 42 million members. Members accumulate miles or points for trips taken and for the acquisition of goods and services through the network of financial partners, which enables them to reach different Elite categories and enjoy the benefits associated with each of them, such as cabin upgrades, preferential check-in, access to VIP lounges, and baggage allowance. They can also redeem points or miles for airplane tickets or products.

In 2022, a call center was launched for all Elite members and the redemption fee was eliminated. During 2023, there are plans to improve the priority system for the cabin upgrade for Elite customers with credit card. Work is also being done to improve the digital experience and services of the program, expanding the scope of the redemption of miles or points for more ancillary airline services.

The redesign of the in-flight service was one of the actions to improve customer experience

ON-TIME PERFORMANCE GRI 3-3

In 2022, LATAM group achieved 88% in the DEP15 indicator, which analyzes flights departing up to 15 minutes after the scheduled time. This result is the same as that recorded in 2019, pre-pandemic, when the group was recognized as the world's most punctual airline group by OAG and Cirium, global benchmarks for the airline industry. However, this represents a four percentage-point decrease compared to 2021, which is attributed to the reduction in the industry's performance, due to the increase in operation, traffic, and the simultaneity of flights.

LATAM group maintains its commitment to on-time performance. Together with suppliers and airport authorities, the group is working on the necessary adjustments and process improvement to provide passengers with an excellent service.

SATISFACTION

The LATAM group's companies constantly monitor customer perception regarding its operation and service using a series of surveys at different customer contact opportunities. Perception indicators are fundamental within the group and allow for continuous improvement within the different teams and to make decisions considering the voice of the customer.

One of these—a more strategic survey—is the Net Promoter Score (NPS), which measures customer willingness to recommend the service, on a scale from -100 to +100. 2022 was a positive year as, for the first time, goals were set under the NPS methodology for the three main touchpoints: Contact Center, Digital and Flight Day.

The result achieved in 2022 in the passenger operation was 46 points, five points below the level reached in 2021. The decrease is attributed mainly to delays, cancellations and service flaws, as a result of the adjustments that were applied to the operation in the post-pandemic resumption process. Regarding Elite passengers, for the first time, a better perception was obtained compared to the total passengers, where nearly 90 initiatives were carried out that enabled this; for example, the deployment of the new Premium cabins and the restoration of in-flight services, after the lifting of the restrictions imposed in the wake of the pandemic.

Digital Experience valuation reached 50 points in 2022, an increase of 10 points compared to 2021. The Contact Center experience settled at -22 points, an increase of 13 points compared to the previous year.

FEEDBACK ON VIDEO

Since October 2022, clients of domestic operations in Brazil, Colombia and Chile can leave their comments by recording a video. In the first three months of operation of the new tool, LATAM received 1,500 videos (3,500 minutes). That is, approximately 200 videos are received per week; 45% of them are from advocate clients.

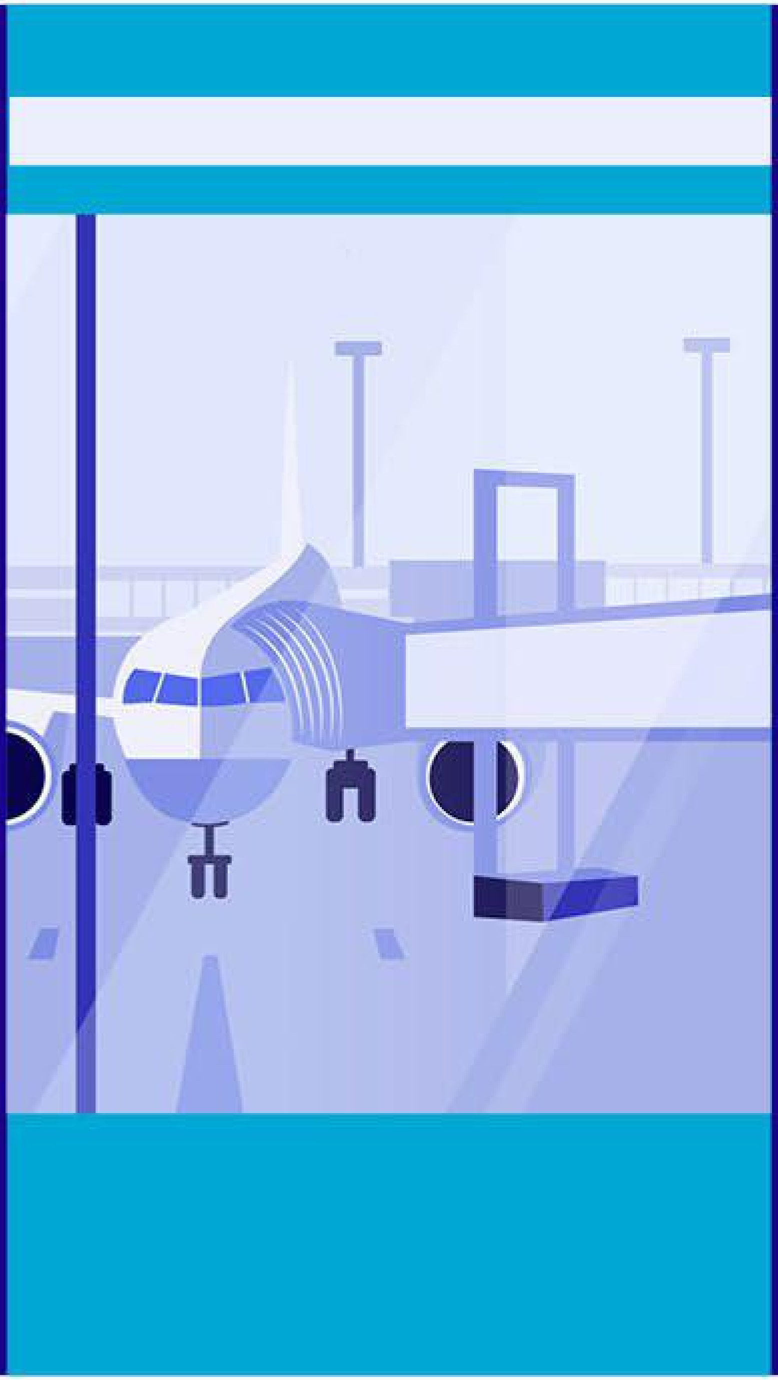
This initiative is very useful to strengthen empathy and humanize customer feedback, expanding the impact to improve customer-facing processes and better understand their pain points and suggestions. As of 2023, the tool will be extended to include passengers from Peru, Ecuador and international routes.

Snapshot

CLIENTS	2020	2021	2022
LATAM Pass (enrolled– millions)	38	39	42
Technology			
Self bag drop	35%	67%[1]	76%
Easy check-in (automatic or digital)	87%	90%	95%
On Time performance[2]			
OTP DEP0	72%	77%[1]	66% (target 68%)
OTP DEP15	90%	92%	88% (target NA)
OTP ARR14	89%	91%	86% (target 87%)
Domestic Operation	90%	91%	87%
International Operation	84%	85%	83%
Net Promoter Score (-100 to +100 scale)			
Passenger Operations	40	51[1]	46
Cargo Operations	18	30	51

NA: not applicable.
1 The information published in the Integrated Report 2021 was corrected.
2 Percentage of flights departing exactly at the scheduled time (DEP0) and with a delay of up to 15 minutes (DEP15); percentage of flights arriving up to 14 minutes after the scheduled time (ARR14).

Suppliers



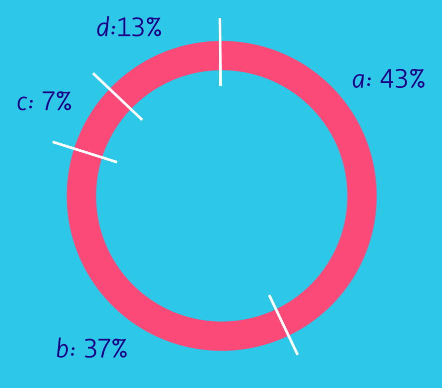
IN THIS CHAPTER

Supply chain management GRI 2-6

The LATAM group conducts business with 6,190 suppliers, registering a total acquisition volume of US$8.26 billion in 2022. Suppliers of products and services are divided between technical (directly related to the operation) and non-technical procurement categories (see graph).

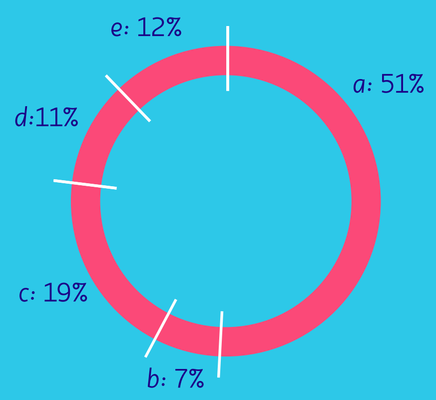
LATAM's main suppliers are aircraft manufacturers: Airbus and Boeing. Suppliers of aircraft accessories, spare parts, and aircraft components are also relevant partners, including: MTU Maintenance, Pratt and Whitney Canada, CFM International, General Electric Commercial Aviation Services Ltd., General Electric Celma, General Electric Engines Service, Rolls-Royce, Honeywell, and Israel Aerospace Industries (engines and auxiliary power units or APU); Zodiac Seats US, Recaro, Thompson Aero Seating (seats); Honeywell and Rockwell Collins (avionics and APU); Air France/KLM, Lufthansa Technik (maintenance, repair, and operations components, or MRO); Zodiac Inflight Innovations, Panasonic and Thales (in-flight entertainment); Safran Landing Systems, AAR Corporation (landing trains and brakes); UTC Aerospace and Nordam (engine mount). Among fuel suppliers, the main ones are: Petrobras, Air BP-Copec, World Fuel Services, AirBP PBF, YPF, Terpel and Repsol.

DISTRIBUTION BY COUNTRY[1]



a: Chile
b: Brazil
c: Peru
d: Other countries

DISTRIBUTION BY CATEGORY[1]



a: Fuel
b: Fleet and engines
c: Other-technical purchases
d: Ground support services, technology and systems, hotels and uniforms, supply and catering
e: Other non-technical purchases

1 Based on company headquarters and volume of acquisitions.

GUIDELINES

NCG 461: 5.9 OUTSOURCING POLICY

Supplier management follows guidelines on quality and regularity of supply, competitive prices, legal compliance, and good social, environmental and corporate governance practices. Contracting is governed by the Corporate Procurement Policy, which is aligned with the group's Anti-Corruption Policy and establishes financial, social, and environmental requirements for partners. In addition, all contracts have a specific clause requiring the reporting of environmental incidents or damage.

As a Subcontracting Policy, the group establishes objectives through which guidelines are provided for the contracting and control of outsourcing suppliers that will perform functions within LATAM group; it defines the obligations of service providers to comply with legal and regulatory provisions related to their staff, among other matters. Among the topics covered are the obligations of remuneration, stipends, work benefits, social security, regulations on occupational accidents, occupational diseases, and health and safety issues, which are also explained in LATAM's standard contracts.

For Third-Party Intermediaries (TPIs), suppliers that interact on behalf of LATAM with national and international public officials, there is a due diligence process prior to engagement. The contract also includes anticorruption and antibribery clauses and, during the life of the contract, that supplier must prove their adherence to the Code of Conduct and Anticorruption Policy.

Supplier contracts are governed by the Corporate Procurement Policy, aligned with the Anticorruption Policy

PAYMENT POLICY

NCG 461: 7.1 PAYMENT TO SUPPLIERS

The group's payment policy applies equally to all suppliers and terms of payment are established based on what is negotiated in each contract. The exception are small and medium-sized companies, which may have specific policies established in each of LATAM's subsidiaries. The payment period for SMEs corresponds to 25 days in Argentina and 30 in all other subsidiaries.

In 2022, there were no agreements registered in the Ministry of Economy of Chile's Registry of Agreements with an Exceptional Payment Period.

PAYMENT TO SUPPLIERS	Up to 30 days		From 31 to 60 days		More than 60 days	
	Nationals	Foreigners	Nationals	Foreigners	Nationals	Foreigners
Invoices paid during the year	249,668	85,878	32,587	29,112	25,910	21,878
Total paid (US$ million)	4,313,9	2,642,7	377,9	268,4	242,2	420,2
Total suppliers to whom the invoices were paid in each range - NB.: They are not additive	4,145	764	755	220	444	1,247

Notes

There was no interest (paid or payable) for late invoices issued.

Suppliers with a tax RUT from the same country as the contracting LATAM subsidiary are considered national.

EVALUATION

NCG 461: 7.2 SUPPLIER ASSESSMENT

The group uses artificial intelligence and machine learning technology to identify and analyze potential risks, such as money laundering, terrorist financing and trade sanctions. The tool analyzes data from various sources, including government sanctions lists, company databases, and property registries. It also allows continuous risk assessments, monitoring changes to sanctions lists and other relevant data sources.

LATAM verifies in detail all the cases of alerts raised in the system, and in case of confirming the risk or legal breach, it defines the measures to be taken, which may include suspension of the contract.

Snapshot

SUPPLY CHAIN	2020	2021	2022
Total LATAM suppliers by December 31	9,013	8,052	6,190
Critical Suppliers[1]			
Share of the supplier base	11%	11%	7%
Share in acquisitions volume	89%	91%	95%
Identification of potential risks			
Suppliers analyzed by sustainability criteria[2] NCG 461: 7.2 SUPPLIER ASSESSMENT	N/A	N/A	0
% of the total suppliers analyzed	N/A	N/A	0
% of total purchases	N/A	N/A	0
Preventive analyses carried out in the international database systems (% of the total base)	6,680 (74%)	5,367 (67%)	N/A
Suppliers considered high risk in sustainability aspects (% of those analyzed)	178 (3%)	148 (3%)	N/A
Detailed evaluations based on system alerts (% of the high-risk group)	178 (100%)	148 (100%)	N/A
Monitoring and management			
Audited suppliers	122	270	N/A
Suppliers with agreed mitigation plans (% of suppliers audited)	112 (92%)	270 (100%)	N/A
Action plans defined based on audits	717	1,056	N/A
Contracts terminated due to noncompliance	0	0	N/A
% invoices paid with a term of up to 30 days[3] NCG 461: 7.1 PAYMENT TO SUPPLIERS			
To domestic suppliers	N/A	N/A	81%
To foreign suppliers	N/A	N/A	63%

N/A: information not available.
1 Contracts worth over US$1 million, suppliers interacting with government agencies on behalf of LATAM or supplying the operation with essential or difficult to replace elements.
2 Invoices paid at 30 days/Total invoices.

About the Report

IN THIS CHAPTER

Material topics

NCG 461: 3.1 GOVERNANCE FRAMEWORK | GRI 2-29, 3-1 and 3-2

The content selection of the LATAM Integrated Report 2022 took into account the coverage of the topics considered to be the most relevant to the group and its stakeholders, based on the definition of materiality process concluded in 2018. This process, carried out in 2018, analyzed the main economic, environmental, and social impacts of the business and the expectations of the main LATAM stakeholders, considering:

- close to 2,400 online survey answers from employees, clients and suppliers,
- the sustainability issues that are part of the policies and publications of the main investors and shareholders of the group when the process was carried out[1],
- various regulatory authorities[2],
- representatives of the aviation industry[3],
- civil society organizations[4],
- sustainability benchmarks[5],
- press releases on LATAM in 2017.

In a second stage, top management prioritized the most relevant issues considering the degree of relevance and impact. The consolidated vision of external audiences and group leaders was validated by the CEO, resulting in the following list:

- Health and safety in the air and on the ground
- Ethics and anti-corruption
- On-time performance
- Economic and financial sustainability
- Developing employees
- Mitigating climate change
- Customer focus
- Destination network
- Relations with authorities
- Sustainable tourism

The list of topics is revalidated annually as part of the management and planning processes.

1 Banco de Chile (Citi in the United States); JP Morgan; Deutsche Bank; Santander; Larraín Vial; Raymond James; and BTG Pactual.

2 JAC Chile (Civil Aeronautics Board); Nuevo Pudahuel - Chile; Easter Island/ Rapa Nui Municipality- Chile; ANAC Argentina (Administración Nacional de Aviación Civil); ANAC Brasil (Agência Nacional de Aviação Civil); SAC Brasil (Secretaria Nacional de Aviação Civil); Infraero Brasil; Aerocivil Colombia (Aeronautica Civil - Administrative Unit).

3 Six competitors and ten industry associations.

4 Organizations of the LATAM partnership network when the process was carried out: América Solidaria; TECHO; Chilenter; Fundacion la Nacion; Fundación Sí; Cimientos; SAFUG (Sustainable Aviation Fuel Users Group); Junior Achievement; Amigos do Bem; Make a wish; Instituto Rodrigo Mendes; Operación Sonrisa Colombia; Operación Sonrisa Peru; and Fundación Pachacutec.

5 SASB (Sustainability Accounting Standards Board) – Airlines Materiality Map; GRI (Global Reporting Initiative) – *Sustainability Topics for Sectors: What do stakeholders want to know?* – Air Transport – Airlines; and DJSI Company Benchmark Report.

GRI and SASB content index

Statement of use	LATAM Airlines Group has reported the information cited in this GRI content index for the period January, 1 to December, 31, 2022 with reference to the GRI Standards.
GRI 1 used GRI 1	GRI 1: FOUNDATION 2021

GRI STANDARD | SASB AIRLINES	
GRI 2: General Disclosures 2021	**Location**
2-1 Organizational details	12, 25, 110
2-2 Entities included in the organization's sustainability reporting	3
2-3 Reporting period, frequency and contact point	3, 4
2-4 Restatements of information	Cases of updated previously published information are clearly indicated in the corresponding tables
2-5 External assurance	107
2-6 Activities, value chain and other business relationships	12, 25, 28, 95
2-7 Employees	187, 189
2-8 Workers who are not employees	187
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2-15 Conflicts of interest	41
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2-18 Evaluation of the performance of the highest governance body	37
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2-26 Mechanisms for seeking advice and raising concerns	41, 42
2-27 Compliance with laws and regulations	41, 79
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GRI Standard/SASB Airlines	Disclosure	Location
Material topic: Health and safety in the air and on the ground		
GRI 3: MATERIAL TOPICS	**3-3** Management of material topics	59
SASB AIRLINES - ACCIDENT AND SAFETY MANAGEMENT	**TR-AL- 540a.1** Description of implementation and outcomes of a Safety Management System	59
GRI 403: OCCUPATIONAL HEALTH AND SAFETY 2018	**403-7** Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	60, 85
	403-9 Work-related injuries	85, 86
SASB AIRLINES - ACCIDENT AND SAFETY MANAGEMENT	**TR-AL-540a.2** Number of aviation accidents	62
	TR-AL-540a.3 Number of governmental enforcement actions of aviation safety regulations	62
Material topic: Ethics and anti-corruption		
GRI 3 MATERIAL TOPICS	**3-3** Management of material topicss	41
GRI 205:ANTICORRUPTION 2016	**205-2** Communication and training about anti-corruption policies and procedures	42
	205-3 Confirmed incidents of corruption and actions taken	42
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Material topic: Economic and financial sustainability		
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NCG 461 Content index

Glossary

ADR: American Depositary Receipts
AFP: Chilean Pension Fund Managers
ANAC: National Civil Aviation Agency – Brazil
ASK: available seat-kilometer – equivalent to the number of seats available multiplied by the distance flown
ATK: available ton-kilometers – equivalent to the capacity available in tons multiplied by the distance flown
CMF: Financial Market Commission (Chile)
CORSIA: Carbon Compensation and Reduction Scheme for International Aviation
DIP: debtor in possession, a financing mechanism provided for in Chapter 11 of the U.S. law in which loan creditors have priority in receiving securities
EBITDA: Earnings before interest, tax, depreciation, and amortization
EBITDAR: Earnings before interest, tax, depreciation, amortization, and aircraft rentals
GHG: greenhouse gases
GRI: Global Reporting Initiative
IATA: International Air Transport Association
ICAO: International Civil Aviation Organization
IEnvA: IATA Environmental Assessment
IFRS: International Financial Reporting Standard
IOSA: IATA Operational Safety Audit
JBA: Joint Business Agreement
LSA: Chilean Corporations Act
MRO: Maintenance, Repair, and Operation
NPS: Net Promoter Score
NYSE: New York Stock Exchange
OHI: Organizational Health Index
OTC: Over-the-counter, where financial instruments are traded directly between the parties, outside the scope of organized markets
OTP: on-time performance (punctuality indicator)
RASK: revenue per available seat-kilometer– gauges the efficiency of the airline; it is obtained by dividing the operating income by the ASK
RPK: revenue passenger-kilometers –total passengers transported, multiplied by the distance traveled
RTK: revenue ton-kilometers – ton transported multiplied by the distance traveled
SDG: Sustainable Development Goals
SEC: United States Securities and Exchange Commission
SSC: Spanish-speaking countries
TDLC: Chilean Antitrust Court
UN: United Nations Organization

External assurance GRI 2-5

Deloitte.

INTEGRATED REPORT 2022
Mister
Juan José Toha
Director de Asuntos Corporativos y Sostenibilidad
Latam Airlines Group

Of our consideration:

We have reviewed the following aspects of the LATAM Integrated Report 2022:

SCOPE
Limited assurance engagement of the adherence of the contents and indicators included in the 2022 Integrated Report to the Global Reporting Initiative (GRI) Standards, regarding the organization's profile and material indicators arising from the materiality process that the Company carried out following said Standards related to the economic, social, and environmental dimensions.

STANDARDS AND ASSURANCE PROCESS
We have carried out our task in accordance with the guidelines of the International Standard on Assurance Engagements Other than Audits or Reviews of Historical Financial Information (ISAE 3000) issued by the International Auditing and Assurance Standard Board (IAASB) of the International Federation of Accountants (IFAC).

Our review has consisted in an inquiry process involving different LATAM units and management areas, involved in the process of developing the Report, as well as in the application of analytic procedures and verification tests, which are described in the following items:

√ Meeting with Sustainability management.

√ Requirements and review of evidence with the areas participating in the preparation of the 2022 Integrated Report.

√ Analysis of the adherence of the contents of the 2022 Integrated Report to the GRI Standards: Core option, and review of the indicators included in the report in order to verify that they are aligned with the protocols established in the Standards, and whether the fact that some indicators are not applicable or not material is justified.

√ Verification, through tests of quantitative and qualitative information corresponding to the GRIStandards indicators included in the 2022 Report, and its adequate gathering from the dataprovided by LATAM information sources.

CONCLUSIONS
√The assurance process was based on the indicators established in the materiality process carriedout by LATAM. Once those indicators were identified, prioritized, and validated, they wereincluded in the report. The reported and verified indicators appear in the following table:

2-1	2-2	2-3	2-4	2-5	2-6	2-7	2-8	2-9	2-11
2-12	2-13	2-15	2-16	2-17	2-18	2-19	2-22	2-26	2-27
2-28	2-29	2-30	3-1	3-2	3-3	201-1	203-1	205-2	205-3
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306-1	306-2	306-3	306-4	306-5	401-1	403-7	403-9	404-1	415-1

√ Regarding the verified indicators, we can affirm that no aspect has been revealed that makes usbelieve that these indicators incorporated in the Integrated Report 2022 of LATAM S.A., have notbeen prepared in accordance with the GRI Standard in the aspects and indicators indicated in thescope of this document.

IMPROVEMENT OPPORTUNITIES REPORT
In addition to this letter, Deloitte is presenting to LATAM a special report including improvement opportunities to reinforce management aspects, and the Company's ability to draft future Integrated Reports.

LATAM MANAGEMENT AND DELOITTE RESPONSIBILITIES
-The drafting of the 2022 Integrated Report, as well as its contents are under LATAMresponsibility, which is in charge of the definition, adaptation, and maintenance of themanagement and internal control systems from who the information is obtained.

-Our responsibility is to issue an independent letter based on the procedures applied in ourreview.

-This report has been prepared exclusively by LATAM's request, in accordance with the termsestablished in the service proposal.

-We have developed our work according to the standards of Independence established in theCode of Ethics of the IFAC.

- The conclusions of the verification made by Deloitte apply to the latest version of the LATAM Integrated Report received on march 27, 2023.

- The scope of a limited assurance engagement is essentially inferior to a reasonable assurance engagement, thus, we are not hereby providing opinion about the 2022 LATAM Integrated Report.

Deloitte

Deloitte

Appendices

IN THIS CHAPTER

Who we are
LATAM GROUP

LATAM AIRLINES GROUP S.A
RUT: *89.862.200-2*
Address: *Santiago, Chile*
Trade names: *LATAM Airlines, LATAM Airlines Group, LATAM group, LAN Airlines, LAN Group and/or LAN*

LEGAL INCORPORATION

It was established as a Limited Liability Company via a public deed dated December 30, 1983 before Notary Eduardo Avello Arellano; an excerpt of this deed is recorded in the Santiago Commerce Registry on page 20,341 item 11,248 of the year 1983, and published in the Official Gazette on December 31, 1983.

Pursuant to the public deed dated August 20, 1985, granted by Notary Miguel Garay Figueroa's Office, the company became a Limited Corporation known as Línea Aérea Nacional Chile S.A. (now, LATAM Airlines Group S.A.) which, by express provision of law n° 18,400, has the quality of legal follower of the state-owned company created in the year 1929 under the name Línea Aérea Nacional de Chile, pursuant to the aeronautical and radio communications concessions, traffic rights, and other administrative concessions.

COMPANY PURPOSE

a) To market air and/or ground transportation in any of its forms, be it for passengers, cargo, mail, and anything directly or indirectly related to that activity within or outside the country, on its own behalf or for third parties;

b) To render services related to the maintenance and repair of its own or third parties' aircraft;

c) To develop and operate other activities derived from and/or related, connected, contributing, or complementary to the company's corporate purpose;

d) Trade and development of activities related to travel, tourism, and lodging; and

e) To participate in partnerships of any kind that will enable the company to fulfill its goals.

PROPERTY, PLANT, AND EQUIPMENT
NCG 461: 6.4 PROPERTIES AND FACILITIES

Chile

• ***Headquarters:*** LATAM's main facilities in Chile are located near the Comodoro Arturo Merino Benítez International Airport in Santiago. The compound has offices, meeting rooms, training areas, dining rooms, and simulation cockpits used in the processes to instruct the crew. In turn, the corporate offices are located in Santiago.

• ***Maintenance Base:*** part of the International Airport in Santiago. It includes a hangar for airplanes, warehouses, and offices, as well as parking space for airplanes with capacity for 30 short-haul and 10 long-haul aircrafts.

• ***Other Facilities:*** LATAM also has a flight training center and a recreational area for employees, created with the aid of Airbus. Both are located near the Santiago airport.

Brasil

• ***Headquarters:*** The main facilities of LATAM Airlines Brazil are located in the city of São Paulo, in hangars located in the Congonhas Airport and its surroundings, which are leased from Infraero, the local airport administrator. The Service Academy is also near the airport; this is where the selection, training, and simulation processes, as well as medical care, are carried out.

• ***Maintenance Base:*** it is located in São Carlos, within São Paulo. In addition to that unit, LATAM Brazil also has spaces for aircraft maintenance, acquisition, and logistics of aeronautical materials within the hangars of the Congonhas airport.

• ***Other Facilities:*** commercial branch, uniforms building, Morumbi Office Tower building, Contact Center building, and offices of the LATAM Travel subsidiary, all located within the city of São Paulo.

Other localities

• LATAM also has facilities in the Miami International Airport (US), leased by the airport through a concession agreement. These include a corporate building, cargo warehouses, a refrigerated area, an aircraft parking platform, and a maintenance hangar with workshops, warehouses, and its own offices.

• In Argentina, Colombia, Ecuador, and Peru, LATAM's affiliates have leasing contracts for administrative and commercial offices, hangars, and maintenance areas through airport concessions.

Who we are

LATAM GROUP

BRANDS, TRADEMARKS, LICENCES AND FRANCHISES NCG 461: 6.2 BUSINESSES | GRI 2-1

Trademark LATAM has been registered in Argentina, Australia, Bolivia, Canadá, China, Colombia, South Korea, Costa Rica, Cuba, Ecuador, El Salvador, Guatemala, Honduras, Hong Kong, India, Japan, Mexico, Nicaragua, New Zealand, Panama, Paraguay, Peru, Dominican Republic, Taiwan, European Union, Uruguay, the United States, and Venezuela; Trademark LATAM Airlines has been registered in Argentina, Bolivia, China, Colombia, South Korea, Cuba, Ecuador, El Salvador, Guatemala, Honduras, India, Japan, Mexico, Nicaragua, Panama, Paraguay, Peru, Dominican Republic, Taiwan, European Union, Uruguay and Venezuela.

LATAM Airlines Argentina has been registered in Argentina; LATAM Airlines Colombia has been registered in Colombia; LATAM Airlines Ecuador has been registered in Ecuador; LATAM AIRLINES PARAGUAY has been registered in Paraguay and LATAM Airlines Peru has been registered in Peru. LATAM Cargo has been registered and/or renewed in Argentina, Bolivia, Colombia, Ecuador, Mexico, Paraguay, Peru, European Union, United Kingdom, Uruguay, the United States, and Venezuela. LATAM Cargo Brasil has been registered in Brazil; LATAM Cargo Colombia has been registered in Colombia; LATAM Cargo Mexico has been registered in Mexico.

LATAM Corporate has been registered in Argentina, Bolivia, Colombia, Costa Rica, Ecuador, El Salvador, Guatemala, Honduras, Mexico, Nicaragua, Panama, Paraguay, Peru, Dominican Republic, European Union, United Kingdom and Uruguay. LATAM Fidelidade has been registered in the following countries, Argentina, Australia, Colombia, Ecuador, Mexico, New Zealand, Paraguay, Peru, European Union, United Kingdom, Uruguay, and the United States. FIDELIDAD has been registered in Argentina; FIDELIDAD TAM has been registered in Paraguay; LATAM Lineas Aereas has been registered in Argentina, Colombia, Ecuador and Peru; LATAM MRO has been registered in Argentina; Bolivia, Colombia, Ecuador, Mexico, Paraguay, Peru, European Union, United Kingdom, Uruguay, the United States, and Venezuela. LATAM Pass has been registered in Argentina, Bolivia, Colombia, Ecuador, Mexico, New Zealand, Paraguay, Peru, European Union, United Kingdom, Uruguay, the United States, Venezuela. LATAM Pass Miles has been registered in New Zealand and Australia. LATAM Tours has been registered in Argentina, Colombia, Ecuador and Peru. LATAM Trade has been registered in Argentina, Bolivia, Colombia, Costa Rica, Ecuador, El Salvador, Guatemala, Honduras, Mexico, Nicaragua, Panama, Paraguay, Peru, Dominican Republic, European Union, United Kingdom and Uruguay. Trademark LATAM Travel has been registered in Argentina, Bolivia, Colombia, Ecuador, Mexico, Paraguay, Peru, European Union, United Kingdom, Uruguay, the United States, and Venezuela; trademark LATAM Travel Solutions has been registered in Panama; LATAM Viagens has been registered in Brazil; LATAM, JUNTOS MÁS LEJOS has been registered in Argentina and Ecuador. LATAM, TOGETHER, FURTHER has been registered in Australia, New Zealand, United Kingdom and the European Union.

LATAMPLAY has been registered in Argentina, Colombia and Ecuador. LATIN Airline Network has been registered in Mexico, Nicaragua, New Zealand, United Kingdom and the European Union. LIBREVOLADOR has been registered in Bolivia, Ecuador, Paraguay and Peru. LIBREVOLADORES has been registered in Bolivia, Ecuador, Paraguay and Peru. LIDERES DEL SERVICIO has been registered in Argentina, Línea Aérea Carguera de Colombia has been registered in Colombia.

TAM has filed for trademark registration, registered or renewed the following trademarks in Brazil, LATAM; LATAM Airlines; LATAM Airlines Brasil; LATAM Cargo, LATAM Cargo Brasil; LATAM Fidelidade; LATAM MRO, LATAM Pass; LATAM Trade; TAM Linhas Aéreas; LATAM Travel; LATAM Viagens; LATAMPLAY; Mercado LATAM; VAMOS LATAM.

Who we are

LATAM GROUP

SALES CHANNELS

NCG 461: 6.2 BUSINESSES

Passenger operations:

- Airport offices
- Contact Center
- Face-to-face agencies
- Online agencies
- Sales offices
- Website (LATAM.COM)
- Other airlines' websites

Cargo operations:

- Airport offices
- Contact Center
- Agencies
- Website (LATAMCARGO.COM)
- Marketplaces (Virtual Agency)

ADDITIONAL INFORMATION

NCG 461: 6.2 BUSINESSES

Aviation insurance: LATAM group has Aviation Insurance, including Hull, and Legal Liability, which covers risks inherent to aviation, such as the loss or damage of aircraft, engines and parts, and third-party liability (passengers, cargo, baggage, airports, etc.). LATAM group insurance is jointly managed by Grupo IAG (consisting of British Airways, Iberia, and its subsidiaries, and franchisees). The increase in business volumes has translated into better coverage and more competitive prices.

General insurance: includes various risks that could eventually affect the company's equity, with a multi-risk insurance policy (including risk of fire, theft, computer equipment, security remittances, and others), car insurance, air and maritime transport insurance, and civil liability insurance. Moreover, the company has life, and health and accident insurance contracts covering the group's personnel.

Customers: None of LATAM's clients individually represents over 10% of its sales.

Suppliers: In 2022, 29 suppliers individually represented over 10% of their category: Talma, Orbital and Acciona (airport); Unilode Aviation Solutions, Envirotainer, STI and American Sales & Management (local administration); Airbus and Boeing (technical), Gate Gourmet and LSG Sky Chefs (in-flight catering); Google and Globant (IT & Systems); Clearly Gottieb and Accenture (professional services); Expeditors (transportation), Facebook and Graphene (marketing); Infraero (infrastructure); Alelo, CAE and Amil (employee services); API Lodging Solutions and Pullman MIA (hotels); Everfit (uniforms); and Petrobras, WFS, Copec and Repsol (fuel).

Corporate governance

OWNERSHIP STRUCTURE

SHAREHOLDERS' AGREEMENTS

On or around the date of LATAM's emergence from bankruptcy proceedings (the "Effective Date") in accordance with the terms and conditions of the Chapter 11 plan confirmed by the Bankruptcy Court on June 18, 2022, the Backstop Creditors and the Backstop Shareholders entered into a Shareholders' Agreement (the "Shareholders' Agreement") that provides, among other things, that: (A) for a two year term following the Effective Date, the parties to the Shareholders' Agreement shall vote their shares so that the LATAM Airlines Group S.A. Board of Directors will comprise, both initially and in the filling of any vacancies thereon, nine directors, who in accordance with Chilean law, shall be appointed as follows: (i) five directors, including the vice-chair of the LATAM Airlines Group S.A. Board of Directors, nominated by the Backstop Creditors; and (ii) four directors, including the chair of the LATAM Airlines Group S.A. Board of Directors (who shall be a Chilean national), nominated by the Backstop Shareholders; and (B) for the first five years after the Effective Date, in the event of a wind-down liquidation or dissolution of LATAM Airlines Group S.A., recoveries on the shares delivered in exchange for the New Convertible Notes Class B to the extent the conversion option thereunder is exercised, shall be subordinated to any right of recovery for any shares delivered or to be delivered upon conversion of the New Convertible Notes Class A or New Convertible Notes Class C, in each case held by the Backstop Creditors on the Effective Date.

COMPOSITION OF THE LATAM AIRLINES GROUP BOARD

On November 15, 2022, Mr. Ignacio Cueto Plaza was elected as President of the Board.

On November 15, 2022 the board of directors of LATAM Airlines Group was renewed, with Mr. Ignacio Cueto Plaza, Mr. Bornah Moghbel, Mr. Enrique Cueto Plaza, Mr. Frederico Curado, Mr. Antonio Gil Nievas, Mr. Michael Neruda, Mr. Bouk van Geloven, Mrs. Sonia J.S. Villalobos, and Mr. Alexander Wilcox elected.

MANAGEMENT OF THE LATAM AIRLINES GROUP

The CEO of LATAM is the highest ranked officer of LATAM Airlines Group and reports directly to the LATAM board of directors. The CEO LATAM is tasked with the general supervision, direction and control of the business of the LATAM Airlines Group. In the case of a departure of the current CEO LATAM, our board of directors will select the successor after receiving the recommendation of the Leadership Committee.

The head office of the LATAM Airlines Group continues to be located in Santiago, Chile.

VOTING AGREEMENTS, TRANSFERS AND OTHER ARRANGEMENTS

Voting Agreements

The parties to the Holdco I shareholder's agreement and TAM shareholders agreement have agreed to vote their voting shares of Holdco I and shares of TAM so as to give effect to the agreements with respect to representation on the TAM board of directors discussed above.

Transfer restrictions

As provided in the aforementioned shareholders' agreements, TEP Chile may sell all voting shares of Holdco I beneficially owned by it as a block, subject to satisfaction of the block sale provisions, if a release event (as described below) occurs. A "release event" will occur if (i) a capital increase of LATAM Airlines Group occurs, (ii) TEP Chile does not fully exercise the preemptive rights granted to it under applicable law in Chile with respect to such capital increase in respect of all of its restricted LATAM Airlines Group common shares, and (iii) after such capital increase is completed, the individual designated by TEP Chile for election to the board of directors of LATAM Airlines Group with the assistance of the Cueto Group is not elected to the board of directors of LATAM Airlines Group. As a result of the implementation of the restructuring set forth in our Plan of Reorganization, a "release event" occurred. However, no sale of the voting shares of Holdco I beneficially owned by TEP Chile has been implemented.

Restriction on transfer of TAM shares

LATAM agreed in the Holdco I shareholders' agreement not to sell or transfer any shares of TAM stock to any person (other than our affiliates)

Corporate governance

OWNERSHIP STRUCTURE

SHAREHOLDERS' AGREEMENTS

at any time when TEP Chile owns any voting shares of Holdco I. However, LATAM will have the right to effect such a sale or transfer if, at the same time as such sale or transfer, LATAM (or its assignee) acquires all the voting shares of Holdco I beneficially owned by TEP Chile for an amount equal to TEP Chile's then current tax basis in such shares and any costs TEP Chile is required to incur to effect such sale or transfer. TEP Chile has irrevocably granted us the assignable right to purchase all of the voting shares of Holdco I beneficially owned by TEP Chile in connection with any such sale.

Conversion option

Pursuant to the Holdco I shareholders' agreement, we have the unilateral right to convert our shares of non-voting stock of Holdco I into shares of voting stock of Holdco I to the maximum extent allowed under law and to increase our representation on the TAM and Holdco I boards of directors if and when permitted in accordance with foreign ownership control laws in Brazil and other applicable laws if the conversion would not have an adverse effect (as defined above under the "Transfer restrictions" section). In February 2019, we completed the procedures for the exchange of shares of Holdco I S.A., through which LATAM Airlines Group SA increased its indirect participation in TAM S.A., from 48.99% to 51.04%. This transaction was undertaken pursuant to the Provisional Measure 863/2018 of December 13, 2018, through which the participation of up to 100% of foreign capital in airlines in Brazil is permitted.

If we can purchase and/or convert our shares and we do not timely exercise our right to do so, then the controlling shareholders of TAM will have the right to put their shares of voting stock of Holdco I to us for an amount equal to the sale consideration.

Acquisitions of TAM Stock

The parties have agreed that all acquisitions of TAM common shares by LATAM Airlines Group, Holdco I, TAM or any of their respective subsidiaries from and after the effective time of the combination will be made by Holdco I.

Corporate governance

DECISION-MAKING BODIES

BOARD: COMPOSITION AND RESUMÉS

NCG 461: 3.2 BOARD OF DIRECTORS

BOARD OF DIRECTORS PROFILE[1]

NCG 461 3.2 BOARD OF DIRECTORS | GRI 2-9

	Men	Women
By sex	8	1
By nationality		
Brazil	1	1
Chile	2	0
Spain	1	0
United States	3	0
The Netherlands	1	0
By age group		
Under 30 years	0	0
From 30 to 40 years old	3	0
From 41 to 50 years old	0	0
From 51 to 60 years old	3	1
From 61 to 70 years old	2	0
Over 70 years old	0	0
By seniority		
Under 3 years	7	0
From 3 to 6 years	1	1
More than 6 and up to 9 years	0	0
More than 9 and up to 12 years	0	0
Over 12 years old	0	0
Personas con discapacidad	0	0

1 There are no deputy board member; they are all ordinary members.

IGNACIO CUETO

CHAIRMAN

RUT: 7.040.324-2

Ignacio Cueto is a member of LATAM Airlines group's Board of Directors and Chairman since 2017. Cueto's career extends back over 30 years. In 1985, assumed the position of Vice president of Sales at Fast Air Carrier, and later became Service Manager and Commercial Manager for the Miami sales office. Cueto was on the Board of Directors of Ladeco, LAN and LAN Cargo. He was Chief Executive Officer-Passenger Business and as President and Chief Operating Officer of LAN from 2005 until the combination with TAM in 2012. Cueto also led the establishment of the different affiliates that LATAM has in South America, as well as the implementation of key alliances with other airlines.

BORNAH MOGHBEL

VICE-CHAIRMAN OF THE BOARD

RUT: FOREIGNER

Bornah Moghbel has been the Chairman of the Board at LATAM Airlines Group since November 2022. He is a Co-Founder and Partner of Sixth Street, a leading global investment firm that offers capital solutions to companies across all stages of growth. Based in New York, Moghbel leads Sixth Street's corporate investing in public markets as well as its global asset investing business. After co-founding Sixth Street in 2009, Moghbel established the firm's presence in Europe before returning to the United States in 2016. Prior to joining Sixth Street, Moghbel was an investor at Silver Point Capital and he began his career in the Financial Sponsors Group at UBS Investment Bank. He earned a B.A. in Economics, with high honors, and a minor in Business Administration from the University of California, Berkeley.

Corporate governance

DECISION-MAKING BODIES

BOARD: COMPOSITION AND RESUMÉS

NCG 461: 3.2 BOARD OF DIRECTORS

ENRIQUE CUETO

ORDINARY BOARD MEMBER
RUT: 6.694.239-2

Enrique Cueto is a member of LATAM Airlines group's Board of Directors since April 2020. Formerly, he held the position of LATAM Airlines group's Chief Executive Officer, since the combination between LAN and TAM in June 2012. From 1983 to 1993, Cueto was Chief Executive Officer of Fast Air, a Chilean Cargo airline. From 1993 to 1994, Cueto was a member of the board of LAN Airlines. Thereafter, Cueto held the position of CEO of LAN until June 2012. Cueto is a member of the Board of the Endeavor foundation, an organization dedicated to the promotion of entrepreneurship in Chile. Cueto holds a degree in Economic Sciences from the Catholic University of Chile.

FREDERICO CURADO

ORDINARY BOARD MEMBER
RUT: FOREIGNER

Frederico Curado has been on the Board of LATAM Airlines Group since November 2022, as an independent director. He has also been an independent director of Transocean since 2013, is Chair of its HSE and Sustainability Committee and a member of the Corporate Governance Committee. Curado is also an independent director at ABB since 2016 and is Chair of its Compensation Committee. He was CEO of Embraer from 2007 to 2016 and CEO of Ultrapar from 2017 to 2021. Curado holds a B.Sc in Mechanical-Aeronautical Engineering from the Aeronautics Institute of Technology (ITA) and an Executive MBA from the University of São Paulo, Brazil.

ANTONIO GIL NIEVAS

ORDINARY BOARD MEMBER
RUT: 23.605.789-5

Antonio Gil Nievas joined LATAM Airlines group's Board of Directors in November 2022. He is also a board member at SQM, a Chilean and NYSE publicly listed company. Antonio has over 25 years of experience in strategic, management, financial and investment leadership roles at global, European and Latin American levels. He was CEO of Moneda Asset Management and worked at JP Morgan, serving as Managing Director, Global CFO and member of the global executive committees of several businesses, among other positions. Gil Nievas holds a MSc. and BSc. in industrial engineering with a major in electronics from ICAI (Universidad Pontificia Comillas, Spain). He obtained his MBA from Harvard Business School and also completed the Stanford Executive Program.

MICHAEL NERUDA

ORDINARY BOARD MEMBER
RUT: FOREIGNER

Michael Neruda has been a member of the Board at LATAM Airlines Group since November 2022. He is a Partner of Sixth Street, a leading global investment firm that offers capital solutions to companies across all stages of growth. Based in San Francisco, Neruda leads Sixth Street's corporate investing in public markets. Prior to joining Sixth Street in 2015, Neruda was a Director at Watershed Asset Management, where he led investments in the consumer and energy sectors. Neruda was previously an investment analyst at MHR Fund Management, Silver Point Capital and Merrill Lynch. He received a B.S. in Management Science and Engineering from Stanford University, is a CFA Charterholder and currently serves on the Board of Governors of the Boys & Girls Clubs of San Francisco.

Corporate governance

DECISION-MAKING BODIES

BOARD: COMPOSITION AND RESUMÉS

NCG 461: 3.2 BOARD OF DIRECTORS

BOUK VAN GELOVEN

ORDINARY BOARD MEMBER
RUT: FOREIGNER

Bouk van Geloven joined the Board of LATAM Airlines Group in November 2022. He is the Managing Director of the North American investment team at Strategic Value Partners LLC, which he joined in 2014, with a focus on sectors such as airlines, infrastructure, packaging and industrials. From 2011 to 2014, Mr. van Geloven was at J.P. Morgan Cazenove in their Strategic M&A Advisory team. Mr. van Geloven has two Master of Science degrees in Econometrics and Quantitative Finance from the Vrije Universiteit Amsterdam. He has served on multiple boards whilst at SVP and he is currently a member of the Boards of Klöckner Pentaplast and Southern Graphics Systems, and is part of the Advisory Committee of Mattress Firm.

SONIA VILLALOBOS

ORDINARY BOARD MEMBER
RUT: 21.743.859-4

Sonia Villalobos joined LATAM Airlines group's Board of Directors in August 2018. Villalobos is a regular member of the board of directors of Petrobras and Telefónica Vivo, founding partner of the company Villalobos Consultoria and a professor of post-graduate courses in finance at Insper. She was the Manager of Funds in Latin America, in Chile, managing mutual and institutional funds of Larrain Vial AGF. She was responsible for Private Equity investments in Brazil, Argentina and Chile for Bassini, Playfair & Associates, LLC. She graduated in Public Administration from EAESP/FGV in 1984 and obtained a Master in Finance from the same institution.

ALEXANDER WILCOX

ORDINARY BOARD MEMBER
RUT: FOREIGNER

Alexander Wilcox has been a member of the Board at LATAM Airlines Group since October 2020. He has broad experience in the aviation industry, where he has held executive positions at various airlines between 1996 and 2005. Wilcox is a cofounder and the CEO of JSX, a public charter commuter air carrier in the U.S. Wilcox attended the University of Vermont and earned a BA in Political Science and English.

Corporate governance

DECISION-MAKING BODIES

ANNUAL REPORT OF THE DIRECTORS' COMMITTEE'S ADMINISTRATION

NCG 461: 3.3 BOARD COMMITTEES and
10. COMMENTS FROM SHAREHOLDERS AND DIRECTORS' COMMITTEE

Pursuant to article 50 bis, paragraph 8, item 5, of Law Nº 18.046 on Limited Corporations, the Board of Directors of LATAM Airlines Group S.A. (the "Company" or "LATAM") proceeds to issue the following annual report of its management regarding financial year 2022.

I. COMPOSITION OF THE DIRECTOR'S COMMITTEE

As part of the renewal of the Board of Directors by the Shareholders' Meeting on November 15, 2022, the Company's Board of Directors was comprised until that date by Eduardo Novoa Castellon, Patrick Horn Garcia, and Nicolas Eblen Hirmas. Since November 15, 2022, the Committee has been comprised by Frederico Curado, Sonia J.S. Villalobos and Michael Neruda. It should be noted that Mr. Curado is an independent board member and chairs the Committee.

II. COMMITTEE'S ACTIVITY REPORT

During financial year 2022, the Directors' Committee met on 46 occasions to exercise its powers and fulfill its duties under article 50 bis of Law No. 18.046 on Limited Corporations, as well as reviewing or evaluating those other issues that the Board of Directors deemed necessary, which in a year that continues to be marked mainly by the COVID-19 pandemic and the Chapter 11 proceeding in the United States (hereinafter "Chapter 11"), they focused mostly on issues related to the Company's restructuring plan with a view to exit Chapter 11.

Below, is a report of the main issues discussed.

Examination of balance sheet and Financial Statements

The Directors' Committee examined and reviewed the Company's financial statements as at December 31, 2021, as well as at the end of the quarters ended on March 31, June 30, and September 30, 2022, in extraordinary meetings held on March 8, May 10, August 9, and November 8, 2022, respectively, including the reports from the Company's external auditors, *PriceWaterhouseCoopers Consultores*, Auditores SPA ("PwC"), who participated in the four sessions.

Review impairment reports

At the meetings held on January 24, April 11, July 8, and October 11, 2022, the Directors' Committee addressed issues related to the analysis of evidence of impairment regarding certain assets included in the financial statements of the Air Transportation cash generating unit. The results of the impairment test at December 2021 and September 2022, as well as analyses of evidence of impairment at March 31, 2022 and June 30, 2022, respectively, were discussed in detail, concluding that there are no signs of impairment that merit the need for the Company to perform additional tests on such dates, nor to carry out an accounting adjustment of assets on the date of the *test*.

Executive and workers' compensation systems

In the meeting held on March 07, 2022, the Committee examined the existing wage systems and compensation plans for the Company's main executives and workers.

Internal Audit

In ordinary and extraordinary meetings of the Directors' Committee held on January 24, March 15, May 9, June 13, August 8, August 22, October 11, November 14 and December 14, 2022, topics regarding the Internal Audit were reviewed. The status of the Internal Audit Plan carried out during 2021 was reviewed, highlighting the number of projects that were addressed, the relevant aspects of the work carried out, and the presentation of audit reports analyzing the most important risks, the presentation and agreement of the 2022 work plan and the progress of the work on that plan, as well as the progress of the Internal Audit and Risk transformation plan.

Audits under SOX standards

The Directors' Committee meetings held on January 24, March 7, May 9, October 11, November 14, and December 14, 2022, discussed the plan to be followed regarding SOX standards for certification during 2022. A report was also issued including the SOX certification results obtained during 2021, regarding the most relevant issues to be considered during 2022, Company projects that could have an impact regarding SOX standards, the main environmental impacts of the COVID-19 and Chapter 11 contingencies, and a timeline to be followed regarding this certification during 2022.

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NCG 461: 3.3 BOARD COMMITTEES and 10. COMMENTS FROM SHAREHOLDERS AND DIRECTORS' COMMITTEE

External auditing services

In the meeting held on June 13, 2022, PWC presented the work plan to be followed regarding the External Audit during 2022, addressing topics related to the regulatory requirements in terms of communication and project deliverables, the composition of the PwC team, the consolidated audit approach, the progress achieved throughout the year in the internal control review, and the timeline of activities and communications that they will hold with Committee members.

Bidding process for the external audit services

In ordinary and extraordinary meetings of the Directors' Committee held on May 9, July 8 and 15, and August 8, 2022, the bidding process for External Auditors was reviewed to propose to the Board and subsequently to the Shareholders' Meeting the candidates for their final election.

Corporate Risk Management

In ordinary and extraordinary meetings of the Directors' Committee held on January 18, April 11, and August 22, 2022, matters related to corporate risks were reviewed, including prevention, the risk model, and its status.

Safety

In the meetings of the Directors' Committee held on March 7, and July 8, 2022, various security issues were discussed, including physical and air security, and the Data Protection Act.

Compliance

In the ordinary meetings held on April 11 and September 12, 2022, the Directors' Committee received reports and training on the Compliance Program currently in force, and on its main contents, including top management's commitment, the most relevant standards and laws, the development of policies, training and communications, the status of Third Party Intermediaries ("TPIs"), identification and management of Compliance risks, and the report on Compliance at the corporate level, among others.

LATAM Policies

In the meetings held on May 9, July 8, and August 8, 2022, both modifications to existing policies and some new policies were analyzed, including Policy for Control to Logical Access to Information, Risk Management Policy, Funds to be Settled and Fixed Funds Policy.

Examination of reports pertaining to the Related-Party Transactions Policy ("RPT")

In the Committee meeting held on June 13, 2022, in compliance with the reporting obligation established in the RPT Policy, management informing the Directors' Committee on: (i) routine operations between LATAM group and the affiliates where its stake is below 95%, (ii) the main transactions held between LATAM group companies in general, and (iii) the transactions disclosed in the note included in the Financial Statements regarding related-party transactions.

Review of DIP (debtor in possession) financing under the Chapter 11 proceeding

In the ordinary and extraordinary meetings of the Directors' Committee held on February 7, 9, and 16, March 4, 6, 13, 14, and 15, April 5, June 7, September 1, and October 11, the Directors' Committee reviewed and analyzed the background regarding the DIP (*debtor in possession*) Financing under the Chapter 11 proceeding, complying with the regulations concerning related-party transactions, in the corresponding cases. Likewise, in the sessions held on March 7 and April 5, issues related with the DIP financing were discussed.

Review of the Reorganization Plan under the Chapter 11 proceeding

In the Directors' Committee meetings held on January 4, 6, 8, 10, and 11, February 7, 9, and 16, March, 4, 6, 13, 14, and 15, April 5, 20, and 28, May 4, 6, and 10, June 7, and September 1, all in 2022, the Directors' Committee reviewed and analyzed the background they presented regarding the reorganization and financing plan (the "Reorganization Plan") in the context of the Chapter 11 proceeding in the United States.

Corporate Governance Practices

In the meeting held on 11 April, 2022, the Directors' Committee reported on the repeal of General Standard N° 385 of the Commission for the Financial Market (CMF, for its Spanish acronym) and the new General Standard N° 461 of the CMF that would be enforced on LATAM as of the 2022 Report, which is presented in 2023. In addition, in this same session, Annex I of Standard N° 385, which had already been revised to be submitted for consideration by the Board, is ratified.

Corporate governance

DECISION-MAKING BODIES

ANNUAL REPORT OF THE DIRECTORS' COMMITTEE'S ADMINISTRATION

NCG 461: 3.3 BOARD COMMITTEES and 10. COMMENTS FROM SHAREHOLDERS AND DIRECTORS' COMMITTEE

Directors' Committee Recommendations

On the other hand, the Directors' Committee issued the recommendations stated below, regarding the appointment of the Company's External Auditors and Private Risk Rating Agencies for 2022.

Report of Activities by Directors' Committee Meeting

The Directors' Committee met and discussed at the times described below, with a brief list of the topics examined at each of these meetings:

1) Extraordinary meeting n° 55 – 01/04/2022
•Update on LATAM Reorganization Plan.

2) Extraordinary meeting n° 156 – 01/06/2022
•Update on LATAM Reorganization Plan.

3) Extraordinary meeting n° 157 – 01/08/2022
•Update on LATAM Reorganization Plan.

4) Extraordinary meeting n° 158 – 01/10/2022
•Update on LATAM Reorganization Plan.

5) Extraordinary meeting n° 159 – 01/11/2022
•Update on LATAM Reorganization Plan.
•Backstop Commitment Agreement (BCA).

6) Extraordinary meeting n° 160 – 01/18/2022
•Risk Management Model.

7) Ordinary meeting n° 228 – 01/24/2022
•Status of SOX Certification.
•Topic Legal Research/Compliance.
•Update-Topic Environment, Health, Safety Management (EHS).
•CEO Reserved topic.
•Impairment test related to the Financial Statement as at 12.31.2021.
•Deloitte report-consulting conclusion.
•Internal Audit topic.

8) Extraordinary meeting n° 161 – 02/03/2022
•Update on LATAM Reorganization Plan.

9) Extraordinary meeting n° 162 – 02/07/2022
•Update on LATAM Reorganization Plan.
•DIP refinancing.

10) Extraordinary meeting n° 163 – 02/09/2022
•Update on LATAM Reorganization Plan.
•DIP refinancing.

11) Extraordinary meeting n° 164 – 02/16/2022
•Update on LATAM Reorganization Plan.
•DIP refinancing.

12) Extraordinary meeting n° 165 – 03/04/2022
•Update on LATAM Reorganization Plan.
•DIP refinancing.

13) Extraordinary meeting n° 166 – 03/06/2022
•Update on LATAM Reorganization Plan.
•DIP refinancing.

14) Ordinary meeting n° 229 – 03/07/2022
•Update on DIP matters.
•Annual report of the Directors' Committee's management.
•SOX 2021 certification results.
•Corporate Topics (Proposal of external auditors and private risk rating agencies for 2022).
•Update-Topic Environment, Health, Safety Management (EHS).
•Company Executive and Worker Salary Systems and Compensation Plans.
•Risk Analysis – Safety equipment.

15) Extraordinary meeting n° 167 – 03/08/2022
•Review of the MOR for December 2021, in the framework of compliance with obligations under the Chapter 11 proceeding.
•Review of Financial Statements up to 12/31/2021.
•Review of Financial Statements up to 12/31/2022 by PwC.
•Review of the MOR for January 2022 in the framework of compliance with obligations under the Chapter 11 proceeding.

16) Extraordinary meeting n° 168 – 03/13/2022
•Update on LATAM Reorganization Plan.
•DIP refinancing.

17) Extraordinary meeting n° 169 – 03/14/2022
•Update on LATAM Reorganization Plan.
•DIP refinancing.

18) Extraordinary meeting n° 170 – 03/15/2022
•2022 goals and transformation plan
•Proposal of Internal Audit Plan 2022.

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19) Extraordinary meeting n° 171 – 03/15/2022
•Update on LATAM Reorganization Plan.
•DIP refinancing.

20) Extraordinary meeting n° 172 – 03/29/2022
•Review of the MOR for February 2022, in the framework of compliance with obligations under the Chapter 11 proceeding.

21) Extraordinary meeting n° 173 – 04/05/2022
•Update on LATAM Reorganization Plan.
•DIP refinancing.

22) Ordinary meeting n° 230 – 04/11/2022
•General Standard Nº 385 of the CMF.
•Update-Topic Environment, Health, Safety Management (EHS).
•Signs of impairment related to the Financial Statements as at 3/31/2022.
•April 2022 Close/SAP.
•Update Topic Compliance.
•Risk Pillar Status.

23) Extraordinary meeting n° 174 – 04/20/2022
•Update on LATAM Reorganization Plan.

24) Extraordinary meeting n° 175 – 04/28/2022
•Update on LATAM Reorganization Plan.
•Topic related to Insurance Policy.

25) Extraordinary meeting n° 176 – 05/04/2022
•Update on LATAM Reorganization Plan.

26) Extraordinary meeting n° 177 – 05/06/2022
•Update on LATAM Reorganization Plan.

27) Ordinary meeting n° 231 – 05/09/2022
•Reserved topic Internal Audit
•Environmental management and geopolitical risk.
•Tendering process External Auditors.
•Policy for Control of Logical Access to Information and Update Topic Environment, Health, Safety Management (EHS).
•Planning of SOX 2022.
•Other topics Internal Audit.

28) Extraordinary meeting n° 178 – 05/10/2022
•Update on LATAM Reorganization Plan.

29) Extraordinary meeting n° 179 – 05/10/2022
•Review of the MOR for March 2022 in the framework of compliance with obligations under the Chapter 11 proceeding.
•Review of Financial Statements up to 03/31/2022.
•Review of Financial Statements up to 03/31/2022 by PwC.

30) Ordinary meeting n° 180 – 06/07/2022
•Update on LATAM Reorganization Plan.
•DIP refinancing.
•Chapter 11 Exit Funding.

31) Ordinary meeting n° 232 – 06/13/2022
•Engine sale to Delta.
•2022 Plan External Auditor PwC.
•Presentation of tax matters and related-party transactions.
•Brownfield Project Status.
•Internal Audit topics.

32) Extraordinary meeting n° 181 – 06/14/2022
•Review of the MOR for April 2022, in the framework of compliance with obligations under the Chapter 11 proceeding.

33) Ordinary meeting n° 233 – 07/08/2022
•Signs of impairment related to the Financial Statements as at 6/30/2022.
•Status Topic General Data Protection Act (GDPA).
•Coordination External Auditor Tender process.
•Update-Topic Environment, Health, Safety Management (EHS).
•LATAM policy updates.

34) Extraordinary meeting n° 182 – 07/12/2022
•Review of the MOR for May 2022, in the framework of compliance with obligations under the Chapter 11 proceeding.

35) Extraordinary meeting n° 183 – 07/15/2022
•Technical presentation of the External Auditor firms participating in the tender for these services.

36) Ordinary meeting n° 234 – 08/08/2022
•Legal topic.
•Loyalty Project.
•External Audit service tender process.
•Update Fixed Fund Policies.
•Internal Audit topics.

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37) Extraordinary meeting n° 184 – 09/09/2022
•Review of the MOR for June 2022 in the framework of compliance with obligations under the Chapter 11 proceeding.
•Review of Financial Statements up to 06/30/2021.
•Review of Financial Statements up to 06/30/2022 by PwC.

38) Extraordinary meeting n° 185 – 08/22/2022
•Risk Pillar Status.
•Matters relating to the Internal Audit transformation plan.

39) Extraordinary meeting n° 186 – 08/29/2022
•Review of the MOR for July 2022, in the framework of compliance with obligations under the Chapter 11 proceeding.

40) Extraordinary meeting n° 187 – 09/01/2022
•Update on LATAM Reorganization Plan.
•Chapter 11 Exit Funding.

41) Ordinary meeting n° 235 – 09/12/2022
•Update Topic Legal.
•Update Topic Compliance.
•Tax issues.
•Status action plans of topic Environment, Health, Safety Management (EHS) and Brownfield.

42) Extraordinary meeting n° 188 – 10/04/2022
•Review of the MOR for August 2022, in the framework of compliance with obligations under the Chapter 11 proceeding.

43) Ordinary meeting n° 236 – 10/11/2022
•Update on DIP matters.
•Impairment test for Q3.
•Main accounting impacts – Chapter 11 exit.
•Status of SOX Certification 9/30/2022.
•Update topic Fraud.
•Internal Audit topic.

44) Extraordinary meeting n° 189 – 11/08/2022
•Review of the MOR for September 2022 in the framework of compliance with obligations under the Chapter 11 proceeding.
•Review of Financial Statements up to 09/30/2022.
•Review of Financial Statements up to 09/30/2022 by PwC.

45) Ordinary meeting n° 237 – 11/14/2022
•Status of SOX Certification.
•Internal Audit topic.

46) Ordinary meeting n° 238 – 12/14/2022
•Operation of the Directors' Committee – main objectives and responsibilities.
•Status of External Audit and SOX Certification.
•Internal Audit topics.

III. DIRECTORS' COMMITTEE COMPENSATION AND SPENDING.

The Company's Ordinary Shareholders' Meeting held on April 20, 2022, agreed that each member of the Directors' Committee should receive the equivalent to 80 *Unidades de Fomento* (UF) as a monthly allowance for attending the Directors' Committee meetings, regardless the number of meetings.

Following the Extraordinary Shareholders' Meeting of the Company, held on November 15, 2022, it was agreed that each director who is a member of the Committee shall receive a fixed annual remuneration of US$50,000, regardless of the number of meetings they attend.

For purposes of the operation of the Directors' Committee and its advisors, Law Nº 18.046 on Limited Corporations states that their spending budget must at least be equal to the annual sum of compensation of the Committee members. In this regard, the Ordinary Shareholders' Meeting held on April 20, 2022, approved a spending budget for the Committee of 2,880 *Unidades de Fomento* for 2022. During 2022, this spending budget was not used. Later,

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the Ordinary Shareholders' Meeting held on November 15, 2022, approved a spending budget for the Committee of US$150,000 for 2023.

IV. DIRECTORS' COMMITTEE RECOMMENDATIONS

IV.1 Proposal for Appointment of External Auditors.

At the meeting of the Board of Directors held on March 7, 2022, and in accordance with the provisions of paragraph 2) section eight of article 50 bis of Law N° 18.046 on Limited Corporations, it was greed to propose to the Company's Board of Directors, based on the analysis carried out by management regarding the work and the performance evaluation in 2021, to continue with the external auditors PwC for financial year 2022. The above proposal was approved by the Company's Shareholders' Meeting held on April 20, 2022.

IV.2 Proposal of Private Risk-Rating Agencies.

In its meeting held on March 7, 2022, and in accordance with Article 50 bis, section 8, paragraph 2) of Law Nº 18,046 on Limited Corporations, the Directors' Committee agreed to propose to the Board the Risk-Rating Agencies for the Company's Ordinary Shareholders' Meeting on April 20, 2022. In this regard, the Committee decided to propose to the Company's Board of Directors the appointment of the following local risk-rating firms: Fitch Chile Clasificadora de Riesgo Limitada, Feller-Rate Clasificadora de Riesgo Limitada and International Credit Rating (ICR) Compañía Clasificadora de Riesgo Limitada. Regarding international risk-rating agencies, the Directors' Committee agreed to propose to the Board the appointment of the following firms: Fitch Ratings, Inc., Moody' s Investors Service and Standard & Poor's Rating Services.

Corporate governance

DECISION-MAKING BODIES

MAIN EXECUTIVES

NCG 3.4 MAIN EXECUTIVES

ROBERTO ALVO
CEO LATAM AIRLINES GROUP
RUT: 8.823.367-0

Roberto Alvo has been the CEO of LATAM since March 31, 2020. Prior to this, he worked as COO of LATAM, in charge of managing the group's passenger and cargo revenue. Previously, he was Vice-President of International and Alliances at LATAM Airlines, and Vice-President of Strategic Planning and Development. Alvo joined LAN Airlines in November 2001, where he served as Chief Financial Officer of LAN Argentina, as Manager of Development and Financial Planning at LAN Airlines, and as Deputy Chief Financial Officer of LAN Airlines. Before working for the group, Alvo held various positions at Sociedad Química y Minera de Chile S.A., a leading Chilean non-metallic mining company. He is a civil engineer, and holds an MBA from IMD in Lausanne, Switzerland.

RAMIRO ALFONSÍN
CHIEF FINANCIAL OFFICER
RUT: 22.357.225-1

Ramiro Alfonsín is LATAM 's CFO, a position he has held since July 2016. Formerly, he worked 16 years for Endesa, a leading utilities company, in Spain, Italy and Chile, where he served as Deputy Chief Executive Officer and Chief Financial Officer for their Latin American operations. Before joining the utilities sector, he worked for five years in Corporate and Investment Banking for several European banks. Alfonsin holds a degree in Business Administration from Pontificial Catholic University of Argentina.

EMILIO DEL REAL
VICE-PRESIDENT OF HUMAN RESOURCES
RUT: 9.908.112-0

Emilio del Real is the LATAM Vice-President of Human Resources, a position he took over in August 2005. Between 2003 and 2005, he was Human Resources Manager at D&S, a Chilean retail company. Between 1997 and 2003, he served in various positions at Unilever, including Human Resources Manager of Unilever Chile, and Manager of Training and Recruitment and Management Development for Latin America. Del Real has a degree in Psychology from the Gabriela Mistral University.

Corporate governance
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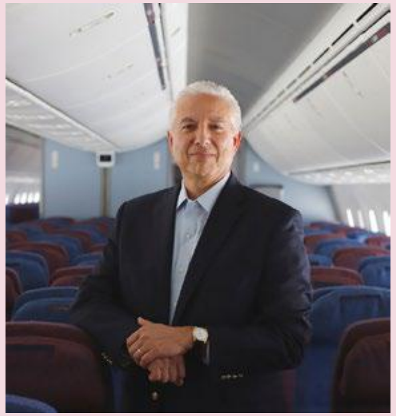
NCG 3.4 MAIN EXECUTIVES



JUAN CARLOS MENCIÓ
LEGAL AFFAIRS AND COMPLIANCE OFFICER
RUT: 24.725.433-1

Juan Carlos Menció, has been the Vice-President of Legal Affairs and Compliance at LATAM Airlines Group since September 1, 2014. Previously, held the position of General Counsel for North America for LATAM Airlines Group and its affiliates, as well as General Counsel for its worldwide Cargo Operations, both since 1998. Prior to joining LAN, he was in private practice in New York and Florida, representing various international airlines. Mencio obtained his Bachelor's Degree in International Finance and Marketing from the School of Business at the University of Miami and his Juris Doctor Degree from Loyola University.

PAULO MIRANDA
CLIENTS VICE-PRESIDENT
RUT: FOREIGNER

Paulo Miranda has been the LATAM Clients Vice-President since May 2019. Miranda has over 20 years of experience in the aviation industry, having held different positions, first at Delta Air Lines in the United States, and then at Gol Linhas Aéreas in Brazil. In his last role, Miranda was responsible for the Client Experience department, having previously worked in finance and alliances, as well as in the negotiation and implementation of joint ventures. Miranda holds a Bachelor of Business Administration degree from the Carlson School of Management, University of Minnesota, USA.

HERNÁN PASMAN
CHIEF OPERATING OFFICER
RUT: 21.828.810-3

Hernán Pasman has been the Vice-President of Operations, Maintenance and Fleet of LATAM Airlines Group since October 2015. He joined LAN Airlines in 2005 as Head of Strategic Planning and Financial Analysis of the technical areas. Between 2007 and 2010, Pasman was the COO of LAN Argentina; he has served as CEO for LAN Colombia since 2011. Prior to joining LATAM, Pasman was a consultant at McKinsey & Company in Chicago, and held positions at Citicorp Equity Investments, Telefónica de Argentina, and Motorola de Argentina. Pasman holds a Civil Engineering degree from ITBA (1995) and an MBA from Kellogg Graduate School of Management (2001).

Corporate governance

DECISION-MAKING BODIES

MAIN EXECUTIVES

NCG 3.4 MAIN EXECUTIVES

JULIANA RIOS

IT & DIGITAL VICE-PRESIDENT
RUT: FOREIGNER

Juliana Rios has over 20 years of experience in services and technology in the financial and airline industries. Her career spans business transformation, mergers & acquisitions, digitization, IT, and large-scale project management, such as PSS migration. As IT & Digital Vice-President, she leads LATAM Airlines' digital transformation efforts. Prior to joining LATAM, Rios was a senior executive at Banco Santander, Brazil, spearheading the retail business and customer experience strategy. She headed integration programs in Brazil, Italy and the Netherlands. Rios holds a Bachelor's in Business Administration and an MBA in Corporate Management from IBMEC, Brazil.

MARTIN ST. GEORGE

CHIEF COMMERCIAL OFFICER
RUT: FOREIGNER

Martin St. George joined LATAM Airlines Group in 2020 as CCO after a career of more than 30 years in the aviation industry in both North America and Europe. Prior to LATAM, he ran a strategy consulting firm for airlines and travel industry clients in the United States, the Caribbean and Europe, and even served as Acting CCO at Norwegian Air Shuttle ASA. From 2006 to 2019, he worked for JetBlue Airways, in positions in marketing, networking, and finally, as COO at JetBlue. St. George holds a degree in civil engineering from the Massachusetts Institute of Technology.

JUAN JOSÉ TOHÁ

DIRECTOR OF CORPORATE AFFAIRS AND SUSTAINABILITY
RUT: 16.655.612-0

Juan José Tohá is a journalist with a specialty in Sustainability from Oxford University, as well as a Master's and PhD in Communication from the Autonomous University of Barcelona. He has vast experience in the design and implementation of communication strategies and the interaction of organizations with their environment. He has served in FAO's Latin America and Caribbean regional office in Santiago, Chile, and as Communications Manager for Codelco and BHP South America, among others. In 2019, he joined LATAM group as Director of Corporate Affairs and Sustainability, reporting directly to the CEO of LATAM group, and he coordinates the corporate strategy of Public Affairs, External Communications, and Sustainability.

Our business

INDUSTRY CONTEXT

REGULATION

NCG 461: 6.1 INDUSTRIAL SECTOR

Below is a brief reference to the material effects of aeronautical and other regulations in force in the relevant jurisdictions in which we operate. We are subject to the jurisdiction of various regulatory and enforcement agencies in each of the countries where we operate. We believe we have obtained and maintained the necessary authority, including authorizations and operative certificates where required, which are subject to ongoing compliance with statutes, rules and regulations pertaining to the airline industry, including any rules and regulations that may be adopted in the future.

The countries where we carry out most of our operations are contracting states and permanent members of the ICAO, an agency of the United Nations established in 1947 to assist in the planning and development of international air transportation. The ICAO establishes technical standards for the international aviation industry. In the absence of an applicable local regulation concerning safety or maintenance, the countries where we operate have incorporated by reference the majority of the ICAO's technical standards. We believe that we are in material compliance with all such relevant technical standards.

ENVIRONMENTAL AND NOISE REGULATION

There are no material environmental regulations or controls in the jurisdictions in which we operate imposed upon airlines, applicable to aircraft, or that otherwise affect us, except for environmental laws and regulations of general applicability.

In Argentina, Brazil, Colombia, Ecuador, Peru and the United States, aircraft must comply with certain noise restrictions. LATAM's aircraft substantially comply with all such restrictions. Chilean authorities are planning to pass a noise-related regulation governing aircraft that fly to and within Chile, observing a standard known as "Stage 3 requirements." Our fleet already complies with such standards, so we do not believe that enactment of the proposed standards would impose a material burden on us.

In 2016, the ICAO adopted a resolution creating the Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA), providing a framework for a global market-based measure to stabilize CO_2 emissions in international civil aviation (i.e., civil aviation flights that depart in one country and arrive in a different country). With the adoption of this framework, the aviation industry became the first industry to achieve an agreement with respect to its CO_2 emissions. The scheme, which defines a unified standard to regulate CO_2 emissions in international flights, is being implemented in various phases by ICAO member states starting in 2021 (with the voluntary member states).

SAFETY AND SECURITY

Our operations are subject to the jurisdiction of various agencies in each of the countries where we operate, which set standards and requirements for the operation of aircraft and its maintenance.

In the United States, the Aviation and Transportation Security Act requires, among other things, the implementation of certain security measures by airlines and airports, such as the requirement that all passenger bags be screened for explosives. Funding for airline and airport security required under the Aviation Security Act is provided in part by a US$5.60 per segment passenger security fee, subject to a US$11.20 per round-trip cap; however, airlines are responsible for costs in excess of this fee. Implementation of the requirements of the Aviation Security Act has resulted in increased costs for airlines and their passengers. Since the events of September 11, 2001, the United States Congress has mandated, and the TSA has implemented, numerous security procedures and requirements that have imposed and will continue to impose burdens on airlines, passengers and shippers.

Below are some specific aeronautical regulations related to route rights and pricing policy in the countries where we operate.

CHILE

Aeronautical regulation

Both the DGAC and the Junta de Aeronáutica Civil ("JAC") oversee and regulate the Chilean aviation industry. The DGAC reports directly to the Chilean Air Force and is responsible for supervising compliance with Chilean laws and regulations relating to air navigation. The JAC is the Chilean civil aviation authority. Primarily on the basis of Decree Law No. 2,564, which regulates commercial aviation, the JAC establishes the main commercial policies for the aviation

Our business

INDUSTRY CONTEXT

REGULATION

NCG 461: 6.1 INDUSTRIAL SECTOR

industry in Chile and regulates the assignment of international routes and the compliance with certain insurance requirements, while the DGAC regulates flight operations, including personnel, aircraft and security standards, air traffic control and airport management. We have obtained and maintain the necessary authority from the Chilean government to conduct flight operations, including authorization certificates from the JAC and technical operative certificates from the DGAC, the continuation of which is subject to the ongoing compliance with applicable statutes, rules and regulations pertaining to the airline industry, including any rules and regulations that may be adopted in the future.

Chile is a contracting state, as well as a permanent member, of the ICAO. Chilean authorities have incorporated ICAO's technical standards for the international aviation industry into Chilean laws and regulations. In the absence of an applicable Chilean regulation concerning safety or maintenance, the DGAC has incorporated by reference the majority of the ICAO's technical standards. We believe that we are in material compliance with all such relevant technical standards.

Route rights

Domestic routes: Chilean airlines are not required to obtain permits in order to carry passengers or cargo on any domestic routes, but only to comply with the technical and insurance requirements established respectively by the DGAC and the JAC. There are no regulatory barriers that would prevent a foreign airline from creating a Chilean subsidiary and entering the Chilean domestic market using that subsidiary. On January 18, 2012 the Secretary of Transportation and the Secretary of Economics of Chile announced a unilateral opening of the Chilean domestic skies. This was confirmed in November 2013, and has been in force since that date.

International routes: As an airline providing services on international routes, LATAM is also subject to a variety of bilateral civil air transportation agreements that provide for the exchange of air traffic rights between Chile and various other countries. There can be no assurance that existing bilateral agreements between Chile and foreign governments will continue, and a modification, suspension or revocation of one or more bilateral treaties could have a material adverse effect on our operations and financial results.

International route rights, as well as the corresponding landing rights, are derived from a variety of air transportation agreements negotiated between Chile and foreign governments. Under such agreements, the government of one country grants the government of another country the right to designate one or more of its domestic airlines to operate scheduled services to certain destinations of the former and, in certain cases, to further connect to third-country destinations. In Chile, when additional route frequencies to and from foreign cities become available, any eligible airline may apply to obtain them. If there is more than one applicant for a route frequency, the JAC awards it through a public auction for a period of five years. The JAC grants route frequencies subject to the condition that the recipient airline operates them on a permanent basis. If an airline fails to operate a route for a period of six months or more, the JAC may terminate its rights to that route. International route frequencies are freely transferable. In the past, we have generally paid only nominal amounts for international route frequencies obtained in uncontested auctions.

Airfare pricing policy

Chilean airlines are permitted to establish their own domestic and international fares without government regulation. For more information, see "-Antitrust Regulation" below. In 1997, the Antitrust Commission approved and imposed a specific self-regulatory fare plan for our domestic operations in Chile consistent with the Antitrust Commission's directive to maintain a competitive environment. According to this plan, we must file notice with the JAC of any increase or decrease in standard fares on routes deemed "non-competitive" by the JAC and any decrease in fares on "competitive" routes at least 20 days in advance. We must file notice with the JAC of any increase in fares on "competitive" routes at least 10 days in advance. In addition, the Chilean authorities now require that we justify any modification that we make to our fares on non-competitive routes. We must also ensure that our average yields on a non-competitive route are not higher than those on competitive routes of similar distance.

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PERU

Aeronautical regulation

The Peruvian *Dirección General de Aeronáutica Civil* (the "PDGAC") oversees and regulates the Peruvian aviation industry. The PDGAC reports directly to the Ministry of Transportation and Communications and is responsible for supervising compliance with Peruvian laws and regulations relating to air navigation. In addition, the PDGAC regulates the assignment of national and international routes, and the compliance with certain insurance requirements, and it regulates flight operations, including personnel, aircraft and security standards, air traffic control and airport management. We have obtained and maintain the necessary authorizations from the Peruvian government to conduct flight operations, including authorization and technical operative certificates, the continuation of which is subject to the ongoing compliance with applicable statutes, rules and regulations pertaining to the airline industry, including any rules and regulations that may be adopted in the future.

Peru is a contracting state and a permanent member of the ICAO. The ICAO establishes technical standards for the international aviation industry, which Peruvian authorities have incorporated into Peruvian laws and regulations. In the absence of an applicable Peruvian regulation concerning safety or maintenance, the PDGAC has incorporated by reference the majority of the ICAO's technical standards. We believe that we are in material compliance with all relevant technical standards.

Route rights

Domestic routes: Peruvian airlines are required to obtain permits in connection with carrying passengers or cargo on any domestic routes and to comply with the technical requirements established by the PDGAC. Non-Peruvian airlines are not permitted to provide domestic air service between destinations in Peru.

International routes: As an airline providing services on international routes, LATAM Airlines Peru is also subject to a variety of bilateral civil air transport agreements that provide for the exchange of air traffic rights between Peru and various other countries. There can be no assurance that existing bilateral agreements between Peru and foreign governments will continue, and a modification, suspension or revocation of one or more bilateral treaties could have a material adverse effect on our operations and financial results.

International route rights, as well as the corresponding landing rights, are derived from a variety of air transport agreements negotiated between Peru and foreign governments. Under such agreements, the government of one country grants the government of another country the right to designate one or more of its domestic airlines to operate scheduled services to certain destinations of the former and, in certain cases, to further connect to third-country destinations. In Peru, when additional route frequencies to and from foreign cities become available, any eligible airline may apply to obtain them. If there is more than one applicant for a route frequency, the PDGAC awards it through a public auction for a period of four years. The PDGAC grants route frequencies subject to the condition that the recipient airline operates them on a permanent basis. If an airline fails to operate a route for a period of 90 days or more, the PDGAC may terminate its rights to that route. In recent years the PDGAC has revoked the unused route frequencies of several Peruvian operators.

ECUADOR

Aeronautical regulation

There are two institutions that control commercial aviation on behalf of the State: (i) The *Consejo Nacional de Aviación Civil* (the "CNAC"), which directs aviation policy; and (ii) (the "DGAC"), which is a technical regulatory and control agency. The CNAC issues operating permits and grants operating concessions to national and international airlines. It also issues opinions on bilateral and multilateral air transportation treaties, allocates routes and traffic rights, and approves joint operating agreements such as wet leases and shared codes.

Fundamentally, the DGAC is responsible for:

- Ensuring that the national standards and technical regulations and international ICAO standards and regulations are observed;
- Keeping records on insurance, airworthiness and licenses of Ecuadorian civil aircraft;
- Maintaining the National Aircraft Registry;

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- Issuing licenses to crews;

- Controlling air traffic control inside domestic air space;

- Approving shared codes; and

- Modifying operations permits.

The DGAC also must comply with the standards and recommended methods of ICAO since Ecuador is a signatory of the 1944 Chicago Convention.

Route rights

Domestic routes: Airlines must obtain authorization from CNAC (an operating permit or concession) to provide air transportation. For domestic operations, only companies incorporated in Ecuador can operate locally, and only Ecuadorian-licensed aircraft and dry leases are authorized to operate domestically.

International routes: Permits for international operations are based on air transportation treaties signed by Ecuador or, otherwise, the principle of reciprocity is applied. All airlines doing business in Latin America that are incorporated in countries that are members of the *Comunidad Andina de Naciones* (the Andean Community, or "CAN") obtain their traffic rights on the basis of decisions currently in force under that regime, in particular decision N°582 of 2004, which guarantee free access to markets, with no type of restriction except technical considerations.

Airfare pricing policy

On October 13, 2011, The Statutory Law of Regulation and Control of the Market Power was passed with a purpose to avoid, prevent, correct, eliminate and sanction the abuse of economic operators with market power, as well as to sanction restrictive, disloyal and agreements involving collusive practices. This Law creates a new public entity as the maximum authority of application and establishes the procedures of investigation and the applicable sanctions, which are severe. Rates are not regulated and are subject only to registration. In general, bilateral treaties regarding air transportation provide for airfares to be regulated by the regulation of the country of origin.

BRAZIL

Aeronautical regulation

The Brazilian aviation industry is regulated and overseen by the ANAC. The ANAC reports directly to the Civil Aviation Secretary, which is subordinated by the Federal Executive Power of this country. Primarily on the basis of Law No. 11.182/2005, the ANAC was created to regulate commercial aviation, air navigation, the assignment of domestic and international routes, compliance with certain insurance requirements, flight operations, including personnel, aircraft and security standards, air traffic control, in this case sharing its activities and responsibilities with the *Departamento de Controle do Espaço Aéreo* (Department of Airspace Control or "DECEA"), which is a public secretary also subordinated to the Brazilian Defense Ministry, and airport management, in this last case sharing responsibilities with the *Empresa Brasileira de Infra-Estrutura Aeroportuária* (the Brazilian Airport Infrastructure Company, or "INFRAERO"), a public company that was created by Law No. 5862/72, and is responsible for administrating, operating and exploring Brazilian airports industrially and commercially (with the exception of airports granted to private initiative).

LATAM group has obtained and maintains the necessary authority from the Brazilian government to conduct flight operations, including authorization and technical operative certificates from ANAC, the continuation of which is subject to ongoing compliance with applicable statutes, rules and regulations pertaining to the airline industry, including any rules and regulations that may be adopted in the future.

ANAC is the Brazilian civil aviation authority and it is responsible for supervising compliance with Brazilian laws and regulations relating to air navigation. Brazil is a contracting state and a permanent member of the ICAO. The ICAO establishes technical standards for the international aviation industry, which Brazilian authorities, represented by the Brazilian Defense Ministry, have incorporated into Brazilian laws and regulations. In the absence of an applicable Brazilian regulation concerning safety or maintenance, ANAC has incorporated by reference the majority of the ICAO's technical standards.

Route rights

Domestic routes: Brazilian airlines operate under a public services concession, and for that reason Brazilian airlines are required to obtain a concession to provide passenger and cargo air transportation services from the Brazilian authorities. In addition,

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an Air Operator Certificate ("AOC") is also required for Brazilian Airlines to provide regular domestic passenger or cargo transportation services. Brazilian Airlines also need to comply with all technical requirements established by the Brazilian Aviation Authority (ANAC). Based on the Brazilian Aeronautical Code ("CBA") established by Brazilian Federal Law No. 7,565/86, there are no limitations to ownership of Brazilian airlines by foreign investors. The CBA also states that non-Brazilian airlines are not authorized to provide domestic air transportation services in Brazil.

International routes: Brazilian and non-Brazilian airlines providing services on international routes are also subject to a variety of bilateral civil air transport agreements that provide for the exchange of air traffic rights between Brazil and various other countries. International route rights, as well as the corresponding landing rights, are derived from a variety of air transport agreements negotiated between Brazil and foreign governments. Under such agreements, the government of one country grants the government of another country the right to designate one or more of its domestic airlines to operate scheduled services to certain destinations of the former and, in certain cases, to further connect to third-country destinations. In Brazil, when additional route frequencies to and from foreign cities become available, any eligible airline may apply to obtain them. If there is more than one applicant for a route frequency ANAC must carry out a public bid and award it to the elected airline. ANAC grants route frequencies subject to the condition that the recipient airline operates them on a permanent basis. ANAC's resolution 491/18 indicates the requirements to establish the underuse of a frequency, and how it could be revoked and reassigned. This provision of the resolution came into force in September 2019.

Airfare pricing policy

Brazilian and non-Brazilian airlines are permitted to establish their own international and domestic fares, in this last case only for Brazilian airlines, without government regulation, as long as they do not abuse any dominant market position they may enjoy. Airlines may file complaints before the Antitrust Court with respect to monopolistic or other pricing practices by other airlines that violate Brazil's antitrust laws.

COLOMBIA

Aeronautical regulation

The governmental entity in charge of regulating, directing and supervising civil aviation in Colombia is the Aeronáutica Civil (the "AC"), a technical agency ascribed to the Ministry of Transportation. The AC is the aeronautical authority for the entire domestic territory, in charge of regulating and supervising the Colombian air space. The AC may interpret, apply and complement all civil aviation and air transportation regulation to ensure compliance with the Colombian Aeronautical Regulations ("RAC"). The AC also grants the necessary permits for air transportation.

Route rights

The AC grants operation permits to domestic and foreign carriers that intend to operate in, from and to Colombia. In the case of Colombian airlines, in order to obtain the operational permit, the company must comply with the RAC and fulfill legal, economic and technical requirements, in order to later be subject to public hearings where the public convenience and necessity of the service is considered. The same process must be followed to add national or international routes; whose concession is subject to the bilateral instruments entered into by Colombia. The only exception for not complying with the public hearing procedure is that the application comes from a country member of the CAN, or that the route or permit being applied for is part of a deregulated regime. Even if it does not go through the public hearing process, the airline must submit a complete study to the AC and the request is made public on the website of the authority. Routes cannot be transferred under any circumstance and there is no limit to foreign investment in domestic airlines.

Airfare pricing policy

Since July 2007, as stated in resolution 3299 of the Aeronautical Civil entity, bottom level airfares for both international and domestic transportation were eliminated. Under resolution 904 issued in February 2012, the Aeronautical Civil authority ceased to impose the obligation of charging a fuel surcharge for both domestic and international transportation of passengers and cargo. As of April 1, 2012, air carriers may now freely decide whether to charge a fuel surcharge. In the case that a fuel surcharge is charged, it must be part of the fare, but shall be informed separately on the

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tickets, advertising or other methods of marketing used by the company.

In the same line, as of April 1, 2012, there is no longer any restriction on maximum fares published by the airlines or with respect to the obligations for air carriers to report to the Aeronautical civil authority the fares and conditions the day after being published.

Administrative fares are not subject to any changes, and its charge is mandatory for the transport of passengers under Aeronautical Civil Regulations. Differential administrative fares apply to ticket sales made through Internet channels.

ANTITRUST REGULATION

Chile

The Chilean antitrust authority, which we refer to as the National Economic Prosecutor Office ("FNE" by its Spanish name), oversees and investigates antitrust matters, which are governed by Decree Law No. 211 of 1973, as amended, or the "Antitrust Law." The Antitrust Law states as anticompetitive, any conduct that prevents, restricts or hinders competition, or sets out to produce said effects.

The Antitrust Law continues by giving examples of the following anticompetitive conducts: (i) cartels; (ii) abuse of dominance; and (iii) interlocking. The Antitrust Law defines abusive practices as "*The abusive exploitation on the part of an economic agent, or a group thereof, of a dominant position in the market, fixing sale or purchase prices, imposing on a sale the acquisition of another product, allocating territories or market quotas or imposing similar abuses on others; as well as predatory practices, or unfair competition, carried out with the purpose of reaching, maintaining or increasing a dominant position.*"

An aggrieved person may sue for damages arising from a breach of Antitrust Law by suing in the Chilean Competition Court (the "TDLC" by its Spanish name). The TDLC has the authority to impose a variety of sanctions for violations of the Antitrust Law, including: (i) the amendment or termination of acts and contracts; (ii) the amendment or dissolution of legal entities involved in the punished conducts; and/or (iii) the imposition of a fine up to 30% of the sales of the infringing entity corresponding to the line of products and/or services associated to the infraction, during the entire term for which the infringement lasted; alternatively, a fine equal to the double of the economic benefit obtained by the infringing company; and when none of these alternatives can be applied, a fine up to USD 50,000,000 approximately (60,000 UTA).

As described above under "-Route Rights-Airfare Pricing Policy," in the Resolution N°445 of August 1995, the TDLC approved a merger control transaction between LAN Chile and LADECO, but imposed a specific self-regulatory fare plan for domestic air passenger market consistent with the TDLC's directive to maintain a competitive environment within the domestic market. This Airfare Pricing Policy Plan was updated by the TDLC particularly to maintain its objective which consists of a tariff regulation, through which maximum rates are established on non-competitive routes under a monthly compliance scheme.

Since October 1997, LATAM and LATAM Chile follow a self-regulatory plan, which was modified and approved by the TDLC in July 2005, and further in September 2011. In February 2010, the FNE closed the investigation initiated in 2007 regarding our compliance with this self-regulatory plan and no further observations were made.

In June 2012, the antitrust authorities in Chile and Brazil each imposed certain mitigation measures as part of their approval of LAN - TAM transaction. Furthermore, the association was also submitted to the antitrust authorities in Germany, Italy, Spain and Argentina. All these jurisdictions granted unconditional clearances for this transaction. For more information regarding these mitigation measures please see below:

On September 21, 2011, the TDLC issued a decision (the "Decision") with respect to the consultation procedure initiated on January 28, 2011, in connection with the combination between LAN and TAM. The TDLC, in the Decision, approved the proposed combination between LAN and TAM, subject to 14 conditions, as generally described below:

1. Exchange of certain slots in the Guarulhos Airport at São Paulo, Brazil;

2. Extension of the frequent flyer program to airlines operating or willing to operate the Santiago-São Paulo, Santiago-Río de Janeiro, Santiago-Montevideo and Santiago-Asunción routes during the five-year period from the effective time of the combination;

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3. Execution of interline agreements with airlines operating the Santiago-São Paulo, Santiago-Río de Janeiro and Santiago-Asunción routes;

4. Certain capacity and other transitory restrictions applicable to the Santiago-São Paulo route;

5. Certain amendments to LAN's self-regulatory fare plan approved by the TDLC with respect to LAN's domestic passenger business;

6. The obligation of LATAM to renounce to one global airline alliance within 24 months from the date in which the combination becomes effective, except in the case that the TDLC approves otherwise, or to elect not to participate in any global airline alliance;

7. Certain restrictions on code-sharing agreements outside the global airline alliance to which LATAM belongs for routes with origin or destination in Chile or that connect to North America and Europe, or with Avianca/TACA or Gol for international routes in South America, including the obligation to consult with, and obtain approval from, the TDLC prior to its execution of certain of those codeshare agreements;

8. The abandonment of four air traffic frequencies with fifth freedom rights between Chile and Peru and limitations on acquiring in excess of 75%, as applicable, of the air traffic frequencies in that route and the period that certain air traffic frequencies may be granted by the Chilean air transport authorities to LATAM;

9. Issuance of a statement by LATAM supporting the unilateral opening of the Chilean domestic skies (*cabotage*) and abstention from any actions that would prevent such opening;

10. Promotion by LATAM of the growth and normal operation of the Guarulhos (Brazil) and Arturo Merino Benítez (Chile) airports, to facilitate access thereto to other airlines;

11. Certain restrictions regarding incentives to travel agencies;

12. To maintain temporarily 12 round trip flights per week between Chile and the United States and at least seven round trip non-stop flights per week between Chile and Europe;

13. Certain transitory restrictions on increasing fares in the Santiago-São Paulo and Santiago-Río de Janeiro routes for the passenger business and for the Chile-Brazil routes for the cargo business; and

14. Engaging an independent consultant, expert in airline operations, which for 36 months, and in coordination with the FNE, will monitor and audit compliance with the conditions imposed by the Decision.

Around June 2015, the FNE initiated a legal claim against LATAM before the TDLC alleging that LATAM was not complying with certain mitigation conditions related to the code share agreements with airlines outside LATAM's global alliance as referenced above. Although LATAM opposed this allegation and responded to the claim accordingly, a settlement agreement was reached between the FNE and LATAM (the "Settlement Agreement"). The Settlement Agreement approved by the TDLC on December 22, 2015 terminated the legal proceeding initiated by the FNE and did not establish any violation of the TDLC resolutions or any applicable antitrust regulations by LATAM. The Settlement Agreement did establish the obligation of LATAM to amend/terminate certain code share agreements and contract an independent third party consultant, which would act as an advisor to the FNE to monitor the compliance by LATAM of the Seventh Condition and the Settlement Agreement.

On October 31, 2018, the TDLC approved the joint business agreements between LATAM and American Airlines, and between LATAM and IAG, subject to nine mitigation measures. On May 23, 2019 the Supreme Court of Chile revoked the TDLC decision, and both agreements were rejected. On September 26, 2019, LATAM announced that the JBA with American Airlines would be terminated and, on December 6, 2019, LATAM announced that the JBA with IAG would not be implemented.

As of October 15, 2019, LATAM Airlines Group S.A. was notified that Fiscalía Nacional Económica ("FNE") begun the investigation Rol N° 2585-19, regarding the Agreement between LATAM Airlines Group S.A. and Delta Air Lines Inc. On August 13, 2021, FNE, Delta and LATAM reached an out-of-court-agreement by which the investigation was closed.

On January 31, 2022, LATAM Airlines Group S.A. received a resolution issued by TDLC regarding a LATAM request for clarification about the Seventh Condition of the Decision. This resolution says that paragraphs VII.1 and VII.3 of the mentioned Condition apply to LATAM even if it does not belong to a global airline alliance.

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LATAM Airlines Group S.A. and Delta Air Lines successfully reached an agreement on the implementation, along with certain mitigation measures for their Joint Venture Agreement (JVA) with FNE and on October 28, 2021 received approval of the agreement from Chile's Tribunal de la Libre Competencia ("TDLC").

Brazil

The CADE approved the LAN/TAM association by unanimous decision during its hearing on December 14, 2011, subject to the following conditions: (1) the new combined group (LATAM) should leave one of the two global alliances to which it was part (Star Alliance or oneworld); and (2) the new combined group (LATAM) should offer to swap two pairs of slots in Guarulhos International Airport, to be used by an occasional third party interested in offering direct non-stop flights between São Paulo and Santiago, Chile. These impositions are in line with the mitigation measures adopted by the TDLC, in Chile.

On February 24, 2021 the CADE approved without remedies the joint venture between Delta Air Lines and LATAM Airline Group. Previously, in a separate case, the CADE approved without remedies the acquisition by Delta of up to 20% of LATAM common shares on March 18, 2020.

Uruguay

On December 14, 2020 the antitrust authority of Uruguay (*Comisión de Promoción y Defensa de la Competencia*) approved the joint venture between LATAM and Delta Air Lines. The same agreement was filed before the aeronautical authority of Uruguay (the *Dirección Nacional de Aviación Civil e Infraestructura Aeronáutica*) on September 21, 2020 and approved by default on December 20, 2020, as the timeframe provided by the Aeronautical Code Law to the authority in order to resolve on the matter expired (90 days after filing).

United States

On July 8, 2020 LATAM and Delta Air Lines filed their joint venture before the DOT applying for approval of and antitrust clearance for all the alliance agreements.

On September 30, 2022, the U.S. Department of Transportation ("DOT") approved the joint venture between Delta Air Lines and LATAM Airlines Group.

Colombia

On September 4, 2020 LATAM and Delta filed the joint venture before Aerocivil, applying for an approval of the agreement, which was finally received on May 10, 2021.

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Santiago, January 12, 2022
EDITORS AND SHAREHOLDERS BACKSTOP AGREEMENTS

In accordance with the provisions set forth in Article 9 and the second paragraph of Article 10 of the Securities Market Law, and in General Rule nº 30, duly authorized, I hereby report the following MATERIAL FACT of LATAM Airlines Group S.A. ("LATAM" or the "Company"), registration in the Securities Registry nº 306:

As previously reported, the Company and certain of its direct and indirect subsidiaries (collectively with LATAM, the "Debtors") are currently subject to a reorganization proceeding in the United States of America under Chapter 11 of Title 11 of the United States Code, before the United States Bankruptcy Court for the Southern District of New York (the "Chapter 11 Proceeding").

As part of the Chapter 11 Proceeding and potential restructuring transactions thereunder of the Debtors and/or certain of their indebtedness, the Company entered into confidentiality agreements (collectively, the "NDAs") with certain counterparties, pursuant to which the Company agreed to publicly disclose certain information, including material non-public information (the "Cleansing Materials"), upon the occurrence of certain events set forth in the NDAs. In satisfaction of its obligations under certain of such NDAs, the Company is furnishing the Cleansing Materials, as Exhibits 99.1 and 99.2 hereto.

Santiago, January 12, 2022
CREDITORS AND SHAREHOLDERS BACKSTOP AGREEMENTS

In accordance with the provisions set forth in Article 9 and the second paragraph of Article 10 of the Securities Market Law, and in General Rule nº 30, duly authorized, I hereby report the following MATERIAL FACT of LATAM Airlines Group S.A. ("LATAM" or the "Company"), registration in the Securities Registry nº 306:

1. As previously reported, in the context of the reorganization proceeding of LATAM and certain of its direct and indirect subsidiaries (collectively with LATAM, the "Debtors") in the United States of America (the "Chapter 11 Proceeding") under the rules set forth in Chapter 11 of Title 11 of the United States Code (the "Bankruptcy Code"), before the United States Bankruptcy Court for the Southern District of New York (the "Court"), on November 26, 2021 the Debtors filed before the Court a plan of reorganization and financing (the "Plan of Reorganization") which contemplates a series of transactions in order to successfully emerge from the Chapter 11 Proceeding in compliance with all applicable laws.

2. Such Plan of Reorganization contemplates the support of (i) a group of unsecured creditors of LATAM represented by Evercore (the "Backstop Creditors"); and (ii) Delta Air Lines, Inc. ("Delta"), Qatar Airways Investment (UK) Ltd. ("Qatar"), the Cueto group (i.e., Costa Verde Aeronáutica S.A. and Inversiones Costa Verde Ltda. y Cía. en Comandita Por Acciones), and the Eblen group (i.e., Andes Aérea SpA, Inversiones Pia SpA and Comercial Las Vertientes SpA). Hereinafter, Delta, Qatar and the Cueto group, the "Backstop Shareholders", and together with the Backstop Creditors, the "Backstop Parties".

3. As previously disclosed, the Plan of Reorganization, contemplates among other things:

i. The issuance of new common stock (the "New Common Stock"), representing approximately US$800 million. Such New Common Stock will be preemptively offered to all of the Company's shareholders, as required by current legislation; provided, that subject to the execution of backstop commitment agreements (the "Backstop Agreements") and definitive documentation, (y) the Backstop Shareholders have 2 agreed to backstop up to US$400 million of New Common Stock without being entitled to any payment as a result of such commitment; and (z) the Backstop Creditors have agreed to backstop the remaining US$400 million, in exchange of a payment of 20% calculated over such amount.

ii. The issuance of three classes of new convertible notes (the "New Convertible Notes") denominated "New Convertible Notes Class A", "New Convertible Notes Class B" and "New Convertible Notes Class C".

The New Convertible Notes Class B are intended to raise new money in the aggregate amount of approximately US$1,373 million. On the other hand, the New Convertible Notes Class C are for the aggregate amount of approximately US$6,816 million. To the extent such New Convertible Notes Class C are subscribed by unsecured creditors, such subscription would require (i) a new money contribution of approximately US$3,269 million; and (ii) the acceptance of such instruments, by way of settlement of their claims, for approximately US$3,547 million. All New Convertible Notes will be preemptively offered to LATAM's shareholders as required by applicable law; provided, that subject to the execution of the Backstop Agreements and definitive documentation, (y) the Backstop Shareholders have agreed to fully backstop the placement of the New Convertible Notes Class B without being entitled to any payment in exchange of such commitment; and (z) the Backstop Creditors have agreed to backstop the placement of the integrity of the New Convertible Notes Class C in exchange of a payment of 20% calculated over the aforementioned new money contribution amount of approximately US$3,269 million.

4. In furtherance of the backstop commitments described above, on the date hereof LATAM has executed, with the Backstop Parties, Backstop Agreements, which main terms are described below:

i. *Outside Date:* The Backstop Agreements contemplate September 30, 2022 as the outside date of the commitments provided by the Backstop Parties thereunder and under the Plan of Reorganization, subject certain customary extensions in this type of transactions (including, without limitation, the delay of the emergence from the Chapter 11 Proceeding due to identification of a new variant of COVID-19).

ii. *Direct Allocation:* To the extent not subscribed by the shareholders' of LATAM during the respective preemptive rights offering period, 50% of the New Convertible Notes Class C (corresponding to approximately, the amount of US$3,408 million) shall be directly allocated to the Backstop Creditors in exchange of a combination of, on the one hand, a new money contribution, and on the other hand, a settlement of their unsecured claims, in the following proportion: 52.037% in settlement of their unsecured claims; and 47.963% of a new money contribution.

iii. *Backstop Payment:* The Backstop Creditors are entitled to a payment of 20%, payable in cash, calculated over the amount of new money contribution that the Backstop Creditors have agreed to contribute to LATAM (i.e. calculated over approximately US$3,669 million). (the "Backstop Payment").

iv. *Alternative Transaction:* The Debtors shall not seek, propose or enter into any transactions that are an alternative to the restructuring transactions set forth in the Plan of Reorganization, subject to certain exceptions, such as those consistent with fiduciary duties of the board of directors of the Company.

v. *Termination Events:* The Backstop Agreements contain customary termination events mutually acceptable to the Debtors and the Backstop Parties, including termination events triggered by: (i) the occurrence of events having a material adverse effect on the Company or its operations; and (ii) shortfalls in Company liquidity or decreases in revenues.

vi. *Termination Payments:* The Backstop Agreement executed with the Backstop Creditors contemplates termination payments in case such Backstop Agreement is terminated. Such termination payments range between 10% and 50% of the Backstop Payment, depending on the event that triggered the termination of such agreement.

vii. *R&W; Conditions Precedents; and Covenants:* The Backstop Agreements contain representations and warranties, conditions precedents and covenants customary for this type of restructuring.

viii. *Registration Rights Agreement:* LATAM and the Backstop Creditors shall negotiate in good faith a registration rights agreement of the new shares to be delivered to the Backstop Creditors in connection with the Plan of Reorganization, which will allow such Backstop Parties to list shares in the United States of America in the form of ADSs.

5. Under Chapter 11 of the Bankruptcy Code, the Court shall approve these Backstop Agreements and the Backstop Payment. Accordingly, on this date the Company has filed these Backstop Agreements with the Court for their approval and confirmation.

6. The Company will keep its shareholders, creditors and the market informed on the progress of the Chapter 11 Proceeding. Further, LATAM continues to focus on ensuring that its exit strategy allows it to emerge with a robust capital structure, adequate liquidity and the ability to successfully execute its business plan in a sustainable manner over time and in compliance with all applicable laws.

Santiago, February 18, 2022
AMENDED AND RESTATED DIP CREDIT AGREEMENT

Pursuant to the provisions set forth in Article 9 and the second paragraph of Article 10 of the Securities Market Law, and in General Rule nº 30, duly authorized, I hereby report the following MATERIAL FACT of LATAM Airlines Group S.A. ("LATAM" or the "Company"), registration in the Securities Registry nº 306:

• As previously reported, the Super-Priority Debtor-In-Possession Term Loan Agreement (the "Existing DIP Credit Agreement") entered into in the context of the reorganization process of LATAM and certain of its direct and indirect subsidiaries (collectively with LATAM, the "Debtors") in the United States of America (the "Chapter 11 Proceeding") pending before the Bankruptcy Court of the Southern District of New York hearing the Chapter 11 Proceeding (the "Court"), contemplates a Tranche A facility, a Tranche B facility, and a Tranche C facility, for up to US$1.3 billion, US$750 million, and US$1.15 billion, respectively.

• As previously informed, the scheduled maturity date of the Existing DIP Credit Agreement is April 8, 2022. Considering this, and in light that the Chapter 11 Proceeding is currently ongoing and that the Debtors are not going to emerge therefrom by April 8, 2022, LATAM sought and received various financing proposals for an extension and/or refinancing of the Existing DIP Credit Agreement which have been evaluated and negotiated in a timely manner by the Company together with its advisors.

• In this regard, LATAM's Directors Committee, at a meeting held on February 16, 2022, reviewed such financing proposals and recommended the Board of Directors to approve the proposal submitted by a group of financiers comprised of (i) Oaktree Capital Management, L.P., and certain funds, accounts and entities advised by Oaktree ("OCM"); (ii) Apollo Management Holdings, L.P., and certain funds, accounts and entities advised by Apollo ("Apollo"); (iii) QA Investments Limited ("QA"); (iv) Costa Verde Aeronáutica S.A. ("Costa Verde"); (v) Lozuy S.A. ("Louzy"); and (vi) Delta Air Lines, Inc. ("Delta") (hereinafter, the "Amended and Restated DIP Financing Proposal"). At a meeting held on February 17 2022, the Board of Directors of the Company, by unanimous vote of the independent directors, resolved to approve the Amended and Restated DIP Financing Proposal, subject to the Court's approval.

• An amendment and restatement of the Existing DIP Credit Agreement (the "Amended and Restated DIP Credit Agreement") was submitted to the Court for approval on February 18, 2022. The Amended and Restated DIP Credit Agreement extends the scheduled maturity date of all tranches under the Existing DIP Credit Agreement, refinances and replaces the Tranche C facility existing under the Existing DIP Credit Agreement and includes certain reductions in fees and interest as described more fully below:

» Lenders:

» The lenders under Tranche A and Tranche B remain the same as provided for in the Existing DIP Credit Agreement.

» Tranche C lenders consist of QA, Costa Verde, Louzy, Delta, OCM and Apollo. QA, Costa Verde, Lozuy and Delta are Tranche C lenders under the Existing DIP Credit Agreement and will continue to extend their Tranche C financing commitments while OCM and Apollo will provide new financing under the Amended and Restated DIP Credit Agreement.

» Committed Amount:

» The committed amount under Tranche A and Tranche B remain unchanged, and therefore continue to be US$1.3 billion and US$750 million, for principal amount, respectively.

» In turn, the committed amount under Tranche C is increased from the existing US$1.15 billion to US$1.245 billion, for principal amount. This increase is intended to cover the costs of refinancing the Tranche C facility existing under the Existing DIP Credit Agreement.

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» Scheduled Maturity Date:

» The Tranche A facility, the Tranche B Facility and the Tranche C facility will have a scheduled maturity date of August 8, 2022, subject to the possibility that LATAM may extend such maturity date at its discretion, in one or more extensions of periods of at least 30 days each, to a date no later than October 31, 2022, provided LATAM may further extend the maturity date to a date no later than the (x) earlier of November 30, 2022 or (y) the termination of the Restructuring Support Agreement executed in furtherance of the plan of reorganization submitted by the Debtors in the context of the Chapter 11 Proceeding, in accordance with their terms in the event the World Health Organization or the U.S. Centers for Disease Control shall have designated or characterized any variant of SARS-CoV-2 (i.e., the virus that causes COVID-19) as a "variant of concern."

» All of the foregoing, unless the maturity date is accelerated in accordance with its terms, including, without limitation, in the event of an event of default under the DIP Credit Agreement (hereinafter, the "Maturity Date").

» Interests and Fees:

» Interests under Tranche A and Tranche B:

▸ Both the applicable interest rate and the interest payment dates will depend on the choice made by LATAM at the time of requesting a disbursement under the Tranche A facility and Tranche B facility, and LATAM may choose between (i) paying interest in cash at the maturity of each quarterly interest period, or (ii) capitalizing such interest on a quarterly basis to be paid in on the Maturity Date. In either case, LATAM may also choose the applicable interest rate, choosing between the Eurodollar rate or the Alternate Base Rate ("ABR").

▸ Tranche A loans whose interest is either payable in cash at the end of each interest period or whose interest is capitalized on a quarterly basis for payment on the Maturity Date will bear interest at LIBO plus 9.50% per annum for Eurodollar loans, and 8.50% per annum plus the base rate for ABR loans.

▸ The interest rate on the Tranche B loans remains unchanged from the Existing DIP Credit Agreement. Thus, in the case of Tranche B loans that are capitalized on a quarterly basis for payment on the Maturity Date, will bear interest at LIBO plus 7.5% per annum (in the case of Eurodollar loans), and at 6.5% per annum plus the base rate (in the case of ABR loans). In turn, in the case of Tranche B loans that are payable in cash at the end of each quarterly interest period will bear interest at LIBO plus 7% per annum (for Eurodollar loans), and 6% per annum plus the base rate (for ABR loans).

» Interests under Tranche C:

» Interest on Tranche C loans will be accrued at LIBOR plus 12% per annum, and will be payable on the Maturity Date, and will be calculated as if it had accrued daily and capitalized quarterly.

» Fees and Other Charges:

» An availability fee (Undrawn Commitment Fee) payable in cash equal to 0.50% on the daily unused Tranche A and Tranche B commitments per annum, which will be calculated daily, and will be payable on the last business day of each quarter until the Maturity Date.

» An availability fee (Undrawn Commitment Fee) payable in cash equal to 0.50% on the daily unused Tranche C commitments per annum, which will be payable on the Maturity Date and will be calculated as if it had accrued daily and capitalized monthly.

» An exit fee with respect to the Tranche C facility upon the repayment or prepayment in full of the Tranche C loans of 3.0% of the amount equal to the principal amount outstanding of all Tranche C loans held by certain of the Tranche C lenders (the "Tranche C Exit Fee").

» A maturity date fee due on the maturity of the Tranche C facility, of 5.5% of the amount equal to the sum of (x) the principal amount outstanding of all Tranche C loans held by the Tranche C lenders receiving the Tranche C Exit Fee and (y) the Tranche C Exit Fee.

» An amendment fee earned at closing but due upon the voluntary prepayment or upon the repayment of the Tranche A facility on the Maturity Date, payable in cash in an aggregate amount equal to 3.00% of the Tranche A commitments in effect on the closing date of the Amended and Restated DIP Credit Agreement.

» An amendment fee earned at closing but due upon the voluntary prepayment or upon the repayment of the Tranche B facility on the Maturity Date, payable in cash in an aggregate amount equal to 3.00% of the Tranche B commitments in effect on the closing date of the Amended and Restated DIP Credit Agreement.

»Collateral and Preferences: The refinanced Tranche C facility will continue to be secured by the same assets that currently secure and the existing Tranche C facility under the Existing DIP Credit Agreement.

LATAM is awaiting the Court's decision in response to the Amended and Restated DIP Financing Proposal.

Santiago, February 23, 2022
REGISTRATION OF ADDITIONAL ADRs

In accordance with the provisions set forth in Article 9 and the second paragraph of Article 10 of the Securities Market Law, and in General Rule nº 30, duly authorized, I hereby report the following MATERIAL FACT of LATAM Airlines Group S.A. ("LATAM" or the "Company"), registration in the Securities Registry nº 306:

As previously reported, the Company and certain of its direct and indirect subsidiaries are currently subject to a reorganization proceeding in the United States of America under Chapter 11 of Title 11 of the United States Code, before the United States Bankruptcy Court for the Southern District of New York (the "Chapter 11 Proceeding"). Although the Company's ADRs (American Depositary Receipt), were delisted from the New York Stock Exchange (NYSE), they continue trading on the OTC market (over-the-counter) in the United States.

Given that the last registration of LATAM ADRs with the Securities and Exchange Commission ("SEC") was solicited and approved in 2011 for 200 million ADRs, and to date, the majority of said ADRs have already been issued, the Company's management considers it appropriate to present a request to register 200 million additional ADRs with the SEC, intending for them to be available for issuance in the market.

It should be noted that with this increased availability of ADRs, the Company is not issuing new shares nor increasing capital, but rather allowing investors in the United States to access the ADRs, which have as an underlying security LATAM's previously issued common stock.

Santiago, March 7, 2022
AMENDED AND RESTATED DIP CREDIT AGREEMENT

Pursuant to the provisions set forth in Article 9 and the second paragraph of Article 10 of the Securities Market Law, and in General Rule nº 30, duly authorized, I hereby report the following MATERIAL FACT of LATAM Airlines Group S.A. ("LATAM" or the "Company"), registration in the Securities Registry nº 306:

•Reference is made to the material fact dated February 18, 2022, regarding that certain proposal for an amendment and restatement of the Super-Priority Debtor-InPossession Term Loan Agreement (such agreement, the "Existing DIP Credit Agreement", and the proposal for the amendment and restatement thereof, the "Proposed Amended and Restated DIP Credit Agreement") filed for the approval of the Bankruptcy Court of the Southern District of New York (the "Court") on February 17, 2022.

•LATAM and certain of its direct and indirect subsidiaries (collectively, the "Debtors") have agreed to certain additional modifications (the "Additional Amendments") to the Proposed Amended and Restated DIP Credit Agreement with the prospective lenders thereunder.

•LATAM's Directors Committee, at a meeting held on March 6, 2022, reviewed such Additional Amendments and recommended

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the Board of Directors to approve them. At a meeting held on March 6, 2022, the Board of Directors of the Company, by unanimous vote of the independent directors, resolved to approve the Additional Amendments, subject to the Court's approval. Accordingly, a revised draft of the Proposed Amended and Restated DIP Credit Agreement (including the Additional Amendments) was submitted to the Court for its approval on March 7, 2022.

• The terms of the Proposed Amended and Restated DIP Credit Agreement (as further modified by the Additional Amendments) maintain, in essence, the structure of the Proposed Amended and Restated DIP Credit Agreement filed before the Court on February 17, 2022. The main changes relate to the following:

» Interest and Fees:

» Interest:

▸ The interest rate on Tranche A loans whose interest is payable in cash at the end of each interest period is increased from LIBO plus 9.50% per annum to LIBO plus 9.75% per annum for eurodollar loans and from the base rate plus 8.50% to the base rate plus 8.75% for borrowings made with reference to the alternate base rate.

▸ The interest rate on Tranche A loans whose interest is capitalized on a quarterly basis for payment on the maturity date is increased from LIBO plus 9.50% per annum to LIBO plus 11.00% per annum for eurodollar loans and from the base rate plus 8.50% to the base rate plus 10.00% for borrowings made with reference to the alternate base rate.

▸ The interest rate on Tranche C loans is increased from LIBO plus 12% per annum to LIBO plus 15% per annum.

» Fees

» The Debtors shall pay an additional fee equal to 1.00% of the drawn and undrawn commitments of each (i) Tranche A Lender, (ii) Tranche B Lender, and (iii) each Tranche C Lender that, according to the Proposed Amended and Restated DIP Credit Agreement, qualifies as an Apollo or Oaktree lender (the "Back-end Fees"), which Back-End Fees shall be earned in full on the closing date of the Proposed Amended and Restated DIP Credit Agreement.

» Additional Terms:

» It shall be a condition to funding that the Court have entered into the disclosure statement order and the backstop approval order.

LATAM is awaiting the Court's decision in response to the Proposed Amended and Restated DIP Credit Agreement.

Santiago, March 8, 2022
MONTHLY OPERATING REPORT- JANUARY

In accordance with the provisions of articles 9 and 10 of Law nº 18,045 of the Securities Market Law, and in the General Rule nº 30, duly authorized by the Board as of today, I inform you the following as a material fact of LATAM Airlines Group S.A. ("LATAM Airlines" or the "Company"):

• LATAM has to prepare and deliver a Monthly Operating Report ("MOR"), as part of the reporting obligations it has to comply with as part of the Chapter 11 Proceedings.

• Considering the above mentioned, we hereby make available for your Commission and for the market the MOR corresponding to the month of December 2021 and the MOR corresponding to the month of January 2022, dated as of today.

• This MOR does not replace in any way the financial information that the Company provides regularly according the securities law or the applicable regulation and has been prepared for the sole purpose to comply with the obligations of the Chapter 11 Proceedings.

Santiago, March 8, 2022
DIP CREDIT AGREEMENT DISBURSEMENT

In accordance with the provisions of articles 9 and 10 of Law nº 18,045 on the Securities Market, and as established in the Commissions' General Rule nº 30, duly authorized, I inform you as a material fact of LATAM Airlines Group S.A. ("LATAM Airlines" or the "Company"), registration in the Securities Registry nº 306, the following:

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• As previously reported, LATAM and certain entities of its business group, which are part of the reorganization process of LATAM in the United States ("Chapter 11 Proceedings"), executed a contract titled Super-Priority Debtor-In-Possession Term Loan Agreement (the "DIP Credit Agreement") for an amount of up to US$3.2 billion, structured in different tranches, denominated Tranche A (up to US$1,300 million); Tranche B (up to US$750 million); and Tranche C (up to US$1,150 million).

•As reported via Material Fact, on October 8, 2020, June 9, 2021, November 10, 2021, and December 23, 2021, LATAM informed that the first, second, third and fourth draws under the DIP Credit Agreement took place for an amount of US$1,150 million, US$500 million, US$200 million and US$100 million, respectively.

•Given the extension of the health and travel restrictions imposed by the authorities, as well as the analysis of the liquidity projection, as of today's date, it is reported that a new disbursement has been requested under the DIP Credit Agreement in the amount of US$300 million. This disbursement would be made in US$38,552,295.92 by the Tranche A financiers, in US$227,343,750.00 by the Tranche B financiers, and in US$34,103,954.08 by the Tranche C financiers, in accordance with the provisions of the DIP Credit Agreement.

Santiago, March 14, 2022
NEW AMENDED AND RESTATED DIP CREDIT AGREEMENT

Pursuant to the provisions set forth in Article 9 and the second paragraph of Article 10 of the Securities Market Law, and in General Rule nº 30, duly authorized, I hereby report the following MATERIAL FACT of LATAM Airlines Group S.A. ("LATAM" or the "Company"), registration in the Securities Registry nº 306:

•Reference is made to the material facts dated February 18, 2022 and March 7, 2022, regarding that certain proposal (the "Initial Amended and Restated DIP Proposal") for an amendment and restatement of the Super-Priority Debtor-In-Possession Term Loan Agreement (such agreement, the "Existing DIP Credit Agreement") entered into in the context of the reorganization process of LATAM and certain of its direct and indirect subsidiaries (collectively with LATAM, the "Debtors") in the United States of America (the "Chapter 11 Proceeding") pending before the Bankruptcy Court of the Southern District of New York hearing the Chapter 11 Proceeding (the "Court"). As previously disclosed, the Initial Amended and Restated DIP Proposal was initially filed for the approval of the Court on February 17, 2022, and thereafter on March 7, 2022.

•Notwithstanding the foregoing, the Debtors have continued to engage in a marketing process for an amendment and restatement of the Existing DIP Credit Agreement with the expectation of obtaining better terms and conditions than those included in the Initial Amended and Restated DIP Proposal. On this regard, the Debtors have agreed to an alternative proposal provided by a different group of prospective lenders (such proposal, the "New Amended and Restated DIP Financing Proposal"). The New Amended and Restated DIP Financing Proposal has been evaluated and negotiated in a timely manner by the Company together with its advisors.

•On this regard, LATAM's Directors Committee, at a meeting held on March 14, 2022, reviewed the New Amended and Restated DIP Financing Proposal and recommended the Board of Directors to approve such proposal. At a meeting held on March 14, 2022, the Board of Directors of the Company, by unanimous vote of the independent directors, resolved to approve the New Amended and Restated DIP Financing Proposal, subject to the Court's approval.

•A new amendment and restatement text of the Existing DIP Credit Agreement (the "New Amended and Restated DIP Credit Agreement") was submitted to the Court for approval on March 14, 2022. The New Amended and Restated DIP Credit Agreement (i) refinances and replaces in its entirety Tranche A, Tranche B and Tranche C facilities existing under the Existing DIP Credit Agreement; (ii) contemplates a maturity date according with the timing that the Debtors are envisioning to emerge from the Chapter 11 Proceeding; and (iii) includes certain reductions in fees and interest as compared to the Existing DIP Credit Agreement and the Initial Amended and Restated DIP Financing Proposal as more thoroughly described below:

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» Lenders:

» Tranche A lenders consist of JPMorgan Chase Bank, N.A. and its affiliates ("JPM") and certain entities and funds belonging to a syndicate arranged by JPM.

» Tranche C lenders consist of certain parties to that certain Restructuring Support Agreement dated as of November 26, 2021 (the "Restructuring Support Agreement") executed in furtherance of the plan of reorganization submitted by the Debtors in the Chapter 11 Proceeding (the "Plan of Reorganization").

» Tranches and Committed Amount; Funding:

» The New Amended and Restated DIP Financing Proposal contemplates a new Tranche A facility and a new Tranche C facility for up to US$2,050,000,000 and US$1,650,000,000, respectively.

» The New Amended and Restated DIP Financing Proposal contemplates an initial disbursement of US$2,750,000,000, which shall occur on the closing date of the New Amended and Restated DIP Credit Agreement.

» Scheduled Maturity Date:

» The New Amended and Restated DIP Financing Proposal contemplates a scheduled maturity date of August 8, 2022, subject to 3 the possibility that LATAM may extend such maturity date at its discretion, in one or more extensions of periods of at least 30 days each, to a date no later than October 14, 2022, provided LATAM may further extend the maturity date to a date no later than the (x) earlier of November 30, 2022 or (y) the termination of the Restructuring Support Agreement, in accordance with its terms in the event the World Health Organization or the U.S. Centers for Disease Control shall have designated or characterized any variant of SARS-CoV-2 (i.e., the virus that causes COVID-19) as a "variant of concern." Hereinafter, the scheduled maturity date, as may be extended as provided herein, the "Maturity Date".

» Any extension beyond October 14, 2022 will be possible to the extent (i) no default or event of default shall have occurred and be continuing and (ii) the outside date under the backstop commitment agreements executed shall have been extended to a date even with, or subsequent to, the Maturity Date (after giving effect to such extension request).

» All of the foregoing, unless the Maturity Date is accelerated in accordance with its terms, including, without limitation, in the event of an event of default under the New Amended and Restated DIP Credit Agreement.

» Interest and Fees:

» Interests under the Tranche A and Tranche C:

▸ Both the applicable interest rate and the interest payment dates will depend on the choice made by LATAM at the time of requesting a disbursement under the Tranche A facility and Tranche C facility, and LATAM may choose between (i) paying interest in cash at the maturity of each quarterly interest period, or (ii) capitalizing such interest on a quarterly basis to be paid in on the Maturity Date. In either case, LATAM may also choose the applicable interest rate, choosing between the SOFR or the Alternate Base Rate ("ABR").

▸ Tranche A loans whose interest is either payable in cash at the end of each interest period or whose interest is capitalized on a quarterly basis for payment on the Maturity Date will bear interest at SOFR plus 7.50% per annum (for loans denominated at the SOFR), and 6.50% per annum plus the base rate (for loans denominated at the ABR).

▸ Tranche C loans whose interest is payable in cash at the end of each interest period will bear interest at SOFR plus 13% per annum (for loans denominated at the SOFR), and 12% per annum plus the base rate (for loans denominated at the ABR). Tranche C loans whose interest is capitalized on a quarterly basis for payment on the Maturity Date will bear interest at SOFR plus 13.50% per annum (for loans denominated at the SOFR), and 12.50% per annum plus the base rate (for loans denominated at the ABR).

» Fees

» An availability fee (Undrawn Commitment Fee), payable in cash, equal to 1.00% on the daily unused Tranche C commitments per annum, which will be calculated daily, and payable in arrears on the last business day of each calendar quarter of each year until the Maturity Date.

» An exit fee, payable in cash, with respect to the Tranche A facility upon a total or partial repayment or prepayment of the Tranche A loans of 0.5% of the amount being paid or prepaid (including interests and fees).

» An exit fee, payable in cash, with respect to the Tranche C facility upon a repayment or prepayment in full of the Tranche C loans of 0.75% calculated over the drawn and undrawn tranche C commitments in effect as of the closing date of the New Amended and Restated DIP Credit Agreement.

» A closing fee, payable in cash, with respect to the Tranche A facility in the amount of 0.50% of the principal amount of Tranche A loans funded on the closing date of the New Amended and Restated DIP Credit Agreement.

» A closing fee, with respect to the Tranche C facility in the amount of 0.75% of the Tranche C commitments. This closing fee will be payable in kind and will be added to the aggregate principal amount of the Tranche C loans on the closing date of the New Amended and Restated DIP Credit Agreement.

» The prepayment of the Tranche C loans is subject to the payment of a make-whole amount under certain circumstances, consisting of an additional interest of SOFR, plus 13.5% calculated over the Tranche C loans being prepaid. 5 This additional interest will accrue between the date of such payment, repayment or prepayment until the earlier of: (a) the later of (i) October 14, 2022 and (ii) the scheduled maturity date of the New Amended and Restated DIP Credit Agreement and (b) the consummation date of any Chapter 11 plan or reorganization confirmed by the Court.

» In addition, LATAM shall pay to the administrative agent, the Tranche A DIP Lenders, the collateral agent and the local collateral agents the fees set forth in those certain fee letters between LATAM and the parties thereto, as described in the filling made with the Court.

» Additional Terms:

» Removes the condition to funding included in the Initial Amended and Restated DIP Proposal, which required that the Court have entered into the disclosure statement order and the backstop approval order.

» Also, removes the milestone related with the confirmation of the Chapter 11 Plan of Reorganization.

LATAM is awaiting the Court's decision in response to the New Amended and Restated DIP Financing Proposal.

Santiago, March 15, 2022
BACKSTOP AGREEMENTS AND THE NEW AMENDED AND RESTATED DIP CREDIT AGREEMENT APPROVAL

Pursuant to the provisions set forth in Article 9 and the second paragraph of Article 10 of the Securities Market Law, and in General Rule nº 30, duly authorized, I hereby report the following MATERIAL FACT of LATAM Airlines Group S.A. ("LATAM" or the "Company"), registration in the Securities Registry nº 306:

1. As informed by Material Fact dated January 12, 2022, on such date, LATAM entered with (i) a group of LATAM's unsecured creditors represented by Evercore; (ii) Delta Air Lines, Inc, Qatar Airways Investment (UK) Ltd., the Cueto group; and (iii) with the Eblen group, into backstop commitment agreements (the "Backstop Agreements") in support to the plan of reorganization and financing proposed by LATAM and certain of its direct and indirect subsidiaries (collectively with LATAM, the "Debtors") in their reorganization proceeding in the United States of America (the "Chapter 11 Proceeding") under the rules set forth in Chapter 11 (the "Chapter 11") of Title 11 of the United States Code.

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As informed in said Material Fact, pursuant to the provisions of Chapter 11, the court hearing the Chapter 11 Proceeding (the "Court") had to approve these Backstop Agreements, and to such effect, the same were filed with the Court for approval and confirmation also on January 12, 2022.

2. As informed by a Material Fact dated March 14, 2022, on such date LATAM filed for approval of the Court a proposal (the "New Amended and Restated DIP Financing Proposal") for an amended and restated text of the Super-Priority Debtor-InPossession Term Loan Agreement entered into in the context of the Chapter 11 Proceeding (the "Existing DIP Credit Agreement").

3. On this date, the Court resolved to approve the Backstop Agreements and the New Amended and Restated DIP Financing Proposal, whose main terms and conditions were described in the Material Facts referred to in the preceding paragraphs.

4. Pursuant to the approval of the New Amended and Restated DIP Financing Proposal, on April 8, 2022, an amended and restated text of the Existing DIP Credit Agreement will be executed which will replace and refinance in full the Existing DIP Credit Agreement.

5. It is worth mentioning that the Tranche C lenders of the New Amended and Restated DIP Financing Proposal have agreed to allow LATAM's group of shareholders comprised of the Cueto Group, Qatar and Delta, which are lenders under Tranche C of the Existing DIP Credit Agreement, to participate in Tranche C of the New Amended and Restated DIP Financing Proposal. In this regard, the LATAM's Directors Committee, at a meeting held on March 15, 2022, reviewed this development and recommended its approval to the Board of Directors. The Board of Directors of the Company, at a meeting held on the same date, unanimously agreed to approve the participation of such shareholders in Tranche C of the New Amended and Restated DIP Financing Proposal. Consequently, the lenders under Tranche C of the New Amended and Restated DIP Financing Proposal would be such shareholders, plus the Tranche C lenders that committed to the New Amended and Restated DIP Financing Proposal filed with the Court on March 14, 2022.

Santiago, March 29, 2022
SHAREHOLDERS MEETING NOTICE

In accordance with the provisions of articles 9 and 10 of Law nº 18,045 of the Securities Market Law, and in the General Rule nº 30, duly authorized by the Board as of today, I inform the Financial Market Commission of the following as a material fact of LATAM Airlines Group S.A. ("LATAM Airlines" or the "Company"):

The Company's Board of Directors met on March 29, 2022, and agreed to schedule the Company's Annual Shareholders' Meeting (the "Meeting") for April 20, 2022, at 11:00 am, in Rosario Norte 615, Las Condes, Santiago, which will be carried out remotely, exclusively in digital format as detailed below, with the objective of reviewing and deciding upon the following resolutions:

1. Annual Report, Balance Sheet and Financial Statements for the year 2021; situation of the Company; and respective External Audit Firm's report

2. Board Compensation for the 2022 Fiscal Year

3. Compensation and budget of the Audit Committee for the 2022 Fiscal Year

4. Appointment of the External Auditing Firm

5. Appointment of the Risk Rating Agencies

6. Determination of the newspaper for publications to be made by the Company

7. Account of transactions with related parties

8. Other matters of corporate interest within the purview of the General Shareholder´s Meeting

Those shareholders inscribed in the Shareholder Registry as of midnight on the fifth business day prior to the Meeting, midnight of April 12, 2022, will have the right to participate in the Meeting and to exercise their right to speech and vote.

The Annual Shareholders' Meeting will be remote, carried out exclusively in digital format, implementing the use of technology as the only mechanism for participating in and voting at the Meeting, in order to avoid exposure to COVID-19 for those in attendance. Any shareholder, or their representative, interested in participating, should pre-register by 3pm the day before the Meeting at https://autenticacion.dcv.cl/ or send an email to registrojuntas@dcv.cl expressing interest in participating in the Shareholders' Meeting, attaching a scanned copy of their identity card on both sides, the power of attorney form (if necessary), and the participation form. The rest of the required documentation and detailed information on how to register, participate and vote in the remote Annual Shareholders' Meeting, along with other relevant information will be published on the Company's website, www.latamairlinesgroup.net.

The official invitation notices will be published in La Tercera, a Santiago newspaper, on April 8, 13 and 15, 2022.

Shareholders can obtain a copy of the resolutions and agenda items to be decided upon in the Annual Shareholders' Meeting at the Company's website, www.latamairlinesgroup.net, as of April 8, 2022. Furthermore, all shareholders who wish to obtain a copy of the aforementioned documents can contact the Company's Investor Relations department via email at InvestorRelations@latam.com or via telephone at +56225658785 as of April 8, 2022, in order to do so. Information related to the designation of the external auditing firm for the fiscal year 2022 to be proposed at the Annual Shareholders' Meeting will also be available alongside these documents.

Santiago, March 29, 2022
MONTHLY OPERATING REPORT-FEBRUARY

• As part of the reporting obligations it has to comply with as part of the Chapter 11 Proceedings, LATAM has to prepare and deliver a Monthly Operating Report ("MOR") corresponding to the month of February 2022.

Santiago, April 8, 2022
AMENDED AND RESTATED DIP CREDIT AGREEMENT DISBURSEMENT

Pursuant to the provisions of Article 9 and the second paragraph of Article 10 of the Securities Market Law, and General Rule nº 30, duly authorized, I hereby report the following material fact of LATAM Airlines Group S.A. ("LATAM"), Securities Registration nº 306:

• As previously reported, on March 15, 2022, the bankruptcy court of the Southern District of New York hearing the reorganization proceeding in the United States of America (the "Chapter 11 Proceeding") of LATAM and certain of its direct and indirect subsidiaries that are parties thereto, resolved to approve a proposed amended and restated text (the "Amended and Restated DIP Credit Agreement") of the financing agreement entered into in the context of the Chapter 11 Proceeding, denominated Super-Priority Debtor-In-Possession Term Loan Agreement, which was in effect until the date hereof (the "Existing DIP Credit Agreement"). The main terms and conditions of the Amended and Restated DIP Credit Agreement were described in the Material Facts dated March 14 and 15, 2022.

• On this date, the Amended and Restated DIP Credit Agreement for a total amount of US$ 3,700 million was executed, and the initial disbursement there under took place, in the amount of US$2,750 million. Such Amended and Restated DIP Credit Agreement amends and restates the Existing DIP Credit Agreement, and repays the outstanding obligations thereunder.

Santiago, May 10, 2022
MONTHLY OPERATING REPORT-MARCH

As part of the reporting obligations it has to comply with as part of the Chapter 11 Proceedings, LATAM has to prepare and deliver a Monthly Operating Report ("MOR") corresponding to the month of March 2022.

Santiago, May 11, 2022
BANCO ESTADO AND UNSECURED CREDITORS COMMITTEE AGREEMENTS

Pursuant to the provisions set forth in Article 9 and the second paragraph of Article 10 of the Securities Market Law, and in General Rule nº 30, duly authorized, I hereby report the following MATERIAL FACT of LATAM Airlines Group S.A. ("LATAM" or the "Company"), registration in the Securities Registry nº 306:

1. As a result of the mediation process currently outgoing in the context of the plan of reorganization and financing (the "Plan of Reorganization" or the "Plan")

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proposed by LATAM and certain of its direct and indirect subsidiaries (collectively with LATAM, the "Debtors") in their reorganization proceeding in the United States of America (the "Chapter 11 Proceeding") before the Bankruptcy Court of the Southern District of New York (the "Bankruptcy Court") under the rules set forth in Chapter 11 of Title 11 of the United States Code, (i) the Debtors; (ii) the group of LATAM's unsecured creditors represented by Evercore (the "Commitment Creditors"), Delta Air Lines, Inc, Qatar Airways Investment (UK) Ltd., the Cueto group (collectively, the "Backstop Shareholders", and jointly with the Commitment Creditors, the "Backstop Parties"); (iii) the Eblen group; (iv) Banco del Estado de Chile ("Banco Estado") as trustee for the Chilean notes issued by LATAM; (v) certain holders of such Chilean bonds (the "Supporting Chilean Bondholders"); and (vi) the Unsecured Creditors' Committee (the "UCC") of the Chapter 11 Proceeding, reached a settlement resolving (y) the objections to the Plan and challenges to existing orders of the Bankruptcy Court, filed by Banco Estado; and (z) objections to the Plan and other bankruptcy related actions, filed by the UCC.

2. This settlement further paves the path towards the Plan's confirmation hearing scheduled for May 17 and May 18, and adds support to the Company's consensual Plan further paving the path for a successful emergence. At the same time, it allows the holders of Chilean notes to increase their recovery under the Plan and to provide financing commitments under the backstop commitment agreements entered into by the Debtors and the Commitment Creditors (the "Commitment Creditors Backstop Agreement") in support of the Plan of Reorganization.

3. The key terms of this settlement are the following:

a. The treatment afforded to general unsecured creditors under class 5 of the Plan is amended. Under the original Plan, general unsecured creditors in this class could opt between participating in the New Convertible Notes Class A or the New Convertible Notes Class C depending on whether or not they elected to contribute new funds. General Unsecured Creditors that opted for New Convertible Notes Class A would receive such notes in settlement of their allowed unsecured claims, and those that chose the New Convertible Notes Class C would receive such notes in exchange of a combination of a settlement of their allowed general unsecured claims, and a new money contribution at a ratio of approximately US$0.921692 of new money for each US$1 of claims. Under the settlement, such ratio is amended to approximately US$0.899774 of new money for each US$1 of claims.

b. According to the settlement, general unsecured creditors in class 5 that elect to receive New Convertible Notes Class A or New Convertible Notes Class C will now also be entitled to receive a one-time cash distribution (the "Additional Cash Distribution") equal to (1) approximately US$212 million; or (2) to the extent the EBITDAR of the business plan of the Company for the period between January 1, 2022 and the date that is 15 days prior to the exit from the Chapter 11 Proceeding, is surpassed by more than US$100 million by the actual EBITDAR of LATAM for the same period, approximately (y) US$250 million plus, (z) 75% of excess over US$250 million of difference between the actual EBITDAR of LATAM over the EBITDAR under the business plan of the Company, if applicable. The Additional Cash Distribution shall be reduced by certain fees payable to the Backstop Parties under their respective backstop commitment agreements (including the Extension Payment, as defined herein), and by settlements payable in cash by the Company with the support of the Commitment Creditors within the context of the Chapter 11 Proceeding.

c. The Additional Cash Distribution will be distributed between the general unsecured creditors that opt to receive New Convertible Notes Class A and New Convertible Notes Class C; provided, however, that general unsecured creditors that participate exclusively in the New Convertible Notes Class A will be entitled to receive a cash payment equal to no less than 4.875% of the value of their claims, and those that participate both in the New Convertible Notes Class A and the New Convertible Notes Class C and are not Commitment Creditors, will be entitled to receive half of that payment for the proportion of their claims that participate in the New Convertible Notes Class A. To the extent the Additional Cash

Distribution determined as provided in the preceding paragraph is lower than such amount, any shortfall shall be covered by the Commitment Creditors (i) from Additional Cash Distributions received in connection with their participation in the New Convertible Notes Class C; and, if necessary (ii) from the fees paid to them under the Commitment Creditors Backstop Agreement.

d. The Plan now contemplates the issuance of new Chilean notes denominated in Unidades de Fomento, in an amount equivalent up to US$180 million, which will be provided in settlement of claims of general unsecured creditors in class 5 that elect to receive such notes in lieu of the New Convertible Notes Class A and New Convertible Notes Class C and the aforementioned Additional Cash Distribution; 3 provided, however, that the Backstop Parties will not be allowed to elect to receive such notes. These new Chilean notes will accrue a 2% interest per annum, and will mature on December 31, 2042.

e. The Supporting Chilean Bondholders, representing in the aggregate approximately US$135 million, joined the Restructuring Support Agreement (the "RSA") executed in furtherance of the Plan, and agreed to provide backstop commitments under the Commitment Creditors Backstop Agreement for up to approximately US$86 million. Accordingly, they have agreed to backstop the subscription of a portion of the new common stock and the New Convertible Notes Class C to be issued under the Plan, up to the aforementioned amount of US$86 million, in exchange of a 20% payment calculated over such amount.

f. Subject to the satisfaction of certain conditions, the Backstop Parties have granted to LATAM the option to extend the outside date under their respective backstop commitment agreements from October 30, 2022 until November 30, 2022 in exchange of a 1.34846% payment calculated over their respective backstopped amounts (the "Extension Payment"), payable soley to the extent the Company exercises this option. Notwithstanding the foregoing, currently the Company is not contemplating to exercise this option and is expecting to successfully close its restructuring by the end of October of the current year.

g. Banco Estado and the UCC will withdraw all pending objections to the Plan and withdraw all challenges to existing orders of the Bankruptcy Court. The UCC will also discontinue pursuing other bankruptcy related actions in the Chapter 11 Proceeding. Also, Banco Estado, the Supporting Chilean Bondholders and the UCC agreed to support the confirmation and implementation of the Plan.

4. In order to implement the agreements reached as part of the settlement, several amendments have been introduced to the Plan, the RSA, the backstop commitment agreements entered into with the Backstop Parties, and have been submitted to the Bankruptcy Court. Further, Banco Estado, and the Supporting Chilean Bondholders have executed joinders to the RSA and the Commitment Creditors Backstop Agreement.

The Company will keep its shareholders, creditors and the market informed on the progress of the Chapter 11 Proceeding.

Santiago, June 11, 2022
EXIT FINANCING COMMITMENT

Pursuant to the provisions set forth in Article 9 and the second paragraph of Article 10 of the Securities Market Law, and in General Rule nº 30, duly authorized, I hereby report the following MATERIAL FACT of LATAM Airlines Group S.A. ("LATAM" or the "Company"), registration in the Securities Registry nº 306:

1. As previously reported, the plan of reorganization and financing (the "Plan of Reorganization" or the "Plan") proposed by LATAM and certain of its direct and indirect subsidiaries (collectively with LATAM, the "Debtors") in their reorganization proceeding in the United States of America (the "Chapter 11 Proceeding") before the Bankruptcy Court of the Southern District of New York (the "Bankruptcy Court") under the rules set forth in Chapter 11 of Title 11 of the United States Code (the "U.S. Bankruptcy Code"), contemplates among other things, the incurrence of new debt for approximately US$2,250 million and a new revolving credit facility for approximately US$500 million (collectively, the "Exit Financing").

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2. After conducting competitive process in the market in order to obtain the best financial conditions available for the Exit Financing, on June 10, 2022 the Debtors have entered into debt commitment letters (the "Exit Financing Commitment Letters") that contain a proposal for the provision of Exit Financing (the "Exit Financing Proposal"), with JPMorgan Chase Bank, N.A. ("JPM"), Goldman Sachs Lending Partners LLC ("GS"), Barclays Bank PLC ("Barclays"), BNP Paribas, BNP Paribas Securities Corp. (collectively, "BNP") and Natixis, New York Branch ("Natixis", and collectively with JPM, GS, Barclays, and BNP and their affiliates parties thereto, the "Exit Financing Lenders"). Pursuant to the Exit Commitment Letters, such financiers have agreed to grant the Exit Financing to the Debtors.

3. According to the rules set forth in Chapter 11 of the U.S. Bankruptcy Court, the Exit Financing Proposal is subject to the approval by the Bankruptcy Court.

4. The Exit Financing Proposal has been structured as a combination of (i) a US$500,000,000 Exit Revolving Facility (the "Revolving Facility Proposal"); (ii) a US$750,000,000 Exit Term Loan B Facility (the "Term Loan B Facility Proposal"); (iii) a U$750,000,000 Exit Bridge to 5Y Notes Facility (the "Bridge to 5Y Notes Facility Proposal"); and (iv) a US$750,00,000 Exit Bridge to 7Y Notes Facility (the "Bridge to 7Y Notes Facility Proposal", and collectively with the Revolving Facility Proposal, the Term Loan B Facility Proposal and the Bridge to 5Y Notes Facility Proposal, the "Exit Facilities"); provided, however, that the principal amounts of each Exit Facility (other than the Revolving Facility Proposal) may be increased so long as any such increase is offset by a corresponding decrease in other Exit Facilities.

5. The Exit Financing Proposal also contemplates up to US$1,172,882,484 in financing to be provided in the form of a junior debtor-in-possession facility (the "Junior DIP Financing") during the pendency of the Chapter 11 Proceeding (prior to the emergence thereto). In connection with the foregoing, after conducting competitive process in the market in order to obtain the best financial conditions available for the Junior DIP Financing, on June 10, 2022 the Debtors have entered into a debt commitment letter that contain a proposal for the provision of Junior DIP Financing (the "Junior DIP Commitment Letter", and together with the Exit Financing Commitment Letters, the "Commitment Letters"), with Delta Air Lines, Inc., Lozuy S.A., Costa Verde Aeronáutica S.A., QA Investments Limited, and the members of the ad hoc group of LATAM Parent claimholders represented by Evercore (collectively, the "Junior DIP Financing Lenders"). According to the rules set forth in Chapter 11 of the U.S. Bankruptcy Court, the Junior DIP Financing proposal is subject to the approval by the Bankruptcy Court.

6. The Exit Facilities have been structured as debtor-in possession facilities that will close during the pendency of the Chapter 11 Proceeding. Notwithstanding the foregoing, and unlike the existing amended and restated DIP financing (the "Existing DIP Financing"), the Exit Facilities have been structured to remain in place after the emergence of the Debtors from the Chapter 11 Proceeding, subject to the satisfaction of certain conditions which are customary in this type of transactions. Therefore, to the extent such conditions are met, at emergence (the "Conversion Date") the Exit Facilities will be automatically converted into a financing that will remain in effect after emergence. The foregoing does not apply with respect to the Junior DIP Financing which shall be fully repaid prior to emergence from the Chapter 11 Proceeding.

7. Upon the closing of the Exit Facilities and the Junior DIP Financing, the Existing DIP Financing will be fully repaid with the proceeds obtained therefrom.

8. Below is a description of certain key terms and conditions of the Exit Facilities and the Junior DIP Financing as contemplated in the Commitment Letters; provided, that the actual terms and conditions thereof will be determined based on market conditions available at the time of contracting which may potentially differ materially from the terms and conditions set forth below, subject in all cases, to certain limits set forth in the Commitment Letters:

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a. Revolving Facility Proposal:

i. *Lenders:* Exit Financing Lenders.

ii. *Principal Amount:* US$500,000,000.

iii. *Scheduled Maturity Date:* The earlier of: (i) December 31, 2026; ii) four and a half years after closing; iii) four years after the Conversion Date. The Revolving Facility Proposal includes a mechanic to allow individual lenders thereunder to extend their financing commitments or loans, provided that any offer to extend the maturity date shall be offered to all lenders ratably.

iv. *Interest:* At LATAM's election, either: (i) the alternate base rate ("ABR") plus an applicable margin of 3.00%; or (ii) Adjusted Term SOFR rate plus an applicable margin of 4.00%. Notwithstanding the foregoing, the Revolving Facility Proposal contemplates that a portion of such facility of at least US$50,000,000 shall be available in the form of swingline loans (i.e., loans that can be requested on a shorter notice). With respect to such swingline loans, interest shall in all cases accrue based upon the ABR.

v. *Security Interests and Preference:*

1. In essence to be secured with the same guaranties and collateral that secure the Existing DIP Financing, with certain variations.

2. Prior to the Conversion Date, will have a super-priority administrative claim as provided in the U.S. Bankruptcy Code.

b. Term Loan B Facility Proposal:

i. *Lenders:* Exit Financing Lenders.

ii. *Principal Amount:* US$750,000,000.

iii. *Scheduled Maturity Date:* Five years from the closing date; provided, however, that if the Conversion Date does not occur on or prior to December 1, 2023, the maturity date shall be December 1, 2023.

iv. *Interest:* At LATAM's election, either: (i) ABR plus an applicable margin to be determined at time of allocation thereof; or (ii) Adjusted Term SOFR rate plus an applicable margin to be determined at time of allocation thereof.

v. *Applicable Margin, OID and Upfront Fees:* The applicable margin and original issue discount or upfront fees for the Term Loan B Facility are expected to be determined based on market conditions available at the time of the allocation thereof subject to certain limits set forth in the Exit Financing Commitment Letters relating to the Term Loan B Facility Proposal.

vi. *Security Interests and Preference:* Same as Revolving Facility Proposal.

c. Bridge to 5Y Notes Facility Proposal:

i. *Lenders:* Exit Financing Lenders.

ii. *Principal Amount:* US$750,000,000.

iii. *Maturity Date:*

1. *Scheduled Maturity Date:* One year from the closing date; provided, however, that if the Conversion Date does not occur on or prior to December 1, 2023, the maturity date shall be December 1, 2023.

2. *Rollover:* Notwithstanding the foregoing, subject to certain conditions precedent, on the first anniversary from the closing date, any loans under the Bridge to 5Y Notes Facility Proposal that have not been previously repaid will be automatically converted into a senior secured term loan due on the date that is five years after the closing date; provided, however, that if the Conversion Date does not occur on or prior to December 1, 2023, this extended maturity date shall be December 1, 2023.

iv. *Interest Rate, OID and Upfront Fees:* The interest rate and original issue discount or upfront fees for the loans or notes issued in accordance with the Bridge to 5Y Notes Facility Proposal are expected to be determined based on market conditions available at the time of the allocation or pricing thereof, subject to certain limits set forth in the Exit Financing Commitment Letters relating to the Bridge to 5Y Notes Facility Proposal.

v. *Security Interests and Preference:* Same as Revolving Facility Proposal.

d. Bridge to 7Y Notes Facility Proposal:

i. *Lenders:* Exit Financing Lenders.

ii. Principal Amount: US$750,000,000.

iii. Maturity Date:

1. ***Scheduled Maturity Date:*** One year from the closing date; provided, however, that if the Conversion Date does not occur on or prior to December 1, 2023, the maturity date shall be December 1, 2023.

2. ***Rollover:*** Notwithstanding the foregoing, subject to certain conditions precedent, on the first anniversary from the closing date, any loans under the Bridge to 7Y Notes Facility Proposal that have not been previously repaid will be automatically converted into a senior secured term loan due on the date that is seven years after the closing date; provided, however, that if the Conversion Date does not occur on or prior to December 1, 2023, this extended maturity date shall be December 1, 2023.

iv. Interest Rate, OID and Upfront Fees: The interest rate and original issue discount or upfront fees for the loans or notes issued in accordance with the Bridge to 7Y Notes Facility Proposal are expected to be determined based on market conditions available at the time of the allocation or pricing thereof, subject to certain limits set forth in the fee letter relating to the Bridge to 7Y Notes Facility Proposal.

v. Security Interests and Preference: Same as Revolving Facility Proposal.

e. Junior DIP Financing:

i. Lenders: Junior DIP Financing Lenders.

ii. Principal Amount: Up to US$1,172,882,484.

iii. Scheduled Maturity Date: The earlier of December 1, 2023 and the date in which the Debtors emerge from the Chapter 11 Proceeding.

iv. Interest: At LATAM's election, either (i) the ABR plus 12.5% or (ii) the Term SOFR Rate plus 13.5%.

v. Make-whole payment: To the extent any loans under the Junior DIP Financing are repaid before October 14, 2022, LATAM shall pay a makewhole payment equal to the Term SOFR plus 13.5% calculated over the loans under the Junior DIP Financing that would otherwise be payable on or after October 14, 2022.

vi. Security Interests and Preference: The same guaranties and collateral that secure the Existing DIP Financing; provided, however, that the Exit Facilities will be senior to the Junior DIP Financing.

9. The Exit Facilities contemplate commitment fees that are customary in transactions of this type. The commitment fee with respect to each Exit Facility does not exceed 2% of the aggregate principal amount of such facility. LATAM will disclose more details about such fees upon finalizing negotiations that are currently ongoing, which may be affected in the event the amount of such fees was disclosed on the date hereof. In any event, the Company will disclose more precise information regarding such fees upon conclusion of the aforementioned negotiations that are currently ongoing.

The Company will keep its shareholders, creditors and the market informed on the progress of the Chapter 11 Proceeding.

Santiago, June 14, 2022
MONTHLY OPERATING REPORT-APRIL

As part of the reporting obligations it has to comply with as part of the Chapter 11 Proceedings, LATAM has to prepare and deliver a Monthly Operating Report ("MOR") corresponding to the month of April 2022.

Santiago, June 20, 2022
EXTRAORDINARY SHAREHOLDERS MEETING NOTICE

Pursuant to the provisions set forth in Article 9 and the second paragraph of Article 10 of the Securities Market Law, and in General Rule nº 30, duly authorized, I hereby report the following MATERIAL FACT of LATAM Airlines Group S.A. ("LATAM" or the "Company"), registration in the Securities Registry nº 306:

As previously reported, by order entered on June 18, 2022 the Bankruptcy Court for the Southern District of New York (the "Bankruptcy Court") hearing the reorganization proceeding (the "Chapter 11 Proceeding") of LATAM and certain of its direct and indirect subsidiaries (collectively

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with LATAM, the “Debtors”) under Chapter 11 of Title 11 of the United States Code, confirmed the plan of reorganization and financing (the “Plan of Reorganization” or the “Plan”) proposed by the Debtors to successfully emerge from the Chapter 11 Proceeding. The Plan had previously been approved by the vast majority of the creditors whose claims are affected by the Plan.

The confirmation of the Plan by the Bankruptcy Court represents the final milestone of the Chapter 11 Proceeding in the United States of America. It is now necessary to implement the Bankruptcy Court’s order by making the corresponding amendments to LATAM’s bylaws, which will allow the Debtors to successfully exit the Chapter 11 Proceeding. The amendments to the bylaws also consider proposed amendments that are a consequence of specific requirements of the parties backstopping the Plan, as well as others necessary to adapt the bylaws to current corporate legislation.. For this purpose, the Company’s Board of Directors, in an extraordinary meeting held on the date hereof, has agreed to summon its shareholders to an Extraordinary Shareholders’ Meeting (the “Meeting”), to be held exclusively on a remote basis, on July 5 2022, at 4:30 p.m., in order to hear and decide the following matters:

1. Inform shareholders about the Chapter 11 Proceeding and the Plan of Reorganization.

2. Approve the issuance of three classes of notes convertible into shares of the Company (the “Convertible Notes”), as provided in the Plan of Reorganization.

3. Recognize, for applicable purposes, ipso jure decreases of the capital stock effective as of June 12, 2018 and August 19, 2019, due to the expiration of the term for subscription and payment regarding the portion of the capital increases agreed at the Extraordinary Shareholders’ Meetings of June 11, 2013 and August 18, 2016, respectively, that were pending of placement.

4. Resolve to increase the Company’s capital by US$10,456 million or such amount as may be determined at the Meeting, by issuing 605,801,285,307 shares or such number of shares as may be determined at the Meeting, all ordinary, without par value, of which: (i) US$9,656 million or such amount as may be determined at the Meeting, represented by 531,991,409,513 new shares or such number of shares as determined by the Meeting, to be used in respect of the conversion of the Convertible Notes; and (ii) US$800 million or such amount as determined by the Meeting, represented by 73,809,875,794 new shares or such number of shares as determined by the Meeting, to be offered preemptively to the shareholders and, the unplaced balance, among the shareholders and/or third parties.

5. Approve a new text of the fifth and sole transitory articles of the bylaws, relating to the capital stock, reflecting the resolutions adopted by virtue of numbers 2, 3 and 4 above.

6. Approve a new text of the second article, regarding the corporate domicile, to establish that it shall be the part of the province of Santiago over which the Santiago Registry of Commerce has jurisdiction.

7. Approve a new text of article four, regarding the corporate purpose, in order to partially amend the order of the activities that comprise said purpose.

8. Approve a new text of the Company’s bylaws, replacing the current bylaws in its entirety, which includes the amendments to the bylaws adopted by virtue of numbers 5, 6 and 7 above; and that, in addition: (i) amend the text of the following articles, as follows: (a) article six, regarding agreements between shareholders, to conform it with the provisions of the Corporations Act (the “Act”); (b) article ten, regarding the remuneration of the Board of Directors and the reimbursement of Directors for certain fees and expenses; (c) article eleven, regarding Board Meetings, the casting vote of the chairman, the appointment of the secretary, and the participation of Directors in remote Meetings, by technological means; (d) article twelfth, regarding the summoning by the Chairman to Extraordinary Board Meetings; (e) article thirteenth, regarding the powers of the Board of Directors, as to eliminate a reference to article 40 of the Act and to expand the persons to whom the Board of Directors may delegate such powers in part; (f) article fourteen, regarding the minutes of the Board of Directors and their signature, as to the record in the minutes of the Board of Directors of the death or inability to sign of a Director; (g) article fifteen, regarding the position of Chief Executive Officer and its denomination, and the delegation of powers to the latter by the Board of Directors; (h) article sixteen, regarding the opportunity in which the Ordinary Shareholders' Meeting must be held; (i) article seventeen, regarding the reference to the matters of the Ordinary Shareholders' Meeting; (j) article eighteen, regarding the reference to the matters of the Extraordinary Shareholders' Meeting; (k) article nineteen, regarding the notice of 3 meetings, regarding the reference to the applicable regulations, the formalities of notice and the requirements for self-convocation in accordance with the provisions of article 60 of the Act; (l) article twenty, relating to the Shareholders' Meetings, as to the quorums and requirements for constitution, remote participation and voting, and the requirements for publication of notices in second summons; (m) article twenty-one, relating to the Shareholders' Meetings, as to the quorums for adopting resolutions in them, the shareholders entitled to participate in them, and to eliminate the reference to the election of Directors; (n) article twenty-three, regarding the systems for recording attendance at the Shareholders' Meetings; (o) article twentyfour, regarding the signatures of the minutes of the Shareholders' Meetings, the content of the latter and the sending of a copy thereof to the Comisión para el Mercado Fianciero (the "Commission"); (p) article twenty-five, regarding the annual balance sheet, regarding formal references and applicable regulations; (q) article twenty-seventh, regarding the distribution of profits, as to its adaptation to current regulations; (r) article twenty-eighth, regarding the documentation that must be made available to the shareholders prior to the Ordinary Shareholders' Meeting; (s) article twenty-ninth, regarding the availability and publication of information regarding the annual financial statements and the report of the External Auditing Firm, in accordance with the provisions of article 76 of the Act; and (t) article thirty-eighth, regarding the documentation that must be made available to the shareholders prior to the Ordinary Shareholders' Meeting; and (t) the thirty-second article, regarding arbitration and conflict resolution, as to the type of arbitration, the rules governing it, and the possibility of the plaintiff to remove a conflict from the knowledge of the arbitrator in accordance with the provisions of article 125 of the Act; (ii) incorporate three new transitory articles, with the sole transitory article becoming the first transitory article, in order to: (a) establish the prohibition, only until the date on which the Plan of Reorganization becomes effective (the "Effective Date of the Plan"), of issuing shares or any other securities convertible into shares without voting rights; (b) establish that during the period of two years counted from the Effective Date of the Plan, the resolutions referred to in the second subsection of Article 67 of the Act, shall require the affirmative vote of at least 73% of the issued shares with voting rights; and (c) regulate the time of renewal and duration of the members of the Board of Directors of the Company, for the two periods following the Effective Date of the Plan; all in accordance with the provisions of the Plan of Reorganization; and (iii) replace in the articles the terms "Superintendencia de Valores y Seguros" with "Comisión para el Mercado Financiero" and "Auditores Externos" with "Empresa de Auditoría Externa", in accordance with the regulations in force.

9. Determine the price, procedure and other aspects and conditions of the placement of the notes and shares to be issued pursuant to the Meeting; and/or to broadly empower the Board of Directors of the Company to (i) fix the procedure and other aspects and conditions of the placement of the referred notes and shares; (ii) fix the placement price of the shares, in the event that the Meeting delegates this power to it in accordance with the applicable regulations; and (iii) in general, resolve and implement all aspects, modalities, actions and details that may arise in connection with the amendments to the bylaws and other resolutions adopted at the Meeting.

10. In general, to adopt the amendments to the bylaws and all other resolutions that may be necessary or convenient to carry out the decisions adopted by the Meeting. 4 The holders of shares registered in the Shareholders' Registry at midnight on the fifth business day prior to the day of the Meeting, i.e., registered at midnight on June 29, 2022, shall have the right to participate in the Meeting and to exercise their right to speak and vote.

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As previously indicated, it has been resolved that the Meeting will be held exclusively on a remote basis, thus the technological means to be used will constitute the sole mechanism for participating and voting thereat, in order to prevent the persons attending the Meeting from being exposed to contagion. For this purpose, the shareholder interested in participating in the Meeting, or his representative, must, until 3:00 p.m. on the day before the Meeting, register on the website https://autenticacion.dcv.cl/ or send an e-mail to registrojuntas@dcv.cl, expressing his interest in participating in the Meeting, attaching a scanned image of his identity card on both sides or his passport; of the proxy, if applicable; and of the application form for participation in the Meeting. The Meeting will be held through the Zoom videoconference platform and voting by acclamation or viva voce, or through the electronic voting platform provided by DCV Registros S.A., which will be accessed through the Click&Vote platform, through the link "Join the Meeting". The rest of the required documentation and more detailed information on how to register, participate and vote remotely at the Meeting and other relevant aspects will be made available and communicated in a timely manner through an instruction that will be uploaded to the Company's website, www.latamairlinesgroup.net.

The notices of summoning will be published in the newspaper La Tercera of Santiago, on 24, 28 and 30 of June, 2022.

Shareholders may obtain copies of the documents supporting the matters to be heard at the Meeting, beginning on June 24, 2022, from the Company's website, www.latamairlinesgroup.net. In addition, any shareholder wishing to obtain a copy of such documents may contact the Company's Investor Service Department at InvestorRelations@latam.com or (562) 2565-8785 for such purpose, also beginning on June 24, 2022.

LATAM expects to complete its exit from the Chapter 11 Proceeding during the second half of 2022. The Company will keep its shareholders, creditors and the market informed on the progress of the Chapter 11 Proceeding.

Santiago, July 5, 2022
PLAN OF REORGANIZATION APPROVAL BY SHAREHOLDERS

Pursuant to the provisions set forth in Article 9 and the second paragraph of Article 10 of the Securities Market Law, and in General Rule nº 30, duly authorized, I hereby report the following Material Fact of LATAM Airlines Group S.A. ("LATAM" or the "Company"), that in the Extraordinary Shareholders' Meeting celebrated on this date (the "Meeting"), the following main resolutions were adopted:

1. The issuance of three classes of convertible notes into shares of the Company (the "Convertible Notes") for a total amount of US$9,493,269,524.

Pursuant to LATAM's plan of reorganization (the "Plan of Reorganization") which was confirmed on June 18, 2022, by the Bankruptcy Court for the Southern District of New York which presides over the reorganization proceeding of the Company and certain of its direct and indirect affiliates under the rules of Chapter 11 of Title 11 of the United States Code, these Convertible Notes are illustratively referred to as the Class A Convertible Notes, Class B Convertible Notes and Class C Convertible Notes, notwithstanding the final denomination thereof at the time of issuance.

2. To recognize, for the pertinent purposes, the decreases in capital stock effective as of June 12, 2018 -- by US$23,622,047.25, representing 1,500,000 shares of the compensation plan approved at the Extraordinary Shareholders' Meeting held on June 11, 2013 -- and as of August 19, 2019 -- by US$4,668,320, representing 466,832 shares of the capital increase approved at the Extraordinary Shareholders' Meeting held on August 18, 2016--, for not having been subscribed or paid within the maximum terms established for this purpose; and to state that the capital stock, as a result of the foregoing, amounts to US$3,146,265,152.04, divided into 606,407,693 shares, of one and the same series, with no par value, fully subscribed and paid.

3. To increase the capital of the Company by US$10,293,269,524, through the issuance of 605,801,285,307 shares, all common, of one and the same series, without par value, of which: (a) US$9,493,269,524, represented by 531,991,409,513 new shares, to be destined to respond to the conversion of the Convertible Notes (the "Back-up Shares"); and (b) US$800,000,000, represented by 73,809,875,794 new shares, to be offered preferentially to the shareholders and, the unplaced balance, among the shareholders and/or third parties (the "New Common Stock").

4. Approve a new text for the fifth and sole transitory articles of the bylaws, regarding the corporate capital, in order to reflect the resolutions adopted by virtue of the previous numbers; approve a new text of the second article, regarding the corporate domicile, to establish that this shall be the part of the province of Santiago over which the Santiago Commercial Registry has jurisdiction; and approve a new text for the fourth article, regarding the corporate purpose, in order to modify in part the order of the activities that compose said purpose.

5. Approve a new text of LATAM's bylaws, which will fully replace the current one, which includes the amendments to the bylaws adopted under the previous number; and the other internal reforms that were indicated in detail in the notices of convocation and summons to the Meeting.

6. To broadly empower the Board of Directors so that, within the framework of the resolutions adopted at the Meeting and in accordance with the provisions of the Plan of Reorganization, it may proceed with the issuance of the Convertible Notes, the Back-up Shares and the New Common Stock; negotiate, agree, subscribe and comply with the respective contract for the issuance of the Convertible Notes, as well as any amendment thereto; to fix the placement price of the New Common Stock, in accordance with the rule contained in the second paragraph of Article 23 of the Corporations Regulation; to carry out or arrange all the necessary formalities for the registration of the Convertible Bonds, the Back-up Shares and the New Common Stock in the Securities Registry kept by your Commission; so that, once the Convertible Notes and the New Common Stock have been registered, to resolve and carry out their placement, to represent the Company or arrange for its representation before all types of authorities, entities or persons; to resolve on the procedure for the conversion of the Convertible Notes, and the characteristics and conditions thereof; grant such powers of attorney as may be necessary or convenient to carry out all or part of the foregoing; and, in general, to resolve all situations, modalities, complements and details that may arise or be required in connection with the issuance and placement of the Convertible Notes, the Back-up Shares and the New Common Stock and other related matters approved at the Meeting.

The new capital structure considered in the Plan of Reorganization was approved by 99.82% of the shares in attendance or represented in the Meeting, which represent 82.17% of the total voting shares issued by LATAM.

Santiago, July 12, 2022
MONTHLY OPERATING REPORT-MAY

As part of the reporting obligations it has to comply with as part of the Chapter 11 Proceedings, LATAM has to prepare and deliver a Monthly Operating Report ("MOR") corresponding to the month of May 2022.

Santiago, August 9, 2022
MONTHLY OPERATING REPORT-JUNE

As part of the reporting obligations it has to comply with as part of the Chapter 11 Proceedings, LATAM has to prepare and deliver a Monthly Operating Report ("MOR") corresponding to the month of June 2022.

Santiago, August 29, 2022
UPDATED FIVE YEAR BUSINESS PLAN

In accordance with the provisions set forth in Article 9 and the second paragraph of Article 10 of the Securities Market Law, and in General Rule nº 30, duly authorized, I hereby report the following MATERIAL FACT of LATAM Airlines Group S.A. ("LATAM" or the "Company"), registration in the Securities Registry nº 306:

1. As previously reported, by order entered on June 18, 2022, the Bankruptcy Court for the Southern District of New York (the "Bankruptcy Court") hearing the reorganization proceeding (the "Chapter 11 Proceeding") of LATAM and certain of its direct and indirect subsidiaries (collectively with LATAM, the "Debtors") under Chapter 11 of Title 11 of the United States Code, confirmed the plan of reorganization and financing (the "Plan of Reorganization" or the "Plan") proposed by the Debtors to successfully emerge from the Chapter 11 Proceeding.

2. As part of the Chapter 11 Proceeding, and in connection with the obligations of the Debtors under (i) the Restructuring Support Agreement executed in furtherance of the Plan (the "RSA"), and (ii) those certain non-disclosure agreements (the "NDAs") entered into with certain counterparties to the RSA, the Debtors have provided to such counterparties certain financial reports and updates that constitute material non-public information (such material non-public information, the "Cleansing Materials").

3. In accordance with the NDAs and upon the occurrence of certain events set forth therein, the Company agreed to publicly disclose the Cleansing Materials. In satisfaction of its obligations under the NDAs, the Company is furnishing the Cleansing Materials as Exhibit 99.1 hereto.

4. The Cleansing Materials include projected financial information. Such projected financial information constitutes forward-looking information and is provided for illustrative purposes only and should not be relied upon as necessarily being indicative of future results. The use of specific projections and estimates in the Cleansing Materials is not intended to indicate management's belief that a particular projection or estimate will be achieved, but rather that the projection or estimate is within the scope of potential outcomes assuming other factors inherent in the updated business plan. The outcomes presented may be at the midpoint, bottom or top of the scope.

5. Certain information included in the Cleansing Materials describes or assumes the expected terms of transactions the Company expects to execute in connection with its restructuring as contemplated under the Plan of Reorganization. The consummation of such transactions is subject to other various risks and contingencies, including closing conditions. There can be no assurance that such transactions will be consummated with the terms assumed therein or otherwise. As such, the subject matter of the Cleansing Materials is evolving and is subject to further change by LATAM in its absolute discretion. Furthermore, no responsibility is taken for changes in market conditions and no obligation is assumed by LATAM to revise the Cleansing Materials to reflect the events or conditions that occur subsequent to the date hereof. Furthermore, the assumptions and estimates underlying the projected financial information contained in the Cleansing Materials are inherently uncertain and are subject to a wide variety of significant business, economic, competitive, and other risks and uncertainties. Actual results may differ materially from the results contemplated by the financial forecast information contained in the Cleansing Materials, and the inclusion of such information in the Cleansing Materials should not be regarded as a representation by any person that the results reflected in such forecasts will be achieved.

Santiago, August 29, 2022
MONTHLY OPERATING REPORT-JULY

As part of the reporting obligations it has to comply with as part of the Chapter 11 Proceedings, LATAM has to prepare and deliver a Monthly Operating Report ("MOR") corresponding to the month of July 2022.

Santiago, September 5, 2022
CAPITAL RAISE AND PREEMPTIVE RIGHTS PERIOD

Pursuant to the provisions set forth in Article 9 and the second paragraph of Article 10 of Law nº 18,045, and in General Rule nº 30, of your Commission (the "Commission"), duly authorized, I hereby report the following MATERIAL FACT of LATAM Airlines Group S.A. ("LATAM" or the "Company"):

I. As informed by Material Fact on June 18, 2022, the reorganization and financing plan (the " Plan of Reorganization") previously approved by the Company's Board of Directors was confirmed by resolution dated June 18, 2022, by the Court of Bankruptcy of the Southern District of New York that hears

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the reorganization proceeding (the "Chapter 11 Proceeding") of LATAM and some of its direct and indirect subsidiaries (together with LATAM, the "Debtors") under Chapter 11 of Title 11 of the Code of the United States of America. The Plan of Reorganization, which will allow the Debtors to successfully emerge from the Chapter 11 Proceeding, is binding for the Company. In compliance with the Plan of Reorganization, the Company's Board of Directors adopted the agreements set forth in point II below.

II. In the Meeting held today, the Company's Board of Directors adopted, among others, the following agreements:

1. Notice was taken of the registration in the Securities Registry of the Commission of: (i) the 605,801,285,307 shares of the Company corresponding to the capital increase approved at the Company's Extraordinary Shareholders Meeting held on July 5, 2022 (the "Meeting"); and (ii) the three classes of bonds convertible into shares of the Company whose issuance was also approved at the Meeting (jointly, the "Convertible Bonds"). On September 2, 2022: (i) the aforementioned 605,801,285,307 shares were registered in the Securities Registry of the Commission under nº 1120; and (ii) the Convertible Bonds, in turn, were registered in the same Registry under nº 1116. Of said 605,801,285,307 shares of the Company: (i) 531,991,409,513 shares will be used to respond to the conversion of the Convertible Bonds; and (ii) the remaining 73,809,875,794 shares will be offered preferentially to the shareholders and, the unplaced remainder, between the shareholders and/or third parties (the "New Common Stock"), in the terms approved at the Meeting;

2. The placement price of the aforementioned 73,809,875,794 New Common Stock was set at US$0.01083865799 (zero point zero one zero eight three eight six five seven nine nine United States dollars). in turn, the subscription value of the Convertible Bonds will be US$1 per bond. These values will be reported in the notices established in article 10 of the Corporations Regulations;

3. It was agreed to start the offer and placement of the New Common Stock and the Convertible Bonds. In this regard, it was resolved that the legal preemptive rights offering period of 30 days for the New Common Stock and the Convertible Bonds run simultaneously, from September 13, 2022 to October 12, 2022. The shareholders who have the preemptive right, both with respect to the New Common Stock and the Convertible Bonds, are those registered at midnight on September 7, 2022. These dates and other essential details will be communicated through the publication of notices in the terms established in articles 10 and 26 of the Corporations Regulations;

4. The notices that must be published in accordance with the Corporations Regulations are the following:

NOTICE	PUBLICATION DATE	NEWSPAPER
Article 10 Notice	September 6, 2022	"La Tercera" of Santiago
Article 26 Notice	September 13, 2022	"La Tercera" of Santiago

Santiago, October 4, 2022
MONTHLY OPERATING REPORT- AUGUST

As part of the reporting obligations it has to comply with as part of the Chapter 11 Proceedings, LATAM has to prepare and deliver a Monthly Operating Report ("MOR") corresponding to the month of August 2022.

Santiago, October 11, 2022
EXIT FINANCING PRICING

Pursuant to the provisions set forth in Article 9 and the second paragraph of Article 10 of the Securities Market Law, and in General Rule nº 30, duly authorized, I hereby report the following MATERIAL FACT of LATAM Airlines Group S.A. ("LATAM" or the "Company"), registration in the Securities Registry nº 306:

I. Exit Financing

1. As previously reported by material fact dated as of June 11, 2022, on June 10, 2022 LATAM and certain of its direct and indirect subsidiaries (collectively with LATAM, the "Debtors") entered into debt commitment letters (the "Exit Financing Commitment Letters")

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with JPMorgan Chase Bank, N.A. ("JPM"), Goldman Sachs Lending Partners LLC ("GS"), Barclays Bank PLC ("Barclays"), BNP Paribas, BNP Paribas Securities Corp. (collectively, "BNP") and Natixis, New York Branch ("Natixis", and collectively with JPM, GS, Barclays, and BNP and their affiliates parties thereto, the "Exit Financing Lenders"). The Exit Financing Commitment Letters contain a commitment for the provision of a US$2,250 million financing and a US$500 million new revolving credit facility (collectively, the "Exit Financing"). The foregoing, as contemplated in the plan of reorganization and financing of the Debtors (the "Plan of Reorganization") that has been approved and confirmed in their reorganization proceeding in the United States of America (the "Chapter 11 Proceeding") before the Bankruptcy Court of the Southern District of New York under the rules set forth in Chapter 11 of Title 11 of the United States Code.

2. The Exit Financing has been structured as a combination of (i) a US$500,000,000 Exit Revolving Facility (the "Revolving Facility"); (ii) a US$1,100,000,000 Exit Term Loan B Facility (the "Term Loan B Facility"); (iii) a US$750,000,000 bridge-to-5Y notes term loan facility ("Bridge to 5Y Facility"); (iv) a note issuance exempt from registration under the U.S. Securities Act of 1933, as amended (the "Securities Act"), in accordance with Rule 144A and Regulation S, both under the Securities Act, maturing five years after issuance (5NC2) (the "5Y Notes" and together with the Bridge to 5Y Facility, the "5Y Bridge Facility/ Notes"), in an aggregate principal amount of US$450,000,000; (v) a US$750,000,000 bridge-to-7Y notes term loan facility ("Bridge to 7Y Facility", and collectively with the Bridge to 5Y Facility, the "Bridge Facilities"); and (vi) a note issuance exempt from registration under the Securities Act in accordance with Rule 144A and Regulation S, both under the Securities Act, maturing seven years after issuance (7NC3) (the "7Y Notes", and together with the Bridge to 7Y Facility, the "7Y Bridge/Facility Notes", and together with the 5Y Bridge Facility/Notes, the "Bridge Facility/Notes"), in an aggregate principal amount of US$700,000,000.

3. The Bridge Facilities will be repaid on or before the date of emergence from the Chapter 11 Proceeding with proceeds obtained as a result of the placement of the 5Y Notes and the 7Y Notes (collectively, the "Notes"), and proceeds obtained under the Term Loan B Facility. Thus, as of such date, the Exit Financing going forward will be comprised by a US$2,250 million financing and a US$500 million new revolving credit facility.

4. The Company intends to execute the applicable agreements documenting the Revolving Facility, the Term Loan B Facility and the Bridge Facilities on October 12, 2022 and draw thereunder as follows:

a. The Bridge Facilities on October 12, 2022; and

b. With respect to the Term Loan B Facility: (i) an initial amount of US$750,000,000 on October 12, 2022; and (ii) the remainder thereunder of US$350,000,000 on the date of emergence from the Chapter 11 Proceeding.

5. In turn, the settlement of the Notes is expected to close on October 18, 2022.

6. As previously reported, the Revolving Facility, the Term Loan B Facility and the Notes have been structured as debtor-in possession facilities that will close during the pendency of the Chapter 11 Proceeding; provided, however, that they have been structured to remain in place after the Debtors' emergence from the Chapter 11 Proceeding. Thus, subject to the satisfaction of certain customary conditions at emergence (the "Conversion Date"), they will be automatically converted into a financing that will remain in effect after emergence.

7. The key terms and conditions of the Exit Financing are set forth below:

a. Revolving Facility:

i. Borrower: La Sociedad, actuando a través de su sucursal de Florida.

ii. Garantes: The Company, acting through its Florida branch. ii. Guarantors: The Debtors (other than LATAM), and additional affiliates of the Company that may become guarantors thereunder from time to time (collectively, the "Guarantors").

iii. Lenders: Exit Financing Lenders

iv. Principal Amount: US$500,000,000.

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v. Scheduled Maturity Date: The earlier of: (i) December 31, 2026; (ii) four and a half years after closing; (iii) four years after the Conversion Date. The Revolving Facility includes a mechanic to allow individual lenders thereunder to extend their financing commitments or loans, provided that any offer to extend the maturity date shall be offered to all lenders ratably.

vi. Interest: At LATAM's election, either: (i) the alternate base rate ("ABR") (with a floor of 1.00%) plus an applicable margin of 3.00%; or (ii) Adjusted Term SOFR rate (with a floor of 0.00%) plus an applicable margin of 4.00%.

vii. Fees:

1. Each Exit Financing Lender shall receive an amount equal to 1.50% of the aggregate amount of the commitments of such lender, payable on, and subject to the occurrence of, the closing date.

2. Wilmington Trust, N.A., acting as collateral trustee, trustee, registrar, paying agent, and collateral agent to the Exit Financing facilities will receive (i) an acceptance fee of US$25,000, (ii) an annual administration fee of US$10,000 per facility and (iii) an annual collateral agent fee of US$50,000 plus US$5,000 per joinder to the facilities comprising the Exit Financing.

3. JPMorgan, in its capacity as administrative agent, shall receive an annual administration fee of US$75,000.

viii. Security Interest and Preference:

1. To be secured pari passu with the remaining facilities of the Exit Financing, with the following guaranties and collateral: (i) prior to the Conversion Date, with substantially the same guaranties and collateral that secure the DIP financing currently in place (the "Existing DIP Financing"); and (ii) after the Conversion Date, with the same guaranties and collateral, with certain variations.

2. Prior to the Conversion Date, will have a super-priority administrative claim as provided in the U.S. Bankruptcy Code.

b. Term Loan B Facility:

i. Borrowers: The Company (as borrower), and Professional Airlines Services, Inc. ("PAS"), a Florida corporation and a wholly owned subsidiary of LATAM (as co-borrower) (the "Co-Borrower").

ii. Guarantors: The Guarantors.

iii. Lenders: Exit Financing Lenders.

iv. Principal Amount: US$1,100,000,000.

v. Scheduled Maturity Date: Five years from the closing date; provided, however, that if the Conversion Date does not occur on or prior to December 1, 2023, the maturity date shall be December 1, 2023. Further, this facility will be subject to amortization payments of 1.00% of its original principal amount per year, payable quarterly, commencing the first full fiscal quarter after the Term Loan B Facility closing date, with a bullet repayment at maturity.

vi. Interest: At LATAM's election, either: (i) ABR (with a floor of 1.50%) plus an applicable margin of 8.75%; or (ii) Adjusted Term SOFR (with a floor of 0.50%) plus an applicable margin of 9.75% and, after LATAM emerges from Chapter 11, at LATAM's option, alternatively at: (i) ABR (with a floor of 1.50%) plus an applicable margin of 8.5%; or (ii) Adjusted Term SOFR (with a floor of 0.50%) plus an applicable margin of 9.5%.

vii. Offering Issue Discount: 8,5%.

viii. Fees:

1. Each Exit Financing Lender shall receive an amount equal to 2.00% of the aggregate amount of the commitments of such lender, payable on, and subject to the occurrence of, the closing date.

2. Duration fee in an amount equal to 0.25% of the aggregate amount of the commitments of such party as of September 30, 2022, payable on, and subject to the occurrence of, the closing date.

3. GS, in its capacity as administrative agent, shall receive an annual administration fee of US$75,000.

4. See paragraph 6(a)(vii)(2) for a description of the fees payable to Wilmington Trust, N.A.

ix. Security Interest and Preference: Same as the Revolving Facility.

The Term Loan B Facility will be able to be repaid at par starting in year three.

c. Bridge Facility/Notes:

i. Bridge Facilities:

1. The Debtors have obtained commitments from affiliates of the Exit Financing Lenders for the Bridge Facilities; provided that as previously indicated, the Bridge Facilities will be repaid with proceeds obtained from the Notes and the Term Loan B Facility.

2. Except as set forth below with respect to the maturity date and fees, the terms and conditions of the Bridge Facilities shall be substantially similar to the ones of the Notes as described further down.

a. Maturity Date:

i. Scheduled Maturity Date: One year from the closing date; provided, however, that if the Conversion Date does not occur on or prior to December 1, 2023, the maturity date shall be December 1, 2023.

ii. Rollover: Notwithstanding the foregoing, subject to certain conditions precedent, on the first anniversary from the closing date, any loans under the Bridge Facilities that have not been previously repaid will be automatically converted into a senior secured term loan due on the date that is (y) five years after the closing date (in the case of the 5Y Notes) or (z) seven years after the closing date (in the case of the 7Y Notes); provided, however, that if the Conversion Date does not occur on or prior to December 1, 2023, this extended maturity date shall be December 1, 2023 (the "Rollover Date").

b. Fees: Each Exit Financing Lender shall receive:

i. An amount equal to 1.125% of its aggregate committed principal amount under the Bridge Facilities. This fee shall be payable on, and subject to the occurrence of, the closing date.

ii. A commitment fee in an amount equal to 1.125% of its aggregate committed principal amount under the Bridge Facilities. This fee shall payable on, and subject to the occurrence of, the closing date.

iii. A duration fee in an amount equal to 0.25% of its aggregate committed principal amount as of September 30, 2022, payable on, and subject to the occurrence of, the closing date.

iv. A funding fee in each case equal to 1.250% of its aggregate committed principal amount under the Bridge Facilities that are actually funded on the closing date. This fee shall be payable on, and subject to the occurrence of, the closing date.

v. A rollover fee equal to 1.50% of its aggregate committed principal amount under the Bridge Facilities, outstanding on the Rollover Date, payable on, and subject to the occurrence of, the closing date.

vi. See paragraph 6(a)(vii)(2) for a description of the fees payable to Wilmington Trust, N.A.

ii. Notes:

1. Issuers/Borrowers: The Company (as borrower), and PAS, (as Co-Borrower).

2. Guarantors: The Guarantors.

3. Principal Amount:

a. In the case of the 5Y Notes, US$450,000,000.

b. In the case of the 7Y Notes, US$700,000,000.

4. Scheduled Maturity Date:

a. In the case of the 5Y Notes, October 15, 2027.

b. In the case of the 7Y Notes, October 15, 2029.

5. Interest:

a. In the case of the 5Y Notes, 13.375%.

b. In the case of the 7Y Notes, 13.375%.

6. Offering Issue Discount:

a. In the case of the 5Y Notes, 5.6%.

b. In the case of the 7Y Notes, 6.9%.

7. Fees: See paragraph 6(a)(vii)(2) for a description of the fees payable to Wilmington Trust, N.A.

8. Security Interest and Preference: Same as the Revolving Facility.

8. As previously reported, the Exit Financing Commitment Letters also contemplate an additional financing to be provided in the form of a junior debtor-in-possession financing (the "Junior DIP Financing") during the pendency of the Chapter 11 Proceeding (prior to the emergence thereto). To this effect, on October 3, 2022, the Company entered into a US$1,145,672,141.67 debtor-in-possession term loan credit agreement, and expects to close this financing on October 12, 2022 concurrently with the closing of the Exit Financing. The key terms and conditions of the Junior DIP Financing are set forth below:

a. Borrower: The Company.

b. Guarantors: The Debtors (different from LATAM).

c. Principal Amount: US$1,145,672,141.67

d. Scheduled Maturity Date: The earlier of December 1, 2023 and the date in which the Debtors emerge from the Chapter 11 Proceeding.

e. Interest: At LATAM's election, either (i) the ABR (with a floor of 1.50%) plus 12.5% or (ii) the Term SOFR Rate (with a floor of 0.50%) plus 13.5%.

f. Fees:

i. JPM will receive a monthly administration fee of $6,250 per month.

ii. Wilmington Trust, N.A., will receive an annual junior collateral agent fee of US$30,000 plus U.S.$5,000 per joinder.

g. Security Interest and Preference: To be secured substantially with the same guaranties and collateral that secure the Existing DIP Financing; provided, however, that the Exit Financing will be senior to the Junior DIP Financing.

9. Upon the closing of the Exit Financing and the Junior DIP Financing, the Existing DIP Financing will be fully repaid with the proceeds obtained therefrom.

II. Backstop Commitment Agreements

1. As previously reported, the Company has entered into backstop commitment agreements (the "Backstop Commitment Agreements") with certain supporting claimholders and shareholders (collectively, the "Backstop Parties") in furtherance to restructuring transactions set forth in the Plan of Reorganization.

2. As reported in the material fact dated May 11, 2022, the outside date currently set forth under the Backstop Commitment Agreements is October 30, 2022. However, the Debtors are entitled to extend such date until November 30, 2022 in exchange of a 1.34846% payment calculated over the amounts backstopped thereunder (i.e., approximately US$73 million) (the "Extension Payment").

3. Given that the Debtors are currently contemplating to emerge from Chapter 11 during the first week of November, they were required to extend the outside date under the Backstop Commitment Agreements to November 30, 2022, and will therefore pay the Extension Payment to the Backstop Parties.

4. As previously reported in the material fact dated May 11, 2022, the Extension Payment shall be deducted from the additional one-time cash distribution that will be distributed to general unsecured creditors that elect to receive the New Convertible Notes Class A or New Convertible Notes Class C contemplated in the Plan of Reorganization in settlement of their claims. Thus, payment of this Extension Fee will not constitute an additional disbursement by the Company from what has been previously disclosed.

The Company will keep its shareholders, creditors and the market informed on the progress of the Chapter 11 Proceeding.

Santiago, October 13, 2022
PREEMPTIVE RIGHTS PERIOD AND SECOND ROUND RESULTS

Pursuant to the provisions set forth in Article 9 and the second paragraph of Article 10 of the Securities Market Law, and in General Rule nº 30, duly authorized, I hereby report the following MATERIAL FACT of LATAM Airlines Group S.A. ("LATAM" or the "Company"), registration in the Securities Registry nº 306:

1. As previously reported by the Company by means of information

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of interest published on this date, on October 12, 2022 expired the 30-day preemptive rights offering period (the "POP") of (i) the 73,809,875,794 new shares, issued and registered in the Securities Registry of the Comisión para el Mercado Financiero ("CMF") (the "ERO"); and (ii) 1,257,002,540 notes convertible into shares Serie G, the 1,372,839,695 notes convertible into shares Serie H, and the 6,863,427,289 notes convertible into shares Serie I, all registered in the Securities Registry of the CMF (jointly, the "Convertible Notes"). The ERO and the Convertible Notes were issued within the context of the agreements reached at the Extraordinary Shareholders Meeting of LATAM held on July 5, 2022, pursuant to the provisions of the plan of reorganization and financing of LATAM and certain of its subsidiaries (the "Plan of Reorganization") that has been approved and confirmed in their reorganization proceeding in the United States of America (the "Chapter 11 Proceeding") before the Bankruptcy Court of the Southern District of New York under the rules set forth in Chapter 11 of Title 11 of the United States Code.

2. On this date, the second round (the "Second Round") of subscription of the ERO has taken place, in which had the right to participate, the shareholders (or their assignees) that subscribed ERO in the POP and expressed to LATAM, at the time of the subscription, their intention to participate in the Second Round.

3. After expiration of the POP and Second Round, the shareholders (or their respective assignees) have subscribed 42,460,487,574 ERO, 17,868 Convertible Notes Serie G, 636,975,241 Convertible Notes Serie H and 83,777 Convertible Notes Serie I. Therefore, remain available 31,349,388,220 ERO, 1,256,984,672 Convertible Notes 2 Serie G, 735,864,454 Convertible Notes Serie H and 6,863,343,512 Convertible Notes Serie I (the "Remainder").

4. As previously reported, the Remainder will be placed, in compliance with the applicable laws and regulations, according to the rules governing the offering of the ERO and the Convertible Notes, which are contained in the notices published on the newspaper La Tercera on September 6, 2022, as provided in Article 10 of the Regulations of the Corporations Law. Such placement includes, among other things, the placement of a portion of the Remainder with (i) a group of unsecured creditors of LATAM represented by Evercore and certain holders of Chilean notes issued by LATAM (collectively, the "Backstop Creditors"); and (ii) Delta Air Lines, Inc., Qatar Airways Investments (UK) Ltd. and the Cueto group (collectively, the "Backstop Shareholders"; y them jointly with the Backstop Creditors, the "Backstop Parties") according to the rules of their respective backstop commitment agreements (the "Backstop Agreements").

5. For purposes of the above, the Company will exercise its rights under the Backstop Agreements and will therefore require the Backstop Parties to subscribe and pay their respective portion of the Remainder, as provided in such agreements. Given the funding period contemplated in the Backstop Agreements, the Company contemplates that the effective date of the Plan of Reorganization should occur on or around November 3 of this year.

The Company will keep its shareholders, creditors and the market informed on the progress of the Chapter 11 Proceeding.

Santiago, October 26, 2022
PLAN OF REORGANIZATION IMPLEMENTATION INFORMATION

Pursuant to the provisions set forth in Article 9 and the second paragraph of Article 10 of the Securities Market Law, and in General Rule nº 30, duly authorized, I hereby report the following MATERIAL FACT of LATAM Airlines Group S.A. ("LATAM" or the "Company"), registration in the Securities Registry nº 306:

1. As previously reported, the Company expects the effective date (the "Effective Date") of its plan of reorganization and financing (the "Plan of Reorganization") that has been approved and confirmed in its reorganization proceeding in the United States of America (the "Chapter 11 Proceeding") under the rules set forth in Chapter 11 of Title 11 of the United States Code to occur on November 3, 2022. Accordingly, on the Effective Date, the Company, together with its various subsidiaries that are parties to the Chapter 11 Proceeding, will emerge from the aforementioned proceeding.

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2. In connection with the foregoing:

a. The Company contemplates that (i) the 73,809,875,794 new common stock, registered in the Securities Registry of the Financial Market Commission ("CMF"); (ii) the portion of the 1,257,002,540 Series G convertible notes that have been subscribed, (iii) the 1,372,839,695 Series H convertible notes; (iv) the 6,863,427,289 Series I convertible notes, all registered in the Securities Registry of the CMF (collectively, the notes referred to in (ii), (iii) and (iv) above, the "Convertible Notes"); and (v) the portion of the 3,818,042 new Series F corporate notes not convertible into shares that have been subscribed, also registered in the Securities Registry of the CMF, to be delivered to their respective subscribers on the Effective Date.

b. The conversion periods of the Convertible Notes will commence as of the Effective Date, under the terms and conditions set forth in the respective indentures. It is reminded that the holders of Convertible Notes who wish to exercise their conversion option must do so in accordance with the procedure established for such purpose in the respective indenture, by means of a written communication addressed to LATAM, to the e-mail address InvestorRelations@latam.com with the subject "Solicitud de Conversión Bonos Convertibles", according to the form attached as Annex Three to the indenture. For convenience, a copy of said format is available at https://www.latamairlinesgroup.net/es/news-releases/news-releasedetails/informacion-sobre-proceso-de-conversion-de-bonos-convertibles.

c. As previously reported in an material fact dated May 11, 2022, general unsecured creditors that have elected to receive Series G Convertible Notes and Series I Convertible Notes will be entitled to receive a one-time cash distribution (the "Additional Cash Distribution") determined based on the difference between the Company's EBITDAR contemplated in its original business plan and the actual EBITDAR of the Company between January 1, 2022 and the date that is 15 days prior to the exit of the Chapter 11 Proceeding. Such Additional Cash Distribution shall be paid starting on the Effective Date.

The gross amount of such Additional Cash Distribution will ultimately be US$250 million, less (i) the fees payable to the backstop parties to the Plan of Reorganization under their respective backstop commitment agreements as disclosed in an material fact dated October 11, 2022, for extending the outside date under such agreements until November 30, 2022; and (ii) certain cash payments to be made by the Company with the support of the backstop creditors in the context of the Chapter 11 Proceeding. Considering these adjustments, the amount to be distributed as an Additional Cash Distribution will be approximately US$175 million.

3. As soon as the Effective Date occurs, the Board of Directors will summon an Extraordinary Shareholders' Meeting to proceed with the total renewal of the Company's Board of Directors, in accordance with the terms set forth in Transitory Article Four of the Company's bylaws.

Santiago, November 3, 2022
CHAPTER 11 EMERGENCE AND EXTRAORDINARY SHAREHOLDERS MEETING NOTICE

In accordance with the provisions of Article 9 and the second paragraph of Article 10 of the Securities Market Law, and in General Rule nº 30, duly empowered, I hereby report the following MATERIAL FACT of LATAM Airlines Group SA ("LATAM" or the "Company"), Securities Registry entry nº 306:

1. The effective date (the "Effective Date") of the reorganization and financing plan of LATAM (the "Reorganization Plan") that has been approved and confirmed in its reorganization proceeding in the United States of America (the "Chapter 11 Proceeding") under the rules established in Chapter 11 of Title 11 of the United States Code, has occurred on this date, November 3, 2022, as previously reported by the Company. Consequently, on this same date, the Company, together with its various subsidiaries that were part of the Chapter 11 Procedure, have emerged from it.

2. As reported in the Material Fact of October 26, 2022, in accordance with the terms of the Reorganization Plan and the fourth transitional article of the Company's bylaws, as soon as the Effective Date occurs, the Board of Directors will call an Extraordinary Shareholders' Meeting to proceed with the total renewal of the Company's Board of Directors.

3. For the purposes of what is indicated in point 2 above, the Board of Directors, in an extraordinary meeting held on this same date, has agreed to summon its shareholders to an Extraordinary Shareholders' Meeting (the "Meeting"), which will be held remotely, for November 15, 2022, at 12:00 p.m., in order to inform and rule on the following matters:

a. Inform shareholders about the exit of the Chapter 11 Procedure and the implementation of the Reorganization Plan.

b. Proceed with the total renewal of the Board of Directors.

c. Resolve on the remuneration of the Board of Directors and the Audit Committee; and on the budget of the latter.

The holders of shares registered in the Shareholders' Registry at midnight of the fifth business day prior to the day of its celebration, this is, registered at midnight of November 9, 2022, will have the right to participate in the meeting and exercise their right to vote.

As indicated, it has been resolved that the Meeting be held remotely, in order to prevent people who attend it from exposing themselves to contagion. To do this, the shareholder interested in participating in the Meeting, or his representative, must, until 3:00 p.m. the day before the Meeting, register on the website https://autenticacion.dcv.cl/ or send an email to the box Registrojuntas@dcv.cl, expressing your interest in participating in the Meeting, attaching a scanned image of your identity card on both sides or your passport; of power, if applicable; and the application form for participation in the Meeting. The Meeting will be held through the Zoom videoconference platform and voting by acclamation or voice voting, or through the electronic voting platform provided by DCV Registros SA, which will be accessed through the Click&Vote platform, through the "Join the Board" link. The rest of the required documentation and more detailed information regarding how to register, participate and vote remotely at the Meeting and other aspects that are relevant to that effect, will be available and will be communicated in a timely manner through instructions that will be uploaded to the Company website, www.latamairlinesgroup.net.

The notices summoning the meeting will be published in the newspaper La Tercera on November 5, 8 and 10, 2022.

The shareholders may obtain a copy of the documents that support the matters on which the Meeting will be informed, as of November 5, 2022, on the Company's website, www.latamairlinesgroup.net. In addition, any shareholder who wishes to obtain a copy of said documents can contact, also from November 5, 2022, the Company's investor service department at the email address InvestorRelations@latam.com or by telephone (562) 2565-3844, for this purpose.

Finally, on this date, a supplement to the Plan of Reorganization, with documents granted in the context of the termination of the reorganization process under Chapter 11, including among others, a Registration Rights Agreement, has been presented in the Chapter 11 proceeding file.

Santiago, November 8, 2022
MONTHLY ORDINARY REPORT-SEPTEMBER

As part of the reporting obligations it has to comply with as part of the Chapter 11 Proceedings, LATAM has to prepare and deliver a Monthly Operating Report ("MOR") corresponding to the month of September 2022.

Santiago, November 15, 2022
BOARD OF DIRECTORS ELECTION

In accordance with the provisions of articles 9 and 10 of Law nº 18.045 on Securities Market, and as established in the Commissions' General Rule nº 30 of 1989, I hereby inform as material fact that at the Extraordinary Shareholders' Meeting (the "Meeting") of LATAM Airlines Group SA ("LATAM") held on this same date, the shareholders of LATAM proceeded to elect the members of the Board of Directors of LATAM, which will last in their positions for two years.

In the election that took place in the Meeting, the following persons were elected as Directors:

1. Ignacio Cueto Plaza;

2. Sonia J.S. Villalobos;

3. Bouk van Geloven;

4. Antonio Gil Nievas;

5. Alexander D. Wilcox;

6. Bornah Moghbel;

7. Enrique Cueto Plaza;

8. Michael Neruda; and

9. Frederico Curado (as independent director).

It is hereby stated that, at a Board Meeting held on this same date, Mr. Ignacio Cueto Plaza and Mr. Bornah Moghbel were appointed as Chairman and Vice-Chairman of the Board of Directors, respectively. Likewise, it is reported that, in accordance with article 50 bis of Law nº 18.046 on Corporations, the Directors Messrs. Frederico Curado (as independent director), and Michael Neruda and Sonia J.S. Villalobos were elected as members of the Directors' Committee.

Santiago, December 15, 2022
MONTHLY OPERATING REPORT-OCTOBER

•As informed, LATAM was part of a reorganization process in the United States of America according to the rules established in Chapter 11 of Title 11 of the Code of the United States of America, presenting a voluntary petition for relief in accordance with the same (the “Chapter 11 Proceeding”). As informed in material fact dated November 3, 2022, on that date LATAM successfully emerged from said Chapter 11 Proceeding.

Finally, please note that even though LATAM emerged from the Chapter 11 Proceeding on November 3, 2022, certain rules of Chapter 11 of Title 11 of the Code of the United States of America still impose certain obligations for the Company. One of such obligations consists in issuing as part of the closing of the Chapter 11 Proceeding “Post Confirmation Reports” on a quarterly basis. Such reports will be issued together with the quarterly financial statements.

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The following important factors, and those important factors described in other reports we submit to or file with the Securities and Exchange Commission ("SEC"), could affect our actual results and could cause our actual results to differ materially from those expressed in any forward-looking statements made by us or on our behalf. In particular, as we are a non-U.S. company, there are risks associated with investing in our ADSs that are not typical for investments in the shares of U.S. companies. Prior to making an investment decision, you should carefully consider all of the information contained in this document, including the following risk factors.

RISKS RELATING TO OUR EMERGENCE FROM CHAPTER 11 BANKRUPTCY

We recently emerged from bankruptcy, which could adversely affect our business and relationships.

Our having filed for bankruptcy, notwithstanding our recent emergence from the Chapter 1v1 bankruptcy proceedings, could adversely affect our business and relationships with customers, suppliers, vendors, contractors or employees. Many risks exist due to uncertainties around our recent emergence from bankruptcy, including the following:

•Key suppliers, vendors or other contract counterparties could, among other things, renegotiate the terms of our agreements, attempt to terminate their relationships with us or require financial assurances from us;

•Our ability to renew existing contracts and obtain new contracts on reasonably acceptable terms and conditions may be adversely affected;

•Our ability to attract, motivate and retain executives and employees may be adversely affected; and

•Competitors may take business away from us, and our ability to compete for new business and attract and retain customers may be negatively impacted.

The occurrence of one or more of these events could have a material and adverse effect on our operations, financial condition and reputation and we cannot assure you that having been subject to bankruptcy proceedings will not adversely affect our operations in the future.

Upon emergence from bankruptcy, the composition of our board of directors changed significantly.

The composition of our board of directors changed significantly upon emergence from bankruptcy. Our new board is comprised of the following members: Ignacio Cueto Plaza, Sonia J.S. Villalobos, Bouk van Geloven, Antonio Gil Nievas, Alexander D. Wilcox, Bornah Moghbel, Enrique Cueto Plaza, Michael Neruda and Frederico Curado (as independent director). While there has been an orderly transition process as we integrate newly appointed board members, our new board of directors may change views on strategic initiatives and a range of issues that will determine the future of the Company. As a result, the future strategy and plans of the Company may differ materially from those of the past.

The ability to attract and retain key personnel is critical to the success of our business and may be affected by our emergence from bankruptcy.

The success of our business depends on key personnel. The ability to attract and retain these key personnel may be affected by our emergence from bankruptcy, the uncertainties currently facing the business and the changes we may make to the organizational structure to adjust to changing circumstances. We may need to enter into retention or other arrangements that could be costly to maintain. If executives, managers or other key personnel resign, retire or are terminated or their service is otherwise interrupted, we may not be able to replace them in a timely manner and we could experience significant declines in productivity.

RISKS RELATING TO OUR COMPANY

The continuing effects of COVID-19 are highly unpredictable and could be significant, and may have an adverse effect on the group's business and results of operations.

The COVID-19 pandemic and accompanying fear of widespread outbreaks of contagious illnesses that may occur in the future have materially reduced, and may continue to further reduce, demand for, and availability of, worldwide air travel. As a result, our business, operations and financial performance have been, and may continue to be, materially adversely affected by COVID-19.

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The COVID-19 pandemic and its variants has negatively affected global economic conditions, disrupted supply chains and otherwise negatively impacted aircraft manufacturing operations and may reduce the availability of aircraft spare parts. The effect on our results may be material and adverse if supply chain disruptions persist and preclude our ability to adequately maintain our fleet.

Although vaccines have generally proved to be effective and certain of the government-imposed travel restrictions associated with the COVID-19 pandemic have been eased, the ongoing pandemic, including large outbreaks, resurgences of COVID-19 in various regions and appearances of new variants of the virus, has resulted and may continue to result in significantly reduced demand for travel. During 2022 many countries lifted travel restrictions but the spread of new variants of COVID-19 led some of them to return with some measures. As a result of these or other conditions beyond our control, our results of operations could continue to be volatile and subject to rapid and unexpected change. In addition, our operations have been, and could in the future be, negatively affected further if our employees are quarantined as the result of exposure to COVID-19. Health safety and sanitation measures that we have implemented as a group also may not be sufficient to prevent the spread or contagion of COVID-19 or other infectious diseases to our passengers or employees on our aircraft or the airports in which we operate, which could result in adverse reputational and financial impacts for the group. These issues have had and could continue to have a material adverse effect on the group's business and results of operations. However, it is possible that these measures could prove insufficient and COVID-19 or other diseases could be transmitted to passengers or employees in an airport or on an aircraft.

As a result of the COVID-19 pandemic and its variants, the airline industry may experience consumer behavior changes, regarding corporate travel, long-haul travel, and travel demand.

The potential for mid- to long-term changes to consumer behavior resulting from the COVID-19 pandemic and its variants exists and could lead to adverse financial impacts for the Company. Corporate travel increased during 2022, thanks to the lift of travel restrictions, but has not yet fully recovered to prior COVID-19 levels. It is not possible to predict the potential consequences of the increased use of technology as a substitute for travel and whether or when corporate travel, long-haul travel and travel demand could return to the levels existing prior to the COVID-19 pandemic. Furthermore, travelers may be less prone to travel or be more price conscious and may choose low-cost alternatives as a result of the COVID-19 pandemic.

A failure to successfully implement the group's strategy or a failure to adjust such strategy to the current economic situation would harm the group's business and the market value of our ADSs and common shares.

We have developed a strategic plan with the goal of becoming one of the most admired airlines in the world and renewing our commitment to sustained profitability and superior returns to shareholders. Our strategy requires us to identify value propositions that are attractive to our clients, to find efficiencies in our daily operations, and to transform ourselves into a stronger and more risk-resilient company. A tenet of our strategic plan is the continuing adoption of a new travel model for domestic and international services to address the changing dynamics of customers and the industry, and to increase our competitiveness. The new travel model is based on a continued reduction in air fares that makes air travel accessible to a wider audience, and in particular to those who wish to fly more frequently. This model requires continued cost reduction efforts and increasing revenues from ancillary activities. In connection with these efforts, the Company continues to implement a series of initiatives to reduce cost per ASK in all its operations as well as developing new ancillary revenue initiatives.

Difficulties in implementing our strategy may adversely affect the group's business, results of operation and the market value of our ADSs and common shares.

Our financial results are exposed to foreign currency fluctuations.

We prepare and present our consolidated financial statements in U.S. dollars. LATAM and its affiliates operate in numerous countries and face the risk of variation in foreign currency exchange rates against the U.S. dollar or between the currencies of these various countries. Changes in the exchange rate between the

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U.S. dollar and the currencies in the countries in which the group operates could adversely affect the business, financial condition and results of operations. If the value of the Brazilian real, Chilean peso or other currencies in which revenues are denominated declines against the U.S. dollar, our results of operations and financial condition will be affected. The exchange rate of the Chilean peso, Brazilian real and other currencies against the U.S. dollar may fluctuate significantly in the future.

Changes in Chilean, Brazilian and other governmental economic policies affecting foreign exchange rates could also adversely affect the business, financial condition, results of operations and the return to our shareholders on their common shares or ADSs.

Our operations are subject to fluctuations in the supply and cost of jet fuel, which could adversely impact our business.

Higher jet fuel prices could have a materially adverse effect on our business, financial condition and results of operations. Jet fuel costs have historically accounted for a significant amount of our operating expenses, and accounted for 47.9% of our total costs of sales in 2022. Both the cost and availability of fuel are subject to many economic and political factors and events that we can neither control nor predict, including international political and economic circumstances such as the political instability in major oil-exporting countries. Any future fuel supply shortage (for example, as a result of production curtailments by the Organization of the Petroleum Exporting Countries, or “OPEC”), a disruption of oil imports, supply disruptions resulting from severe weather or natural disasters, labor actions such as the 2018 trucking strike in Brazil, the continued unrest in the Middle East, the conflict in Ukraine or other events could result in higher fuel prices or reductions in scheduled airline services. We cannot ensure that we would be able to offset any increases in the price of fuel. In addition, lower fuel prices may result in lower fares through the reduction or elimination of fuel surcharges. We have entered into fuel hedging arrangements, but there can be no assurance that such arrangements will be adequate to protect us from an increase in fuel prices in the near future or in the long term.

The group depends on strategic alliances or commercial relationships in many different countries, and the business may suffer if any of our strategic alliances or commercial relationships terminates.

We maintain a number of alliances and other commercial relationships in many of the jurisdictions in which LATAM and its affiliates operate. These alliances or commercial relationships allow us to enhance our network and, in some cases, to offer our customers services that we could not otherwise offer. If any of our strategic alliances or commercial relationships deteriorate, or any of these agreements are terminated, the group’s business, financial condition and results of operations could be adversely affected.

The group’s business and results of operations may suffer if we fail to obtain and maintain routes, suitable airport access, slots and other operating permits. Also, technical and operational problems with the airport infrastructure of cities in which we have a focus may have a material adverse effect on us.

LATAM’s business depends upon our access to key routes and airports. Bilateral aviation agreements between countries, open skies laws and local aviation approvals frequently involve political and other considerations outside of our control. The group’s operations could be constrained by any delay or inability to gain access to key routes or airports, including:

- Limitations on our ability to transport more passengers;
- The imposition of flight capacity restrictions;
- The inability to secure or maintain route rights in local markets or under bilateral agreements; or
- The inability to maintain our existing slots and obtain additional slots.

The group operates numerous international routes subject to bilateral agreements, as well as domestic flights within Chile, Peru, Brazil, Ecuador and Colombia, subject to local route and airport access approvals.

There can be no assurance that existing bilateral agreements with the countries in which the group’s companies are based and permits from foreign governments will continue to be in effect. A modification, suspension or revocation of one or more bilateral

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agreements could have a material adverse effect on our business, financial condition and results of operations. The suspension of our permission to operate at certain airports, destinations or slots, or the imposition of other sanctions could also have a material adverse effect. A change in the administration of current laws and regulations or the adoption of new laws and regulations in any of the countries in which the group operates that restrict our routes, airports or other access may have a material adverse effect on our business, financial condition and results of operations.

Moreover, our operations and growth strategy are dependent on the facilities and infrastructure of key airports, including Santiago's International Airport, São Paulo's Guarulhos International and Congonhas Airports, Brasilia's International Airport and Lima's Jorge Chavez International Airport. Airports may face challenges to meet their capex programs, after suffering significant financial deterioration stemming from the COVID-19 pandemic. Delays or cancellations of capex programs could impact our operations or ability to grow in the future.

Santiago's Comodoro Arturo Merino Benítez International Airport is undergoing an important expansion, which was expected to be completed by 2021, but opened in February 2022. There is currently a dispute between the airport operator and the government arising from the impact of the COVID-19 pandemic and deceleration of airport operations on revenues, which placed additional stress on the operator's liquidity in light of ongoing investments required for the expansion project. In order to mitigate the impact of the financial loss, the current operator is requesting to extend the concession period, which expires in 2035, or to renegotiate the current income percentage of participation that they must share with the government. This dispute implies a risk to future OPEX and CAPEX investments and adverse effects to the airport's operations.

Santiago's International Airport opened its new International Terminal, called Terminal 2, at the end of February 2022. One of the most challenging issues with the new terminal is that the check-in process considers a 50% reduction in assisted check-in counters, which obligates airlines to implement self-service models, where the success depends on the companies but is also associated with the government restrictions of the destination country. Additionally, Terminal 1 is currently undergoing remodeling to adapt its infrastructure into a national operations dedicated terminal. These works are scheduled to be completed by 2025.

Due to the previous airport concessions provided by the Chilean government in 2019, there are two airports currently undergoing construction in Chile: Iquique's Diego Aracena International Airport and Arica's Chacalluta International Airport, which are both undergoing terminal and platform expansions. These works are expected to be completed by 2023 and they imply a risk of adverse effects to the airports' operations. In addition, there are three other new concessions in Chile planning to start terminal work during the years 2023 and 2024: Balmaceda Airport, La Florida International Airport and Presidente Carlos Ibáñez del Campo International Airport.

In Peru, one of the major operational risks that we currently face at the Jorge Chávez International Airport in Lima is the limitation of growth capacity on the airside (including with respect to runway and apron, as well as parking spaces), and challenges relating to the interior infrastructure of the airport, which has collapsed in most of its processes (AVSEC, boarding & migrations). Jorge Chávez International Airport in Lima is currently in the process of building a second runway in 2024 and a new terminal in early 2025. Any delay or limitation due to ongoing works could negatively affect our operations, limit our ability to grow and affect our competitiveness in the country and region.

Brazilian airports, such as the Brasilia and São Paulo (Guarulhos) International Airports, have limited the number of takeoff and landing slots per day due to infrastructural limitations. Any condition that would prevent or delay our access to airports or routes that are vital to our strategy, or our ability to maintain our existing slots and obtain additional slots, could materially adversely affect our operations.

In 2023, after two years of delay due to the COVID-19 pandemic, GRU Airport, concessionaire of Guarulhos Airport, will start the last phase of infrastructure expansion works, including the construction of a new fast exit on the main runway and a new

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taxiway. In addition, the construction of a new pier and the expansion of the apron are planned, a process which will operate until 2025 and will allow an increase in operations at the busiest airport in the country.

In 2022, continuing the state government airport concession program in Brazil (the "Concession Program"), 15 Airports in Brazil were granted concessions in 3 blocks, 8 of which are operated by LATAM, including Congonhas Airport, which is located in downtown São Paulo. The acceleration of the Concession Program makes possible important investments in infrastructure, but it implies a high volume of work to be undertaken simultaneously. Over the next 5 years, 29 of the 55 Airports operated by LATAM in Brazil will undergo infrastructure improvement works, which may generate temporary restrictions, especially in terms of paid cargo.

A significant portion of our cargo revenue comes from relatively few product types and may be impacted by events affecting their production, trade or demand.

The group's cargo demand, especially from Latin American exporters, is concentrated in a small number of product categories, such as exports of fish, sea products and fruits from Chile, asparagus from Peru and fresh flowers from Ecuador and Colombia. Events that adversely affect the production, trade or demand for these goods may adversely affect the volume of goods that are transported and may have a significant impact on the results of operations. Future trade protection measures by or against the countries for which we provide cargo services may have an impact on cargo traffic volumes and adversely affect our financial results. Some of the cargo products are sensitive to foreign exchange rates and, therefore, traffic volumes could be impacted by the appreciation or depreciation of local currencies.

We rely on maintaining a high aircraft utilization rate to increase our revenues and absorb our fixed costs, which makes us especially vulnerable to delays.

Generally, a key element of our strategy is to maintain a high daily aircraft utilization rate, which measures the number of hours we use our aircraft per day. High daily aircraft utilization allows us to maximize the amount of revenue we generate from our aircraft and absorb the fixed costs associated with our fleet and is achieved, in part, by reducing turnaround times at airports and developing schedules that enable us to increase the average hours flown per day. Our rate of aircraft utilization could be adversely affected by a number of different factors that are beyond our control, including air traffic and airport congestion, adverse weather conditions, unanticipated maintenance and delays by third-party service providers relating to matters such as fueling, catering and ground handling. If aircraft fall behind schedule, the resulting delays could cause a disruption in our operating performance and have a financial impact on our results.

LATAM flies and depends upon Airbus and Boeing aircraft, and our business could suffer if we do not receive timely deliveries of aircraft, if aircraft from these companies become unavailable or if the public negatively perceives our aircraft.

As of December 31, 2022, LATAM Airlines Group has a total fleet of 237 Airbus and 73 Boeing aircraft (34 of these aircraft were classified as non-current assets available for sale). Risks relating to Airbus and Boeing include:

- Our failure or inability to obtain Airbus or Boeing aircraft, parts or related support services on a timely basis because of high demand, aircraft delivery backlog or other factors;
- The interruption of fleet service as a result of unscheduled or unanticipated maintenance requirements for these aircraft;
- The issuance by the Chilean or other aviation authorities of directives restricting or prohibiting the use of our Airbus or Boeing aircraft, or requiring time-consuming inspections and maintenance;
- Adverse public perception of a manufacturer as a result of safety concerns, negative publicity or other problems, whether real or perceived, in the event of an accident;
- Delays between the time we realize the need for new aircraft and the time it takes us to arrange for Airbus and Boeing or for a third-party provider to deliver this aircraft; or
- The delay, for any reason, to conclude cabin upgrade projects that could result in aircraft unavailability for a certain period of time.

During 2022, Airbus and Boeing announced delays in some of their models due to several reasons including supply chain problems and the rapid increase in demand due to the recovery of the airline industry. The occurrence

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of any one or more of these factors could restrict our ability to use aircraft to generate profits, respond to increased demands, or could otherwise limit our operations and adversely affect our business.

If we are unable to incorporate leased aircraft into the fleet at acceptable rates and terms in the future, our business could be adversely affected.

A large portion of the aircraft fleet is subject to long-term leases. The leases typically run from three to 12 years from the date of execution. We may face more competition for, or a limited supply of, leased aircraft, making it difficult to negotiate on competitive terms upon expiration of the current leases or to lease additional capacity required for the targeted level of operations. If we are forced to pay higher lease rates in the future to maintain our capacity and the number of aircraft in the fleet, our profitability could be adversely affected.

We face reputational risks related to the use of social media.

LATAM frequently uses social media platforms as marketing tools. These platforms provide LATAM, as well as individuals, with access to a broad audience of consumers and other interested persons. Negative commentary regarding LATAM or the products it sells may be posted on social media platforms and similar devices at any time and may be adverse to LATAM's reputation or business. Further, as laws, regulations, and different platforms' terms of service rapidly evolve to govern the use of social media, the failure by LATAM, its employees or third parties acting at LATAM's direction to abide by applicable laws and regulations in the use of these platforms and devices could adversely impact the LATAM's business, financial condition, and results of operations or subject it to fines or other penalties.

We have substantial liquidity needs and continue to pursue various financing options. Our business may be adversely affected if we are unable to service our debt or meet our future financing requirements.

We have a high degree of debt and payment obligations under our aircraft leases and financial debt arrangements. We require significant amounts of financing to meet our aircraft capital requirements and may require additional financing to fund our other business needs. We cannot guarantee that we will have access to or be able to arrange for financing in the future on favorable terms. Higher financing costs could affect our ability to expand or renew our fleet, which in turn could adversely affect our business.

In addition, a substantial portion of our property and equipment is subject to liens securing our indebtedness, including our secured bonds and loans. In the event that we fail to make payments on our bonds and loans, creditors' enforcement of liens could limit or end our ability to use the affected property and equipment to fulfill our operational needs and thus generate revenue.

Moreover, external conditions in the financial and credit markets may limit the availability of funding or increase its costs, which could adversely affect our profitability, our competitive position and result in lower net interest margins, earnings and cash flows, as well as lower returns on shareholders' equity and invested capital. Factors that may affect the availability of funding or cause an increase in our funding costs include global macro-economic crises, reductions in our credit rating or in that of our issuances, and other potential market disruptions. Upon exiting Chapter 11, we restructured our debt decreasing it by approximately 35% as of emergence to a total gross debt of approximately US$6.8 billion, and improved our liquidity conditions, comprised of cash and cash equivalents of approximately US$1.1 billion and revolving facilities fully undrawn in the amount of US$1.1 billion.

We have significant exposure to SOFR and other floating interest rates; increases in interest rates will increase our financing cost and may have adverse effects on our financial condition and results of operations.

On July 27, 2017, the head of the United Kingdom Financial Conduct Authority ("FCA") (the authority that regulates LIBOR) announced that it intends to stop compelling banks to submit rates for the calculation of LIBOR after 2021. On March 5, 2021 the FCA announced in a public statement that LIBOR for certain tenors would cease to be published on June 30, 2023. The Federal Reserve Board and the Federal Reserve Bank of New York convened the Alternative Reference Rates Committee (ARRC), a group of private-market participants, to help ensure a successful transition from U.S. dollar (USD) LIBOR to

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a more robust reference rate, its recommended alternative, the Secured Overnight Financing Rate (SOFR). Although the adoption of SOFR is voluntary, the impending discontinuation of LIBOR makes it essential that market participants consider moving to alternative rates such as SOFR and that they have appropriate fallback language in existing contracts referencing LIBOR. In this regard, our derivative and debt contracts may be affected by the change in the relevant rate.

Because the publication of LIBOR will cease for June 2023, we have migrated to the adoption of SOFR as an alternative rate. The impact of such a transition away from LIBOR could be significant for us because of our substantial indebtedness. SOFR will fluctuate with changing market conditions and, as SOFR increases, our interest expense will mechanically increase, which could have an adverse effect on our total financing costs. We may be unable to adequately adjust our prices to offset any increased financing costs, which would have an adverse effect on our results of operations. In addition, there is no guarantee that SOFR or other replacement rates for LIBOR will maintain market acceptance.

Increases in insurance costs and/or significant reductions in coverage could harm our financial condition and results of operations.

Significant events affecting the aviation insurance industry (such as terrorist attacks, airline crashes or accidents and health epidemics and the related widespread government-imposed travel restrictions) may result in significant increases of airlines' insurance premiums and/or relevant decreases of insurance coverage. Further increases in insurance costs and/or reductions in available insurance coverage could have a material impact on our financial results, change the insurance strategy, and also increase the risk of uncovered losses.

Problems with air traffic control systems or other technical failures could interrupt our operations and have a material adverse effect on our business.

The operations, including the ability to deliver customer service, are dependent on the effective operation of the equipment, including aircraft, maintenance systems and reservation systems. The operations are also dependent on the effective operation of domestic and international air traffic control systems and the air traffic control infrastructure by the corresponding authorities in the markets in which the group operates. Equipment failures, personnel shortages, air traffic control problems and other factors that could interrupt operations could adversely affect our financial results as well as our reputation.

We depend on a limited number of suppliers for certain aircraft and engine parts.

We depend on a limited number of suppliers for aircraft, aircraft engines and many aircraft and engine parts. As a result, we are vulnerable to problems associated with the supply of those aircraft, parts and engines, including design defects, mechanical problems, contractual performance by the suppliers, or adverse perception by the public that would result in unscheduled maintenance requirements, in customer avoidance or in actions by the aviation authorities resulting in an inability to operate our aircraft. During the year 2022, LATAM Airline group's main suppliers were aircraft manufacturers Airbus and Boeing.

In addition to Airbus and Boeing, LATAM Airlines has a number of other suppliers, primarily related to aircraft accessories, spare parts, and components, including Pratt & Whitney Canada, MTU Maintenance, Rolls-Royce, General Electric Commercial Aviation Services Ltd., General Electric Celma, General Electric Engines Service, CMF International and Honeywell, among others.

Our business relies extensively on third-party service providers. Failure of these parties to perform as expected, or interruptions in our relationships with these providers or in their provision of services to us, could have an adverse effect on our financial position and results of operations.

We have engaged a significant number of third-party service providers to perform a large number of functions that are integral to our business, including regional operations, operation of customer service call centers, distribution and sale of airline seat inventory, provision of technology infrastructure and services, performance of business processes, including purchasing and cash management, provision of aircraft maintenance and repairs, catering, ground services, and provision of various utilities and performance of

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aircraft fueling operations, among other vital functions and services. We do not directly control these third-party service providers, although we do enter into agreements with many of them that define expected service performance. Any of these third-party service providers, however, may materially fail to meet their service performance commitments, may suffer disruptions to their systems that could impact their services, or the agreements with such providers may be terminated. For example, flight reservations booked by customers and/or travel agencies via third-party GDSs (Global Distribution Systems) may be adversely affected by disruptions in our business relationships with GDS operators or by issues in the GDS's operations. Such disruptions, including a failure to agree upon acceptable contract terms when contracts expire or otherwise become subject to renegotiation, may cause the carriers' flight information to be limited or unavailable for display, significantly increase fees for both us and GDS users, and impair our relationships with customers and travel agencies. The failure of any of our third-party service providers to adequately perform their service obligations, or other interruptions of services, may reduce our revenues and increase our expenses or prevent us from operating our flights and providing other services to our customers. In addition, our business, financial performance and reputation could be materially harmed if our customers believe that our services are unreliable or unsatisfactory.

Disruptions or security breaches of our information technology infrastructure or systems could interfere with the operations, compromise passenger or employee information, and expose us to liability, possibly causing our business and reputation to suffer.

A serious internal technology error, failure, or cybersecurity incident impacting systems hosted internally at our data centers, externally at third-party locations or cloud providers, or large-scale interruption in technology infrastructure we depend on, such as power, telecommunications or the internet, may disrupt our technology network with potential impact on our operations. Our technology systems and related data may also be vulnerable to a variety of sources of interruption, including natural disasters, terrorist attacks, telecommunications failures, computer viruses, cyber-attacks, security breaches in the supply chain (suppliers) and other security issues. These systems include our computerized airline reservation system, flight operations system, telecommunications systems, website, customer, self-service applications ("apps"), maintenance systems, check-in kiosks, in-flight entertainment systems and data centers.

In addition, as a part of our ordinary business operations, we collect and store sensitive data, including personal information of our customers and employees and information of our business partners. The secure operation of the networks and systems on which this type of information is stored, processed and maintained is critical to our business operations and strategy. Unauthorized parties may attempt to gain access to our systems or information through fraud, deception, or cybersecurity incidents. Hardware or software we develop or acquire may contain defects that could unexpectedly compromise information security. The compromise of our technology systems resulting in the loss, disclosure, misappropriation of, or access to, customers', employees' or business partners' information could result in legal claims or proceedings, liability or regulatory penalties under laws protecting the privacy of personal information, disruption to our operations and damage to our reputation, any or all of which could adversely affect our business.

Rapid technological advancements and digitalization could generate risks in implementation and regulatory control.

Globally, there have been large advances in processes of digitization and technological innovation, some of them as a result of the COVID-19 pandemic. These new technologies could generate new risks in their implementation that could impact us directly or indirectly. As an example, at the beginning of 2022, the implementation of 5G in the United States had a temporary impact on operations at certain airports and generated a review by the FAA on the specific requirements for its implementation. All processes of digitization and technological innovation may be exposed to this risk.

Similarly, the rapidly increasing technological transformation may advance faster than the review and control capacity of the authorities and the knowledge about the effects of their possible impacts, which could affect us directly or indirectly in ways we cannot foresee.

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Increases in our labor costs, which constitute a substantial portion of our total operating expenses, could directly impact our earnings.

Labor costs constitute a significant percentage of our total cost of sales (12% in 2022) and at times in our operating history we have experienced pressure to increase wages and benefits for our employees. A significant increase in our labor costs could result in a material reduction in our earnings.

Collective action by employees could cause operating disruptions and adversely impact our business.

Certain employee groups such as pilots, flight attendants, mechanics and our airport personnel have highly specialized skills. As a consequence, actions by these groups, such as strikes, walk-outs or stoppages, could severely disrupt operations and adversely impact our operating and financial performance, as well as our image.

A strike, work interruption or stoppage or any prolonged dispute with employees who are represented by any of these unions could have an adverse impact on operations. These risks are typically exacerbated during periods of renegotiation with the unions, which typically occurs every two to four years depending on the jurisdiction and the union. Any renegotiated collective bargaining agreement could feature significant wage increases and a consequent increase in our operating expenses. Any failure to reach an agreement during negotiations with unions may require us to enter into arbitration proceedings, use financial and management resources, and potentially agree to terms that are less favorable to us than our existing agreements. Employees who are not currently members of unions may also form new unions that may seek further wage increases or benefits.

In November 2022, a union representing the majority of our pilots in Chile voted to begin a strike, initiating a mediation process mandated by Chilean law. On November 9, 2022, we announced that we had reached an agreement averting a strike. There is no guarantee, however, that we will be able to reach a mutually beneficial agreement in the event of future disagreements with our employees.

Our business may experience adverse consequences if we are unable to reach satisfactory collective bargaining agreements with unionized employees.

As of December 31, 2022, approximately 49% of the group's employees, including administrative personnel, cabin crew, flight attendants, pilots and maintenance technicians are members of unions and have contracts and collective bargaining agreements which expire on a regular basis. The business, financial condition and results of operations could be materially adversely affected by a failure to reach agreement with any labor union representing such employees or by an agreement with a labor union that contains terms that are not in line with expectations or that prevent the group from competing effectively with other airlines.

LATAM may experience difficulty finding, training and retaining employees.

The business is labor intensive. The group employs a large number of pilots, flight attendants, maintenance technicians and other operating and administrative personnel. The airline industry has, from time to time, experienced a shortage of qualified personnel, especially pilots and maintenance technicians, which has somewhat intensified during the recovery phase of air traffic following the peak of the pandemic. Such shortage of qualified personnel is further exacerbated by our recent emergence from bankruptcy and the resulting uncertainties facing the business. In addition, as is common with most of our competitors, the group may, from time to time, face considerable turnover of our employees. Should turnover of employees, particularly pilots and maintenance technicians, sharply increase, our training costs will be significantly higher. LATAM cannot assure that it will be able to recruit, train and retain the managers, pilots, technicians and other qualified employees that are needed to continue the current operations or replace departing employees. An increase in turnover or failure to recruit, train and retain qualified employees at a reasonable cost could materially adversely affect the business, financial condition, and results of operations. The group may also experience increased levels of employee attrition associated with the recent emergence from Chapter 11 proceedings. A loss

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of key personnel or material erosion of employee morale could impair the ability to execute strategy and implement operational initiatives, thereby adversely affecting the group.

RISKS RELATING TO THE AIRLINE INDUSTRY AND THE COUNTRIES IN WHICH THE GROUP OPERATES

Our performance is heavily dependent on economic conditions in the countries in which the group does business. Negative economic conditions in those countries could adversely impact the group's business and results of operations and cause the market price of our common shares and ADSs to decrease.

Passenger and cargo demand is heavily cyclical and highly dependent on global and local economic growth, economic expectations and foreign exchange rate variations, among other things. In the past, our business has been adversely affected by global economic recessionary conditions, weak economic growth in Chile, recessions in Brazil and Argentina, and poor economic performance in certain emerging market countries in which the group operates. The occurrence of similar events in the future could adversely affect our business. The group plans to continue to expand operations based in Latin America, which means that performance will continue to depend heavily on economic conditions in the region.

Any of the following factors could adversely affect the business, financial condition and results of operations in the countries in which the group operates:

- Changes in economic or other governmental policies;
- Changes in regulatory, legal or administrative practices;
- Weak economic performance, including, but not limited to, a slowdown in the Brazilian economy, political instability, low economic growth, low consumption and/or investment rates, and increased inflation rates; or
- Other political or economic developments over which we have no control.

No assurance can be given that capacity reductions or other steps the group may take in response to weakened demand will be adequate to offset any future reduction in cargo and/or air travel demand in markets in which the group operates. Sustained weak demand may adversely impact our revenues, results of operations or financial condition.

An adverse economic environment, whether global, regional or in a particular country, could result in a reduction in passenger traffic, as well as a reduction in the cargo business, and could also impact the ability to set fares, which in turn would materially and negatively affect our financial condition and results of operations.

We are exposed to increases in landing fees and other airport service charges that could adversely affect our margin and competitive position. Also, it cannot be assured that in the future we will have access to adequate facilities and landing rights necessary to achieve our expansion plans.

The group must pay fees to airport operators for the use of their facilities. Any substantial increase in airport charges, including at Guarulhos International Airport in São Paulo, Jorge Chavez International Airport in Lima or Comodoro Arturo Merino Benitez International Airport in Santiago, could have a material adverse impact on our results of operations. Passenger taxes and airport charges have increased substantially in recent years. We cannot assure that the airports in which the group operates will not increase or maintain high passenger taxes and service charges in the future. Any such increases could have an adverse effect on our financial condition and results of operations.

Certain airports that we serve (or that we plan to serve in the future) are subject to capacity constraints and impose various restrictions, including takeoff and landing slot restrictions during certain periods of the day and limits on aircraft noise levels. We cannot be certain that the group will be able to obtain a sufficient number of slots, gates and other facilities at airports to expand services in line with our growth strategy. It is also possible that airports not currently subject to capacity constraints may become so in the future. In addition, an airline must use its slots on a regular and timely basis or risk having those slots re-allocated to others. Where slots or other airport resources are not available or their availability is restricted in some way, the group may have to amend schedules, change routes or reduce aircraft utilization. It is also

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possible that aviation authorities in the countries in which the group operates, change the rules for the assignment of takeoff and landing slots, as was the case with the São Paulo airport (Congonhas) where the slots previously operated by Avianca Brazil were reassigned mostly to Azul, and where *Agência Nacional de Aviação Civil in Brazil* (*"ANAC"*) has approved new rules to the distribution of new slots. Any of these alternatives could have an adverse financial impact on operations. We cannot ensure that airports at which there are no such restrictions may not implement restrictions in the future or that, where such restrictions exist, they may not become more onerous. Such restrictions may limit our ability to continue to provide or to increase services at such airports.

The business is highly regulated and changes in the regulatory environment in the different countries may adversely affect our business and results of operations.

Our business is highly regulated and depends substantially upon the regulatory environment in the countries in which the group operates or intends to operate. For example, price controls on fares may limit our ability to effectively apply customer segmentation profit maximization techniques ("passenger revenue management") and adjust prices to reflect cost pressures. High levels of government regulation may limit the scope of our operations and our growth plans. The possible failure of aviation authorities to maintain the required governmental authorizations, or our failure to comply with applicable regulations, may adversely affect our business and results of operations.

Our business, financial condition, results of operations and the price of common shares and ADSs may be adversely affected by changes in policy or regulations at the federal, state or municipal level in the countries in which the group operates, involving or affecting factors such as:

- Interest rates;
- Currency fluctuations;
- Monetary policies;
- Inflation;
- Liquidity of capital and lending markets;
- Tax and social security policies;
- Labor regulations;
- Energy and water shortages and rationing; and
- Other political, social and economic developments in or affecting Brazil, Chile, Peru, and the United States, among others.

For example, the Brazilian federal government has frequently intervened in the domestic economy and made drastic changes in policy and regulations to control inflation and affect other policies and regulations. This has required the federal government to increase interest rates, change taxes and social security policies, implement price controls, currency exchange and remittance controls, devaluations, capital controls and limits on imports.

Uncertainty over whether the Brazilian federal government will implement changes in policy or regulation affecting these or other factors may contribute to economic uncertainty in Brazil and to heightened volatility in the Brazilian securities markets and securities issued abroad by Brazilian companies. These and other developments in the Brazilian economy and governmental policies may adversely affect us and our business and results of operations and may adversely affect the trading price of our common shares and ADSs.

We are also subject to international bilateral air transport agreements that provide for the exchange of air traffic rights between the countries where the group operates, and we must obtain permission from the applicable foreign governments to provide service to foreign destinations. There can be no assurance that such existing bilateral agreements will continue, or that we will be able to obtain more route rights under those agreements to accommodate our future expansion plans. Certain bilateral agreements also include provisions that require substantial ownership or effective control. Any modification, suspension or revocation of one or more bilateral agreements could have a material adverse effect on our business, financial condition and results of operations. The suspension of our permits to operate to certain airports or destinations, the inability for us to obtain favorable take-off and landing authorizations at certain high-density airports or the imposition of other sanctions could also have a negative impact on our business. We cannot be certain that a change in

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ownership or effective control or in a foreign government's administration of current laws and regulations or the adoption of new laws and regulations will not have a material adverse effect on our business, financial condition and results of operations.

Losses and liabilities in the event of an accident involving one or more of our aircraft could materially affect our business.

We are exposed to potential catastrophic losses in the event of an aircraft accident, terrorist incident or any other similar event. There can be no assurance that, as a result of an aircraft accident or significant incident:

- We will not need to increase our insurance coverage;

- Our insurance premiums will not increase significantly;

- Our insurance coverage will fully cover all of our liabilities; or

- We will not be forced to bear substantial losses.

Substantial claims resulting from an accident or significant incident in excess of our related insurance coverage could have a material adverse effect on our business, financial condition and results of operations. Moreover, any aircraft accident, even if fully insured, could cause the negative public perception that our operations or aircraft are less safe or reliable than those operated by other airlines, or by other flight operators, which could have a material adverse effect on our business, financial condition and results of operations.

Insurance premiums may also increase due to an accident that affected our Peruvian affiliate. On November 18, 2022, LATAM Airlines Peru reported that during the take-off of flight LA 2213 at Lima's Jorge Chávez International Airport a fire engine entered the runway and collided with its aircraft. Authorities subsequently confirmed fatalities of two firefighters who were in the fire engine that struck the aircraft. There were no fatalities among the 102 passengers and 6 crew members. The investigation of the cause of the accident is still in progress. LATAM Airlines Peru is cooperating with the relevant investigations. The aircraft damage is covered by insurance. We are not yet able to make a final conclusion as to the financial impact of this incident.

High levels of competition in the airline industry, such as the increase of low-cost carriers and the consolidation or mergers of competitors in the markets in which the group operates, may adversely affect the level of operations.

Our business, financial condition and results of operations could be adversely affected by high levels of competition within the industry, particularly the entrance of new competitors into the markets in which the group operates. Airlines compete primarily over fare levels, frequency and dependability of service, brand recognition, passenger amenities (such as frequent flyer programs) and the availability and convenience of other passenger or cargo services. New and existing airlines (and companies providing ground cargo or passenger transportation) could enter our markets and compete with us on any of these bases, including by offering lower prices, more attractive services or increasing their route offerings in an effort to gain greater market share.

Low-cost carriers have an important impact on the industry's revenues given their low unit costs. Lower costs allow low-cost carriers to offer inexpensive fares which, in turn, allow price sensitive customers to fly or to shift from large to low cost carriers. In past years we have seen more interest in the development of the low-cost model throughout Latin America. For example, in the Chilean market, Sky Airline, our main competitor, has been migrating to a low-cost model since 2015, while in July 2017, JetSmart, a new low-cost airline, started operations. In the Peruvian domestic market, VivaAir Peru, a new low-cost airline, started operations in May 2017, and in April 2019, another low-cost airline, Sky Airline Peru, started operations, followed by the entrance of JetSmart in June 2022. In Colombia, low-cost competitor VivaColombia has been operating in the domestic market since May 2012. Due to the impacts associated to the COVID-19 pandemic, some of these airlines have adopted strategies to consolidate in alliances or mergers with legacy airlines, such as Avianca and Gol (Abra Group), Avianca and Viva in Colombia, or JetSmart where American Airlines had been approved by authorities without any conditions to acquire minor participation. In the Cargo business, and also due to some effects of COVID-19 pandemic and the scarcity of containers, companies such as Maersk, CMA CGM and MSC have begun to compete in air transportation; CMA CGM and Air France-KLM airlines agreed to share cargo space in their airplanes; and American Airlines Cargo and Web

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Cargo have partnered to increase their destinations. These consolidations, mergers or new alliances might continue to appear, increasing the concentration and levels of competition. Specifically, in February 2023, LATAM expressed its interest in initiating negotiations to acquire VivaColombia. Any transaction is subject to a financial analysis, an agreement between the parties, and the corresponding regulatory approvals.

International strategic growth plans rely, in part, upon receipt of regulatory approvals of the countries in which we plan to expand our operations with joint business agreements (JBA). The group may not be able to obtain those approvals, while other competitors might be approved. Accordingly, we might not be able to compete for the same routes as our competitors, which could diminish our market share and adversely impact our financial results. No assurances can be given as to any benefits, if any, that we may derive from such agreements.

Some of our competitors may receive external support, which could adversely impact our competitive position.

Some of our competitors may receive support from external sources, such as their national governments, which may be unavailable to us. Support may include, among others, subsidies, financial aid or tax waivers. This support could place the group at a competitive disadvantage and adversely affect operations and financial performance. For example, Aerolineas Argentinas has historically been government subsidized. Additionally, during the COVID-19 pandemic, some of our competitors on long-haul routes received government support.

Moreover, as a result of the competitive environment, there may be further consolidation in the Latin American and global airline industry, whether by means of acquisitions, joint ventures, partnerships or strategic alliances. We cannot predict the effects of further consolidation on the industry. Furthermore, consolidation in the airline industry and changes in international alliances will continue to affect the competitive landscape in the industry and may result in the development of airlines and alliances with increased financial resources, more extensive global networks and reduced cost structures.

Some of the countries where the group operates may not comply with international agreements previously established, which could increase the risk perception of doing business in that specific market and as a consequence impact the business and financial results.

Rulings by a bankruptcy court in Brazil and a Chapter 15 ruling by the Bankruptcy Court related to the bankruptcy proceedings of Avianca Brazil may appear to be inconsistent with the timeline set out for a debtor to cure a default or to return an aircraft in the Cape Town Convention (CTC) treaty that Brazil has signed, thus raising concerns about timings for remedies by creditors in respect of financings secured by aircraft. Accordingly, creditors may perceive that an increased business risk is created by these rulings for leasing or other financing transactions involving aircraft in Brazil and there is a possibility that rating agencies may issue lower credit ratings in respect of financings that are secured by aircraft in Brazil. As a result, business and financial results may be adversely affected if our financing activities in Brazil are impacted by such events.

LATAM's operations are subject to local, national and international environmental regulations; costs of compliance with applicable regulations, or the consequences of noncompliance, could adversely affect our results, our business or our reputation.

LATAM's operations are affected by environmental regulations at local, national and international levels. These regulations cover, among other things, emissions to the atmosphere, disposal of solid waste and aqueous effluents, aircraft noise and other activities incident to the business. Future operations and financial results may vary as a result of such regulations. Compliance with these regulations and new or existing regulations that may be applicable to us in the future could increase our cost base and adversely affect operations and financial results. In addition, failure to comply with these regulations could adversely affect us in a variety of ways, including adverse effects on the group's reputation.

In 2016, the International Civil Aviation Organization ("ICAO") adopted a resolution creating the Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA), providing a framework for a global market-based measure to stabilize carbon dioxide ("CO_2") emissions in

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international civil aviation (i.e., civil aviation flights that depart in one country and arrive in a different country). CORSIA will be implemented in phases, starting with the participation of ICAO member states on a voluntary basis during a pilot phase (from 2021 through 2023), followed by a first phase (from 2024 through 2026) and a second phase (from 2027). Currently, CORSIA focuses on defining standards for monitoring, reporting and verification of emissions from air operators, as well as on defining steps to offset CO_2 emissions after 2020. In order to comply with this strategy, we have developed sustainability strategies focused on climate change and we have taken different measures, such as the alliance with the Cataruben foundation in Colombia, with the objectives of offsetting CO_2 through reducing deforestation and switching to sustainable agriculture practices, amongst others, thus contributing to improve the communities' life quality and the protection of biodiversity. In addition, we have other initiatives in place such as the promotion of SAF (green fuel produced with vegetable bases and mixed with conventional fossil fuels) with local governments and the lean fuel program. Nevertheless, to the extent most of the countries in which the group operates continue to be ICAO member states, in the future we may be affected by regulations adopted pursuant to the CORSIA framework. In addition, frameworks such as the Emissions Trading System, both in the EU and UK ("EU-ETS" and "UK-ETS"), are regulations related to the European market, where airlines have a pre-established amount of CO_2 emissions for each year, which are then reduced over time, similar to a "cap and trade" system. Airlines must report and verify emissions related to this scheme and surrender the allocated allowances in time in order to comply. Should operations exceed the maximum allocated emissions, airlines must either acquire more from the market or pay the corresponding fee to the authority.

The proliferation of national regulations and taxes on CO_2 emissions in the countries that we have domestic operations, including environmental regulations that the airline industry is facing in Colombia, where limits on offsetting programs were included in the new Tax Reform of 2022, may also affect the cost of operations and the margins.

Our business may be adversely affected by a downturn in the airline industry caused by exogenous events that affect travel behavior or increase costs, such as outbreak of disease, weather conditions and natural disasters, war or terrorist attacks.

Demand for air transportation may be adversely impacted by exogenous events, such as epidemics (such as Ebola and Zika) and pandemics (such as the COVID-19 pandemic), terrorist attacks, war or political and social instability. Increasing geopolitical tensions and hostilities in connection with the conflict in Ukraine, and the trade and monetary sanctions that have been imposed in connection with those developments, have affected, and could significantly affect, worldwide oil prices and demand, cause turmoil in the global financial system and negatively impact air travel. Situations such as these could have a material impact on the business, financial condition and results of operations. Furthermore, the COVID-19 pandemic and its variants and other adverse public health developments could have a prolonged effect on air transportation demand and any prolonged or widespread effects could significantly impact operations.

Any future terrorist attacks or threat of attacks, whether or not involving commercial aircraft, any increase in hostilities relating to reprisals against terrorist organizations or otherwise and any related economic impact could result in decreased passenger traffic and materially and negatively affect the business, financial condition and results of operations.

Revenues for airlines depend on the number of passengers carried, the fare paid by each passenger and service factors, such as the timeliness of flight departures and arrivals. During periods of fog, ice, low temperatures, storms or other adverse weather conditions or natural disasters outside of our control, some or all of our flights may be canceled or significantly delayed, affecting and disrupting our operations and reducing profitability. For example, in 2011, a volcanic eruption in Chile had a prolonged adverse effect on air travel, halting flights in Argentina, Chile, Uruguay and the southern part of Brazil for several days. As a result, our operations to and from these regions were temporarily disrupted, including certain aircraft being grounded in the affected regions. In 2012, an incident with an aircraft from a cargo airline caused the closing of a runway at Viracopos airport for 45

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hours, which negatively impacted our operations and forced us to re-accommodate our passengers to new flights. In 2022, a LATAM aircraft was severely damaged after flying through stormy weather on approach to Asuncion Airport in Paraguay, having to make an emergency landing. Increases in the frequency, severity or duration of thunderstorms, hurricanes, typhoons, floods or other severe weather events, including from changes in the global climate and rising global temperatures, could result in increases in delays and cancellations, turbulence-related injuries and fuel consumption to avoid such weather, any of which could result in loss of revenue and higher costs. In addition, fuel prices and supplies, which constitute a significant cost for us, may increase as a result of any future terrorist attacks, a general increase in hostilities or a reduction in output of fuel, voluntary or otherwise, by oil-producing countries. Such increases may result in both higher airline ticket prices and decreased demand for air travel generally, which could have an adverse effect on revenues and results of operations.

Our business may be adversely affected by the consequences of climate change.

There are regulatory risks associated with the management of climate change in the short and medium term, due to the fact that, in an effort of different countries to contribute to the fight against climate change, there is a tendency to impose economic instruments such as carbon taxes or emissions trading systems that seek to regulate emissions from different industries, including the aviation industry. These mechanisms seek to discourage the consumption of fossil fuels, through imposing an additional cost. However, in the case of the airline industry, especially in the South American region, there is no viable substitute fuel that would allow the industry to migrate to other types of fuels. The related risks present an opportunity to work hand in hand with the relevant governments to implement public policies allowing for progress in the production of sustainable aviation fuels in the region, thus promoting the migration away from fossil fuels and creating policies and instruments relevant to industries such as aviation, which currently has no substitute fuel available in South America. In the long term, there are physical risks associated with climate change, including the risk for greater intensity of meteorological phenomena, such as storms, tornados, hurricanes, floods and others, which in turn may pose a risk to infrastructure (destinations, airports) and communities. As a consequence, it may be necessary to modify routes and destinations.

An accumulation of ticket refunds could have an adverse effect on our financial results.

The COVID-19 pandemic and the corresponding widespread government-imposed travel restrictions that were outside of LATAM's control resulted in an unprecedented number of requests for ticket refunds from customers due to changed or canceled flights. Although at this time the issue has been managed, we cannot assure that the COVID-19 pandemic or other outbreak of contagious illness will not result in additional changed or canceled flights, and we cannot predict the total amount of refunds that customers might request as a result thereof. If the group is required to pay out a substantial amount of ticket refunds in cash, this could have an adverse effect on our financial results or liquidity position. Furthermore, the Company has agreements with financial institutions that process customer credit card transactions for the sale of air travel and other services. Under certain of the Company's credit card processing agreements, the financial institutions in certain circumstances have the right to require that the Company maintain a reserve equal to a portion of advance ticket sales that have been processed by that financial institution, but for which the Company has not yet provided the air transportation. Such financial institutions may require cash or other collateral reserves to be established or withholding of payments related to receivables to be collected, including if the Company does not maintain certain minimum levels of unrestricted cash, cash equivalents and short-term investments. Refunds lower our liquidity and put us at risk of triggering liquidity covenants in these processing agreements and, in doing so, could force us to post cash collateral with the credit card companies for advance ticket sales.

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LATAM is subject to risks relating to litigation and administrative proceedings that could adversely affect the business and financial performance in the event of an unfavorable ruling.

The nature of the business exposes us to litigation relating to labor, insurance and safety matters, regulatory, tax and administrative proceedings, governmental investigations, tort claims and contract disputes. Litigation is inherently costly and unpredictable, making it difficult to accurately estimate the outcome among other matters. Currently, as in the past, we are subject to proceedings or investigations of actual or potential litigation. Although we establish accounting provisions as we deem necessary, the amounts that we reserve could vary significantly from any amounts we actually have to pay due to the inherent uncertainties in the estimation process. We cannot assure you that these or other legal proceedings will not materially affect the business.

The group is subject to anti-corruption, anti-bribery, anti-money laundering and antitrust laws and regulations in Chile, Brazil, Peru, the United States and in the various other countries in which it operates. Violations of any such laws or regulations could have a material adverse impact on our reputation and results of operations and financial condition.

We are subject to anti-corruption, anti-bribery, anti-money laundering, antitrust and other international laws and regulations and are required to comply with the applicable laws and regulations of all jurisdictions where the group operates. In addition, we are subject to economic sanctions regulations that restrict dealings with certain sanctioned countries, individuals and entities. There can be no assurance that internal policies and procedures will be sufficient to prevent or detect all inappropriate practices, fraud or violations of law by affiliates, employees, directors, officers, partners, agents and service providers or that any such persons will not take actions in violation of our policies and procedures. Any violations by us of laws or regulations could have a material adverse effect on the business, reputation, results of operations and financial condition.

Latin American governments have exercised and continue to exercise significant influence over their economies.

Governments in Latin America frequently intervene in the economies of their respective countries and occasionally make significant changes in policy and regulations. Governmental actions have often involved, among other measures, nationalizations and expropriations, price controls, currency devaluations, mandatory increases on wages and employee benefits, capital controls and limits on imports. Our business, financial condition and results of operations may be adversely affected by changes in government policies or regulations, including such factors as exchange rates and exchange control policies, inflation control policies, price control policies, consumer protection policies, import duties and restrictions, liquidity of domestic capital and lending markets, electricity rationing, tax policies, including tax increases and retroactive tax claims, and other political, diplomatic, social and economic developments in or affecting the countries where the group operates.

For example, the Brazilian government's actions to control inflation and implement other policies have involved wage and price controls, depreciation of the real, controls over remittance of funds abroad, intervention by the Central Bank to affect base interest rates and other measures. In the future, the level of intervention by Latin American governments may continue or increase. We cannot assure that these or other measures will not have a material adverse effect on the economy of each respective country and, consequently, will not adversely affect our business, financial condition and results of operations.

Political instability and social unrest in Latin America may adversely affect the business.

LATAM operates primarily within Latin America and is thus subject to a full range of risks associated with our operations in this region. These risks may include unstable political or social conditions, lack of well-established or reliable legal systems, exchange controls and other limits on our ability to repatriate earnings and changeable legal and regulatory requirements.

Although political and social conditions in one country may differ significantly from another country, events in any of our key markets could adversely affect the business, financial conditions or results of operations.

For example, in Brazil, in the last couple of years, as a result of the ongoing *Lava Jato* investigation

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(“Operation Car Wash”), a number of senior politicians have resigned or been arrested and other senior elected officials and public officials are being investigated for allegations of corruption. One of the most significant events that elapsed from this operation was the impeachment of the former President Rousseff by the Brazilian Senate on August, 2016, for violations of fiscal responsibility laws and the governing of its Vice-President, Michel Temer, during the last two years of the presidential mandate, which, due to the development of the investigations conducted by the Federal Police Department and the General Federal Prosecutor’s Office, indicted President Temer on corruption charges. Along with the political and economic uncertainty period the country was facing, in July 2017, former and recently re-elected President Luiz Inácio Lula da Silva was convicted of corruption and money laundering by a lower federal court in the State of Paraná in connection with Operation Car Wash. Operation Car Wash is still in progress by Brazilian authorities and additional relevant information may come to light affecting the Brazilian economy.

Furthermore, former President Jair Bolsonaro is being investigated by the Brazilian Supreme Court for alleged misconduct. Several impeachment procedures have been filed in relation to the management of the response to the COVID-19 pandemic by the president.

In addition, after having his criminal convictions related to Operation Car Wash overturned and his political rights restored by the Brazilian Supreme Court, former President Luiz Inácio Lula da Silva ran for office in the presidential election of October 2022 and narrowly defeated President Bolsonaro. Former President Bolsonaro questioned the results of the elections, resulting in demonstrations across the country. Luiz Inácio Lula da Silva was sworn in as president in January 2023. We cannot predict which policies the incoming president Luiz Inácio Lula da Silva may adopt or change during his term in office, or the effect that any such policies might have on our business and on the Brazilian economy.

In Peru, on December 7, 2022, President Pedro Castillo announced the dissolution of the congress and called for new elections as soon as possible, provoking an attempted coup d’état. Subsequently, he was removed from office and arrested. On the same day, Vice President Dina Boluarte assumed the presidency of Peru, to serve the remaining presidential term until 2026. However, on December 11, 2022, President Boluarte announced she would introduce a bill to move the general elections up to April 2024, which proposal is under discussion and may be subject to change. Since then, there has been considerable political unrest in Peru, and demonstrations related to the political situation have led to multiple clashes between protestors and security forces, resulting in casualties and deaths. The political unrest has also given rise to many roadblocks across the country. In addition, some smaller airports such as Andahuaylas, Cusco, Juliaca and Arequipa across Peru have seen their operations interrupted.

On December 14, 2022, the Peruvian government declared a national state of emergency for 30 days. No assurance can be given as to how long the unrest and blockades will continue. The effect of any such disruption or interference cannot accurately be predicted and could have a significant adverse effect on our business, financial conditions or results of operations.

In October 2019, Chile saw significant protests associated with economic conditions resulting in the declaration of a state of emergency in several major cities. The protests in Chile began over criticisms about social inequality, lack of quality education, weak pensions, increasing prices and low minimum wage. If social unrest in Chile were to continue or intensify, it could lead to operational delays or adversely impact our ability to operate in Chile.

Furthermore, current initiatives to address the concerns of the protesters are under discussion in the Chilean Congress. These initiatives include labor reforms, tax reforms and pension reforms, among others. On October 25, 2020 (postponed from April 26, 2020 due to the impact of the COVID-19 pandemic), Chile widely approved a referendum to redraft the constitution via constitutional convention. The election for selecting the 155-member constitutional convention took place on May 15 and 16, 2021. On July 4, 2021, the constitutional convention was installed, having 9 months, with the possibility of a one-time, three-month extension, to present a new constitution. The proposed constitution was finalized on July 4, 2022. On September 4, 2022, a referendum

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NCG 461: 3.6 RISK MANAGEMENT

was held, in which the proposed constitution was rejected by a margin of 62% to 38% of voters. On December 12, 2022, Chilean lawmakers announced that they had agreed to a document entitled "Acuerdo por Chile" (Agreement for Chile). This document constitutes a new consensus and a starting point to begin drafting a new constitution. On December 26, 2022, the Constitutional Commission of the Senate started working on this document. In addition, Chile held presidential elections in December 2021, with leftist Gabriel Boric winning by a wide margin. Mr. Boric was sworn in as president in March 2022. There can be no assurance that the recent changes in the Chilean administration, its constitution or any future civil unrest will not adversely affect our business, operating results and financial condition in Chile.

Presidential elections were held in Colombia in 2022, and Gustavo Petro was narrowly elected president in Colombia, becoming the country's first elected leftist president. Such elections recorded the lowest abstention percentages ever in Colombia. On August 7, 2022, Gustavo Petro was sworn in as the new president of Colombia.

In Ecuador, during June of 2022, people took to the streets of Guayaquil. There was a mixture of claims ranging from high prices, lack of medicines, insecurity and even voices calling for the resignation of the current president, Guillermo Lasso.

Although conditions throughout Latin America vary from country to country, our customers' reactions to developments in Latin America generally may result in a reduction in passenger traffic, which could materially and negatively affect our financial condition and results of operations.

Latin American countries have experienced periods of adverse macroeconomic conditions.

The business is dependent upon economic conditions prevalent in Latin America. Latin American countries have historically experienced economic instability, including uneven periods of economic growth as well as significant downturns. High interest, inflation (in some cases substantial and prolonged), and unemployment rates generally characterize each economy. Because commodities such as agricultural products, minerals, and metals represent a significant percentage of exports of many Latin American countries, the economies of those countries are particularly sensitive to fluctuations in commodity prices. Investments in the region may also be subject to currency risks, such as restrictions on the flow of money in and out of the country, extreme volatility relative to the U.S. dollar, and devaluation.

For example, in the past, Peru has experienced periods of severe economic recession, currency devaluation, high inflation, and political instability, which have led to adverse economic consequences. LATAM cannot ensure that Peru will not experience similar adverse developments in the future even though for some years now, several democratic procedures have been completed without any violence. LATAM cannot ensure that the current or any future administration will maintain business-friendly and open market economic policies or policies that stimulate economic growth and social stability. In Brazil, the Brazil Real gross domestic product increased 1.2% in 2019, decreased 3.9% in 2020, and increased 4.6% in 2021, according to the Brazilian Institute for Geography and Statistics (*Instituto Brasileiro de Geografia e Estadística*, or "IGBE"). In addition, the credit rating of Perú was downgraded in 2021 and in 2022 is rated as BBB with a negative outlook. Ecuador and Chile were also downgraded in 2020, and Colombia in 2021, but keep a stable outlook. Brazil has a stable outlook but in monitoring due to recent events and protests related to the transition of government.

Accordingly, any changes in the economies of the Latin American countries in which LATAM and its affiliates operate or the governments' economic policies may have a negative effect on the business, financial condition and results of operations.

RISKS RELATING TO OUR COMMON SHARES AND ADSS

Holders of ADRs may be adversely affected by the substantial dilution of the shares represented by ADRs.

On June 18, 2022, the United States Bankruptcy Court for the Southern District of New York entered an order confirming the joint plan of reorganization (as amended, restated, modified, revised or supplemented from time to time, the "Plan") filed by

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the Reorganized Debtors and dated as of May 25, 2022 [ECF No. 5753]. Pursuant to the Plan, on September 13, 2022, the Reorganized Debtors commenced the preemptive rights offerings for the New Convertible Notes Class A, New Convertible Notes Class B, New Convertible Notes Class C (collectively, “New Convertible Notes”) and ERO New Common Stock (each as defined in the Plan), which offerings concluded on October 12, 2022. On November 3, 2022, the Plan became effective pursuant to its terms and we emerged from bankruptcy. In connection with our emergence and the conversion of the New Convertible Notes into shares of the Company, the equity interests of existing shareholders were substantially *diluted*. The shares represented by ADRs currently amount to a small portion of our capital. The market prices of the shares represented by ADRs may be adversely affected by such dilution and may experience significant fluctuation and volatility.

Our major shareholders may have interests that differ from those of our other shareholders.

As of February 28, 2023, Sixth Street Partners beneficially owned 27.9% of our common shares; Strategic Value Partners beneficially owned 16.0% of our common shares, Delta Air Lines owned 10.0% of our common shares; Qatar Airways Investments (UK) Ltd. owned 10.0% of our common shares (9.999999992% over LATAM’s statutory capital), Sculptor Capital beneficially owned 6.5% of our common shares; and the Cueto Group (the “Cueto Group”) owned 5.0% of our common shares. These shareholders could have interests that may differ from those of our other shareholders.

Under the terms of the deposit agreement governing the ADSs, if holders of ADSs do not provide JP Morgan Chase Bank, N.A., in its capacity as depositary for the ADSs, with timely instructions on the voting of the common shares underlying their ADRs, the depositary will be deemed to have been instructed to give a person designated by the board of directors the discretionary right to vote those common shares. The person designated by the board of directors to exercise this discretionary voting right may have interests that are aligned with our major shareholders, which may differ from those of our other shareholders. Historically, our board of directors has designated its chairman to exercise this right, which is however no guarantee that it will do so in the future. The members of the board of directors elected by the shareholders in 2022 designated Mr. Ignacio Cueto, to serve in this role.

Trading of our ADSs and common shares in the securities markets is limited and could experience further illiquidity and price volatility.

As a result of our Chapter 11 proceedings, on June 10, 2020, the NYSE notified the SEC of its intention to remove the ADSs from listing and registration on the NYSE, effective at the opening of business on June 22, 2020. As of the date of this annual report, the ADSs are traded in the over-the-counter market, which is a less liquid market, and our ADR program, with JP Morgan Chase Bank, N.A. as depositary, is not open for issuances. There is no defined timeline for re-opening the ADR program or for returning to the U.S. public markets. In addition, there can be no assurance that the ADSs will continue to trade in the over-the-counter market or that any public market for the ADSs will exist in the future, whether broker-dealers will continue to provide public quotes of the ADSs, whether the trading volume of the ADSs will be sufficient to provide for an efficient trading market, whether quotes for the ADSs may be blocked in the future or that we will be able to relist the ADSs on a securities exchange.

Our common shares are listed on the Santiago Stock Exchange. Chilean securities markets are substantially smaller, less liquid and more volatile than major securities markets in the United States. In addition, Chilean securities markets may be materially affected by developments in other emerging markets, particularly other countries in Latin America. Accordingly, although you are entitled to withdraw the common shares underlying the ADSs from the depositary at any time, your ability to sell the common shares underlying ADSs in the amount and at the price and time of your choice may be substantially limited. This limited trading market may also increase the price volatility of the ADSs or the common shares underlying the ADSs, which could also result in price disparity between the trading prices of the two.

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Holders of ADRs may be adversely affected by currency devaluations and foreign exchange fluctuations.

If the Chilean peso exchange rate falls relative to the U.S. dollar, the value of the ADSs and any distributions made thereon from the depositary could be adversely affected. Cash distributions made in respect of the ADSs are received by the depositary (represented by the custodian bank in Chile) in pesos, converted by the custodian bank into U.S. dollars at the then-prevailing exchange rate and distributed by the depositary to the holders of the ADRs evidencing those ADSs. In addition, the depositary will incur foreign currency conversion costs (to be borne by the holders of the ADRs) in connection with the foreign currency conversion and subsequent distribution of dividends or other payments with respect to the ADSs.

Future changes in Chilean foreign investment controls and withholding taxes could negatively affect non-Chilean residents that invest in our shares.

Equity investments in Chile by non-Chilean residents have been subject in the past to various exchange control regulations that govern investment repatriation and earnings thereon. Although not currently in effect, regulations of the Central Bank of Chile have in the past imposed such exchange controls. Nevertheless, foreign investors still have to provide the Central Bank with information related to equity investments and must conduct such operations within the formal exchange market. Furthermore, any changes in withholding taxes could negatively affect non-Chilean residents that invest in our shares.

We cannot assure you that additional Chilean restrictions applicable to the holders of ADRs, the disposition of the common shares underlying ADSs or the repatriation of the proceeds from an acquisition, a disposition or a dividend payment, will not be imposed or required in the future, nor could we make an assessment as to the duration or impact, were any such restrictions to be imposed or required.

Our ADS holders may not be able to exercise preemptive rights in certain circumstances.

To the extent that a holder of our ADSs is unable to exercise its preemptive rights because a registration statement has not been filed, the depositary may attempt to sell the holder's preemptive rights and distribute the net proceeds of the sale, net of the depositary's fees and expenses, to the holder, provided that a secondary market for those rights exists and a premium can be recognized over the cost of the sale. A secondary market for the sale of preemptive rights can be expected to develop if the subscription price of the shares of our common stock upon exercise of the rights is below the prevailing market price of the shares of our common stock. However, we cannot assure you that a secondary market in preemptive rights will develop in connection with any future issuance of shares of our common stock or that if a market develops, a premium can be recognized on their sale. Amounts received in exchange for the sale or assignment of preemptive rights relating to shares of our common stock will be taxable in Chile and in the United States. See "Item 10. Additional Information-E. Taxation-Chilean Tax-Capital Gains." To exercise preemptive rights in respect of common shares underlying their ADSs could result in a change in their percentage ownership of common shares following a preemptive rights offering. If a secondary market for the sale of preemptive rights does not develop and such rights cannot be sold, they will expire and a holder of our ADSs will not realize any value from the grant of the preemptive rights. In either case, the equity interest of a holder of our ADSs in us will be diluted proportionately. Pursuant to the Registration Rights Agreement, we have entered into with the Backstop Creditors and the Backstop Shareholders, we have reached an agreement to amend the terms of the deposit agreement governing our ADSs, to provide for (a) full flexibility (subject to applicable fees and procedures contained in the deposit agreement) to deposit and withdraw, at the election of the respective holders of ADS, any ordinary shares from time to time held by the backstop parties or their transferees into or out of the ADS program; (b) participation in dividends and distributions subject to the procedures of the depositary as set forth in the deposit agreement and subject to compliance with applicable law (including, without limitation, Chilean law); (c) participation in voting at the instruction of the respective holders of ADS, subject to the procedures of the depositary as set forth in the deposit agreement and subject to compliance with applicable law (including, without limitation, Chilean law); and (d) participation in preemptive rights offerings in the form of additional ADS subject to compliance with applicable law (including, without limitation, Chilean law) and the procedures of the Depositary set forth in the deposit agreement; provided that such offerings are for ordinary shares constituting at least two percent (2%) of the outstanding ordinary shares (excluding any Ordinary Shares subject to lock-up).

We are not required to disclose as much information to investors as a U.S. issuer is required to disclose and, as a result, you may receive less information about us than you would receive from a comparable U.S. company.

The corporate disclosure requirements that apply to us may not be equivalent to the disclosure requirements that apply to a U.S. company and, as a result, you may receive less information about us than you would receive from a comparable U.S. company. We are subject to the reporting requirements of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). The disclosure requirements applicable to foreign issuers under the Exchange Act are more limited than the disclosure requirements applicable to U.S. issuers. Publicly available information about issuers of securities listed on Chilean stock exchanges also provides less detail in certain respects than the information regularly published by listed companies in the United States or in certain other countries. Furthermore, there is a lower level of regulation of the Chilean securities market and of the activities of investors in such markets as compared with the level of regulation of the securities markets in the United States and in certain other developed countries.

Commitment to the future

CLIMATE CHANGE

GREENHOUSE GASES (t CO_2e) NCG 461: 8.2 SUSTAINABILITY INDICATORS BY INDUSTRY TYPE | GRI 305-1, 305-2, 305-3 and 305-4	2019	2020	2021	2022	∆ 2022/2021
Direct emissions[1] – SASB TR-AL-110a.1	12,149,725	5,614,368	6,497,576	9,780,288	50.5%
Indirect emissions[2]	18,423	16,355	14,549	7,150	-50.9%
Other indirect emissions[3]	218,174	24,827	2,446	3,198,317	130,657.0%
Total	**12,386,323**	**5,655,551**	**6,514,570**	**12,985,755**	**99.3%**
Emissions intensity in total operations (kg CO_2e/100 RTK)	**77.20**	**76.87**	**80.76**	**101.8**	**26.0%**
Emissions intensity in air operations (kg CO_2e/100 RTK)	**75.72**	**76.31**	**80.55**	**76.67**	**-4.8%**
Intensity of net emissions in the operation[4]	**76.33**	**75.04**	**76.10**	**97.02**	**27.5%**

RTK: Revenue tons-kilometer.
1 Direct emissions (Scope 1): fuel consumption in air operations, fixed sources, and LATAM fleet vehicles, as well as fugitive refrigerant gas emissions.
2 Indirect emissions (Scope 2): electric energy purchases. The emissions calculation considers the different energy grids of the countries where LATAM operates.
3 Other indirect emissions (Scope 3): ground transportation related to operations (employees, suppliers and waste), air travel (in other companies) of employees for work-related activities, purchase of goods and services, capital goods, emissions related to fuel and energy (cargo and passengers), waste generated in the operation and emissions generated by indirect transportation (performed by an external supplier).
4 Net emissions across the total operation: total emissions minus the offsets made.

Commitment to the future

CLIMATE CHANGE

SOURCE	EMISSION FACTOR
Jet Fuel[1]	3.16 $kgCO_2$/ kg
Gasoline	68,700 $kgCO_2$/ TJ
Diesel	74,400 $kgCO_2$/ TJ
Natural gas	55,600 $kgCO_2$/ TJ
Liquefied petroleum gas (LPG)	64,100 $kgCO_2$/ TJ

1 The factor was updated from the 2021 Report. For previous years, the factor of 3.15 kg CO_2/kg of fuel was maintained.

SCOPE OF THE INFORMATION (%)	2019	2020	2021	2022
Jet fuel - air operation	100	100	100	100
Fuel – stationary sources				
Diesel	96	96	96	100
Natural gas	100	100	100	100
Gasoline	100	100	100	100
LPG	100	100	100	100
Fuel – mobile sources				
Diesel	96	96	96	96
Gasoline	96	96	96	96
LPG	100	100	100	100
Refrigerating gases (various)	100	100	100	100
Electricity	100	100	100	100
Transportation using other airlines (jet fuel)	100	100	100	100

SIGNIFICANT ATMOSPHERIC EMISSIONS GRI 305-6 and 305-7	2019	2020	2021	2022	Δ 2022/2021
Nitrogen oxides (NOx) – (t)	**41,697**	**19,207**	**22,184**	**33,1986**	**49%**
Intensity in passenger operations (g/RPK)	0.261	0.273	0.330	0.478	45%
Intensity in cargo operations (g/RTK)	1.880	1.792	1.734	1.912	10%
Sulfur oxides (SOx) – (t)	**1,847**	**851**	**983**	**1,470**	**49%**
Intensity in passenger operations (g/RPK)	0.012	0.012	0.013	0.014	7.69%
Intensity in cargo operations (g/RTK)	0.083	0.079	0.077	0.085	10%
Gases that affect the ozone layer tCO_2e[1]	**25,030.74**	**154.30**	**7,666.68**	**11,859**	**54%**

1 Including: Halon-1301; HCFC-141b; HCFC-22. For the year 2022, values from previous years are adjusted to show all data in tCO_2e.

RPK: Revenue passenger-kilometer.

RTK: Revenue tons-kilometer.

Employees

BETTER, SIMPLER AND MORE TRANSPARENT

LATAM GROUP – EMPLOYEE PROFILE

NCG 461: 5.1.1 NUMBER OF PERSONS BY SEX and 5.1.2 NUMBER OF PERSONS BY NATIONALITY | GRI 2-7 and 2-8

	Brazil		Chile		Colombia		Ecuador		United States		Peru		Others		LATAM group	
	M	W	M	W	M	W	M	W	M	W	M	W	M	W	M	W
Senior management	14	1	38	4	1	0	0	1	4	1	1	0	2	2	60	9
Top management	97	57	243	126	17	6	4	5	22	14	15	8	20	6	418	222
Middle management	452	187	305	179	47	23	24	10	48	22	50	34	38	30	964	485
Operators	7,054	2,609	1,487	838	447	328	72	23	700	206	557	462	247	225	10,564	4,691
Sales Force	64	181	89	313	2	10	2	9	2	4	15	45	14	31	188	593
Administrative staff	162	165	191	253	12	26	8	17	4	9	31	34	22	28	430	532
Other professionals	499	353	790	456	24	21	7	6	28	19	23	24	13	15	1,384	894
Other technicians	3,180	2,690	1,203	1,226	438	307	127	94	1	0	889	850	28	40	5,866	5,207
Total[1]	**11,522**	**6,243**	**4,346**	**3,395**	**988**	**721**	**244**	**165**	**809**	**275**	**1,581**	**1,457**	**384**	**377**	**19,874**	**12,633**

1 In addition to the 32,507 employees, LATAM's workforce includes approximately 1,000 temporary workers, hired through outsourced companies for a maximum term of 6 months to fill temporary vacancies due to employee leave or expiration of external contracts.

LATAM GROUP – EMPLOYEE PROFILE

NCG 461: 5.1.3 NUMBER OF INDIVIDUALS BY AGE RANGE

	Under 30 years old		From 30 to 40 years old		From 41 to 50 years old		From 51 to 60 years old		From 61 to 70 years old		Over 70 years old	
	M	W	M	W	M	W	M	W	M	W	M	W
Senior management	0	0	6	1	31	7	20	1	3	0	0	0
Top management	8	3	209	136	138	64	53	18	10	1	0	0
Middle management	91	62	412	260	311	114	129	45	20	4	1	0
Operators	2,616	2,022	4,020	1,796	2,585	657	1,108	196	218	19	17	1
Sales Force	15	51	87	235	67	206	15	85	3	16	1	0
Administrative staff	80	80	153	232	135	160	46	53	16	7	0	0
Other professionals	398	264	630	420	243	165	83	41	24	4	6	0
Other technicians	755	954	2,279	2,396	1,800	1,609	870	235	156	13	6	0
Total	**3,963**	**3,436**	**7,796**	**5,476**	**5,310**	**2,982**	**2,324**	**674**	**450**	**64**	**31**	**1**

EMPLOYEE CATEGORIES

Senior management
CEO, Vice President, Director.

Top management
Senior Manager, Manager, Assistant Manager.

Middle management
Area Manager, Department Manager.

Operators
Cargo Operations, Maintenance, Airport and Operations Control Center.

Sales Force
Sales Operations, Customer Care.

Administrative staff
Support activities and general roles.

Other professionals
Middle management in support activities.

Other technicians
Command and cabin crew.

Employees

BETTER, SIMPLER AND MORE TRANSPARENT

LATAM GROUP – EMPLOYEE PROFILE
NCG 461: 5.1.4 NUMBER OF INDIVIDUALS BY SENIORITY

	Under 3 years		From 3 to 6 years		More than 6 and up to 9 years		More than 9 and up to 12 years		Over 12 years old	
	M	W	M	W	M	W	M	W	M	W
Senior management	7	0	7	1	5	1	4	2	37	5
Top management	30	28	42	27	63	36	83	63	200	68
Middle management	84	56	133	80	92	57	149	71	506	221
Operators	4,409	2,601	1,486	689	866	442	1,326	386	2,477	573
Sales Force	30	76	39	101	32	72	32	103	55	241
Administrative staff	104	108	55	78	46	57	65	74	160	215
Other professionals	536	358	206	118	143	106	163	94	336	218
Other technicians	1,674	1,384	488	384	389	442	452	355	2,863	2,642
Total	**6,874**	**4,611**	**2,456**	**1,478**	**1,636**	**1,213**	**2,274**	**1,148**	**6,634**	**4,183**

LATAM GROUP – EMPLOYEE PROFILE
NCG 461: 5.1.5 INDIVIDUALS WITH DISABILITIES

	Men	Women
Senior management	0	0
Top management	0	0
Middle management	0	2
Operators	14	2
Sales Force	266	77
Administrative staff	6	8
Other professionals	15	16
Other technicians	19	11

EMPLOYEE CATEGORIES

Senior management
CEO, Vice President, Director.

Top management
Senior Manager, Manager, Assistant Manager.

Middle management
Area Manager, Department Manager.

Operators
Cargo Operations, Maintenance, Airport and Operations Control Center.

Sales Force
Sales Operations, Customer Care.

Administrative staff
Support activities and general roles.

Other professionals
Middle management in support activities.

Other technicians
Command and cabin crew.

Employees

BETTER, SIMPLER AND MORE TRANSPARENT

LATAM GROUP – EMPLOYEE PROFILE				
Contract Type[1] GRI 2-7 EMPLOYEES	Indefinite term		Fixed term	
	M	W	M	W
Brazil	11,522	6,243	0	0
Chile	3,962	3,021	384	374
Colombia	823	478	165	243
Ecuador	243	165	1	0
United States	805	274	296	368
Peru	1,285	1,089	4	1
Others	376	372	8	5
LATAM group	**19,016 | 58.5%**	**11,642 | 35.8%**	**858 | 2.6%**	**991 | 3.0%**
NCG 461: 5: 2 LABOR FORMALITY				

1 NB: There are no contracts per job or task.

LATAM GROUP – EMPLOYEE PROFILE				
Type of work hours GRI 2-7 EMPLOYEES	Ordinary work hours		Part-time[1]	
	M	W	M	W
Brazil	11,287	6,054	235	189
Chile	4,300	3,276	46	119
Colombia	988	720	0	1
Ecuador	244	165	0	0
United States	802	254	7	21
Peru	1,581	1,443	0	14
Others	338	335	46	42
LATAM group	**19,540 | 60.1%**	**12,247 | 37.7%**	**334 | 1.0%**	**386 | 1.2%**
NCG: 461: 5.3 LABOR FLEXIBILITY				

1 Also includes employees with flexibility pacts for workers with family responsibilities.

Others: Germany, Argentina, Bolivia, Cuba, Spain, France, Italy, Mexico, Oceania(several countries), Netherlands, Paraguay, Peru, Portugal, United Kingdom, and Uruguay.

GRI 2-30 COLLECTIVE BARGAINING AGREEMENTS[1] NCG 461: 8.2 SUSTAINABILITY INDICATORS | SASB TR-AL- 310a.1	
Employees covered by collective bargaining agreements	86%
Unionized employees	49%

1 Based on the total workforce on December 31, 2022.

Overall, the group applies its own policies to define working conditions and terms of employment for employees not covered by collective bargaining agreements. The exception is Chile where, since September 2016, in compliance with the provisions of the law, some basic and transversal benefits, such as the benefit of airfare, defined in a collective union agreement, are extended to the new hires.

NCG 461: 8.2 SUSTAINABILITY INDICATORS | SASB TR-AL-310a. 2

During 2022, there were no labor stoppages involving more than a thousand workers, nor idle days as a result of work stoppages.

Employees

BETTER, SIMPLER AND MORE TRANSPARENT

NCG 461: 5.7 POSTNATAL LEAVE

Countries	Benefited group[1]	Average number of paternity leave days in 2022							
		Senior management	Top management	Middle management	Operators	Sales Force	Administrative staff	Other professionals	Other technicians
Germany	0	0	0	0	0	0	0	0	0
Argentina	0	0	0	0	0	0	0	0	0
Bolivia	4.20%	0	0	0	3	0	0	0	0
Brazil	1.92%	0	20	20	20	20	20	0	20
Chile	15.21%	0	5	5	6	0	7	11	7
Colombia	2.44%	0	14	14	14	0	14	0	14
Cuba	0	0	0	0	0	0	0	0	0
Ecuador	1%	0	0	0	12	0	0	0	15
Spain	1 person	0	112	0	0	0	0	0	0
United States	1,77%	0	0	5	0	0	5	0	0
France	0	0	0	0	0	0	0	0	0
Italy	1 person	0	3	0	0	0	0	0	0
Mexico	0	0	0	0	0	0	0	0	0
Oceanía (several countries)	0	0	0	0	0	0	0	0	0
The Netherlands	0	0	0	0	0	0	0	0	0
Paraguay	0%	0	0	0	0	0	0	0	0
Peru	2.17%	0	0	10	10	0	0	0	10
Portugal	0	0	0	0	0	0	0	0	0
UK	0	0	0	0	0	0	0	0	0
Uruguay	0%	0	0	0	0	0	0	0	0

1 Men who used paternity leave in 2022 (% of the total workforce as at December).

Countries	Benefited group[2]	Average number of paternity leave days in 2022							
		Senior management	Top management	Middle management	Operators	Sales Force	Administrative staff	Other professionals	Other technicians
Germany	0	0	0	0	0	0	0	0	0
Argentina	1.26%	0	0				180		
Bolivia	0%	0	0	0	0	0	0	0	0
Brazil	6.92%	0	180	180	180	180	180	0	180
Chile	50.94%	0	189	188	160	127	155	152	190
Colombia	2.09%	0	0	124	124	124	0	0	124
Cuba	0	0	0	0	0	0	0	0	0
Ecuador	1%	0	0	0	0	0	0	0	84
Spain	2.80%	0	0	0	0	112	0	0	0
United States	0%	0	0	0	0	0	0	0	0
France	0	0	0	0	0	0	0	0	0
Italy	0	0	0	0	0	0	0	0	0
Mexico	3.70%	0	0	0	0	84	0	0	0
Oceanía (several countries)	0.14%	0	0	180	0	0	0	0	0
The Netherlands	0	0	0	0	0	0	0	0	0
Paraguay	1.60%	0	0	0	0	0	0	0	112
Peru	4.23%	0	0	0	98	0	98	0	98
Portugal	0.03%								
UK	0	0	0	0	0	0	0	0	0
Uruguay	0.00%	0	0	0	0	0		0	0

2 Women who used maternity leave in 2022 (% of the total workforce as at December).

Financial information

IN THIS CHAPTER

Financial Statements

NCG 461: 11 FINANCIAL STATEMENTS

LATAM AIRLINES GROUP S.A. AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2022

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CLP	-	CHILEAN PESO
UF	-	CHILEAN UNIDAD DE FOMENTO
ARS	-	ARGENTINE PESO
US$	-	UNITED STATES DOLLAR
THUS$	-	THOUSANDS OF UNITED STATES DOLLARS
MUS$	-	MILLIONS OF UNITED STATES DOLLARS
COP	-	COLOMBIAN PESO
BRL/R$	-	BRAZILIAN REAL
THR$	-	THOUSANDS OF BRAZILIAN REAL

REPORT OF INDEPENDENT AUDITORS
(Free translation from the original in Spanish)

Santiago, March 9, 2023

To the Board of Directors and Shareholders
Latam Airlines Group S.A.

We have audited the accompanying consolidated financial statements of Latam Airlines Group S.A. and subsidiaries, which comprise the consolidated statements of financial position as at December 31, 2022 and 2021 and the consolidated statements of income by function, comprehensive income, changes in equity and cash flows – direct method for the years then ended, and the corresponding notes to the consolidated financial statements.

Management's responsibility for the consolidated financial statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with the International Financial Reporting Standards. This responsibility includes the design, implementation and maintenance of a relevant internal control for the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Chilean Generally Accepted Auditing Standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements 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 entity's internal control. As a consequence we do not express that kind of opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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

PwC Chile, Av. Andrés Bello 2711 - piso 5, Las Condes – Santiago, Chile
RUT: 81.513.400-1 | Teléfono: (56 2) 2940 0000 | www.pwc.cl

Santiago, March 9, 2023
Latam Airlines Group S.A.
2

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Latam Airlines Group S.A. and subsidiaries as at December 31, 2022 and 2021, and the results of its operations and cash flows for the years then ended in accordance with the International Financial Reporting Standards.

Emphasis of matter – Substantial Doubt About the Company's Ability to Continue as a Going Concern Has Been Removed

In our audit of the consolidated financial statements as of December 31, 2021 and for the year then ended, management and we previously concluded there was substantial doubt about the Company's ability to continue as a going concern. As discussed in Note 2, management has subsequently taken certain actions, which management and we have concluded remove that substantial doubt. Our opinion is not modified as a result of this matter.

DocuSigned by:
29A251EE1C8442C...
Jonathan Yeomans Gibbons
RUT: 13.473.972-K

PricewaterhouseCoopers

LATAM AIRLINES GROUP S.A. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

ASSETS

	Note	As of December 31, 2022 ThUS$	As of December 31, 2021 ThUS$
Cash and cash equivalents			
Cash and cash equivalents	6 - 7	1,216,675	1,046,835
Other financial assets	7 - 11	503,515	101,138
Other non-financial assets	12	191,364	108,368
Trade and other accounts receivable	7 - 8	1,008,109	881,770
Accounts receivable from related entities	7 - 9	19,523	724
Inventories	10	477,789	287,337
Current tax assets	17	33,033	41,264
Total current assets other than non-current assets (or disposal groups) classified as held for sale		3,450,008	2,467,436
Non-current assets (or disposal groups) classified as held for sale	13	86,416	146,792
Total current assets		3,536,424	2,614,228
Non-current assets			
Other financial assets	7 - 11	15,517	15,622
Other non-financial assets	12	148,378	125,432
Accounts receivable	7 - 8	12,743	12,201
Intangible assets other than goodwill	15	1,080,386	1,018,892
Property, plant and equipment	16	8,411,661	9,489,867
Deferred tax assets	17	5,915	15,290
Total non-current assets		9,674,600	10,677,304
Total assets		13,211,024	13,291,532

The accompanying Notes 1 to 36 form an integral part of these consolidated financial statements.

LATAM AIRLINES GROUP S.A. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

LIABILITIES AND EQUITY

LIABILITIES	Note	As of December 31, 2022 ThUS$	As of December 31, 2021 ThUS$
Current liabilities			
Other financial liabilities	7 - 18	802,841	4,453,451
Trade and other accounts payables	7 - 19	1,627,992	4,839,251
Accounts payable to related entities	7 - 9	12	661,602
Other provisions	20	14,573	27,872
Current tax liabilities	17	1,026	675
Other non-financial liabilities	21	2,642,251	2,332,576
Total current liabilities		5,088,695	12,315,427
Non-current liabilities			
Other financial liabilities	7 - 18	5,979,039	5,948,702
Accounts payable	7 - 23	326,284	472,426
Other provisions	20	927,964	712,581
Deferred tax liabilities	17	344,625	341,011
Employee benefits	22	93,488	56,233
Other non-financial liabilities	21	420,208	512,056
Total non-current liabilities		8,091,608	8,043,009
Total liabilities		13,180,303	20,358,436
EQUITY			
Share capital	24	13,298,486	3,146,265
Retained earnings/(losses)	24	(7,501,896)	(8,841,106)
Treasury Shares	24	(178)	(178)
Other equity	24	39	-
Other reserves	24	(5,754,173)	(1,361,529)
Parent's ownership interest		42,278	(7,056,548)
Non-controlling interest	14	(11,557)	(10,356)
Total equity		30,721	(7,066,904)
Total liabilities and equity		13,211,024	13,291,532

The accompanying Notes 1 to 36 form an integral part of these consolidated financial statements.

LATAM AIRLINES GROUP S.A. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF INCOME BY FUNCTION

	Note	For the year ended December 31, 2022 ThUS$	2021 ThUS$
Revenue	5 - 25	9,362,521	4,884,015
Cost of sales	26	(8,103,483)	(4,963,485)
Gross margin		1,259,038	(79,470)
Other income	27	154,286	227,331
Distribution costs	26	(426,599)	(291,820)
Administrative expenses	26	(576,429)	(439,494)
Other expenses	26	(531,575)	(535,824)
Gain (losses) from restructuring activities	26	1,679,934	(2,337,182)
Other gains/(losses)	26	(347,077)	30,674
Income (Loss) from operation activities		1,211,578	(3,425,785)
Financial income	26	1,052,295	21,107
Financial costs	26	(942,403)	(805,544)
Foreign exchange		25,993	131,408
Result of indexation units		(1,412)	(5,393)
Income (Loss) before taxes		1,346,051	(4,084,207)
Income tax (expense) / benefits	17	(8,914)	(568,935)
NET INCOME (LOSS)		1,337,137	(4,653,142)
Income (Loss) attributable to owners of the parent		1,339,210	(4,647,491)
Loss attributable to non-controlling interest	14	(2,073)	(5,651)
Net Income (Loss)		1,337,137	(4,653,142)
EARNING (LOSS) PER SHARE			
Basic earning (loss) per share (US$)	29	0.013861	(7.66397)
Diluted earning (loss) per share (US$)	29	0.013592	(7.66397)

The accompanying Notes 1 to 36 form an integral part of these consolidated financial statements.

LATAM AIRLINES GROUP S.A. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Note	For the year ended December 31, 2022 ThUS$	2021 ThUS$
NET INCOME/(LOSS)		1,337,137	(4,653,142)
Components of other comprehensive income that will not be reclassified to income before taxes			
Other comprehensive income, before taxes, gains (losses) by new measurements on defined benefit plans	24	(9,935)	10,018
Total other comprehensive (loss) that will not be reclassified to income before taxes		(9,935)	10,018
Components of other comprehensive income that will be reclassified to income before taxes			
Currency translation differences			
Gains (losses) on currency translation, before tax		(32,563)	20,008
Other comprehensive loss, before taxes, currency translation differences		(32,563)	20,008
Cash flow hedges			
Gains (losses) on cash flow hedges before taxes	24	52,017	38,870
Reclassification adjustment on cash flow hedges before tax	24	31,293	(16,641)
Amounts removed from equity and included in the carrying amount of non-financial assets (liabilities) that were acquired or incurred through a highly probable hedged forecast transaction, before tax	24	(8,143)	-
Other comprehensive income (losses), before taxes, cash flow hedges		75,167	22,229
Change in value of time value of options			
Losses on change in value of time value of options before tax	24	(24,005)	(23,692)
Reclassification adjustments on change in value of time value of options before tax	24	19,946	6,509
Other comprehensive income (losses), before taxes, changes in the time value of the options		(4,059)	(17,183)
Total other comprehensive income (loss) that will be reclassified to income before taxes		38,545	25,054
Other components of other comprehensive income (loss), before taxes		28,610	35,072
Income tax relating to other comprehensive income that will not be reclassified to income			
Income (loss) tax relating to new measurements on defined benefit plans	17	567	(2,783)
Income tax relating to other comprehensive income (loss) that will not be reclassified to income		567	(2,783)
Income tax relating to other comprehensive income (loss) that will be reclassified to income			
Income tax related to cash flow hedges in other comprehensive income (loss)		(235)	(58)
Income taxes related to components of other comprehensive loss will be reclassified to income		(235)	(58)
Total Other comprehensive income (loss)		28,942	32,231
Total comprehensive income (loss)		1,366,079	(4,620,911)
Comprehensive income (loss) attributable to owners of the parent		1,367,315	(4,616,914)
Comprehensive income (loss) attributable to non-controlling interests		(1,236)	(3,997)
TOTAL COMPREHENSIVE INCOME (LOSS)		1,366,079	(4,620,911)

The accompanying Notes 1 to 36 form an integral part of these consolidated financial statements.

LATAM AIRLINES GROUP S.A. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

		Attributable to owners of the parent			Change in other reserves										
	Note	Share capital ThUS$	Other equity ThUS$	Treasury shares ThUS$	Currency translation reserve ThUS$	Cash flow hedging reserve ThUS$	Gains (Losses) from changes in the time value of the options ThUS$	Actuarial gains or losses on benefit plans reserve ThUS$	Shares based payments reserve ThUS$	Other sundry reserve ThUS$	Total other reserve ThUS$	Retained earnings/(losses) ThUS$	Parent's ownership interest ThUS$	Non-controlling interest ThUS$	Total equity ThUS$
Equity as of January 1, 2022		3,146,265	-	(178)	(3,772,159)	(38,390)	(17,563)	(18,750)	37,235	2,448,098	(1,361,529)	(8,841,106)	(7,056,548)	(10,356)	(7,066,904)
Total increase (decrease) in equity															
Net income/(loss) for the period	24	-	-	-	-	-	-	-	-	-	-	1,339,210	1,339,210	(2,073)	1,337,137
Other comprehensive income		-	-	-	(33,401)	74,932	(4,059)	(9,367)	-	-	28,105	-	28,105	837	28,942
Total comprehensive income		-	-	-	(33,401)	74,932	(4,059)	(9,367)	-	-	28,105	1,339,210	1,367,315	(1,236)	1,366,079
Transactions with shareholders															
Equity issue	24-34	800,000	-	-	-	-	-	-	-	-	-	-	800,000	-	800,000
Increase for other contributions from the owners	24	-	9,250,229	-	-	-	-	-	-	(4,340,749)	(4,340,749)	-	4,909,480	-	4,909,480
Increase (decrease) through transfers and other changes, equity	24-34	9,352,221	(9,250,190)	-	-	-	-	-	-	(80,000)	(80,000)	-	22,031	35	22,066
Total transactions with shareholders		10,152,221	39	-	-	-	-	-	-	(4,420,749)	(4,420,749)	-	5,731,511	35	5,731,546
Closing balance as of December 31, 2022		13,298,486	39	(178)	(3,805,560)	36,542	(21,622)	(28,117)	37,235	(1,972,651)	(5,754,173)	(7,501,896)	42,278	(11,557)	30,721

The accompanying Notes 1 to 36 form an integral part of these consolidated financial statements.

LATAM AIRLINES GROUP S.A. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

		Attributable to owners of the parent												
				Change in other reserves										
	Note	Share capital ThUS$	Treasury shares ThUS$	Currency translation reserve ThUS$	Cash flow hedging reserve ThUS$	Gains (Losses) from changes in the time value of the options ThUS$	Actuarial gains or losses on defined benefit plans reserve ThUS$	Shares based payments reserve ThUS$	Other sundry reserve ThUS$	Total other reserve ThUS$	Retained earnings/(losses) ThUS$	Parent's ownership interest ThUS$	Non-controlling interest ThUS$	Total equity ThUS$
Equity as of January 1, 2021		3,146,265	(178)	(3,790,513)	(60,941)	-	(25,985)	37,235	2,452,019	(1,388,185)	(4,193,615)	(2,435,713)	(6,672)	(2,442,385)
Increase (decrease) by application of new accounting standards	2 - 25	-	-	-	380	(380)	-	-	-	-	-	-	-	-
Initial balance restated		3,146,265	(178)	(3,790,513)	(60,561)	(380)	(25,985)	37,235	2,452,019	(1,388,185)	(4,193,615)	(2,435,713)	(6,672)	(2,442,385)
Total increase (decrease) in equity														
Net income/(loss) for the year	25	-	-	-	-	-	-	-	-	-	(4,647,491)	(4,647,491)	(5,651)	(4,653,142)
Other comprehensive income		-	-	18,354	22,171	(17,183)	7,235	-	-	30,577	-	30,577	1,654	32,231
Total comprehensive income		-	-	18,354	22,171	(17,183)	7,235	-	-	30,577	(4,647,491)	(4,616,914)	(3,997)	(4,620,911)
Transactions with shareholders														
Increase (decrease) through transfers and other changes, equity	25-34	-	-	-	-	-	-	-	(3,921)	(3,921)	-	(3,921)	313	(3,608)
Total transactions with shareholders		-	-	-	-	-	-	-	(3,921)	(3,921)	-	(3,921)	313	(3,608)
Closing balance as of December 31, 2021		3,146,265	(178)	(3,772,159)	(38,390)	(17,563)	(18,750)	37,235	2,448,098	(1,361,529)	(8,841,106)	(7,056,548)	(10,356)	(7,066,904)

The accompanying Notes 1 to 36 form an integral part of these consolidated financial statements.

LATAM AIRLINES GROUP S.A. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS - DIRECT METHOD

	Note	For the year ended December 31, 2022	2021
		ThUS$	ThUS$
Cash flows from operating activities			
Cash collection from operating activities			
Proceeds from sales of goods and services		10,549,542	5,359,778
Other cash receipts from operating activities		117,118	52,084
Payments for operating activities			
Payments to suppliers for the supply goods and services	34	(9,113,130)	(4,391,627)
Payments to and on behalf of employees		(1,039,336)	(941,068)
Other payments for operating activities		(272,823)	(156,395)
Income taxes (paid)		(14,314)	(9,437)
Other cash inflows (outflows)	34	(130,260)	(87,576)
Net cash (outflow) inflow from operating activities		96,797	(174,241)
Cash flows from investing activities			
Cash flows from losses of control of subsidiaries or other businesses		-	752
Other cash receipts from sales of equity or debt instruments of other entities		417	35
Other payments to acquire equity or debt instruments of other entities		(331)	(208)
Amounts raised from sale of property, plant and equipment		56,377	105,000
Purchases of property, plant and equipment		(780,538)	(597,103)
Purchases of intangible assets		(50,116)	(88,518)
Interest received		18,934	9,056
Other cash inflows (outflows)	34	6,300	18,475
Net cash (outflow) inflow from investing activities		(748,957)	(552,511)
Proceeds from the issuance of shares	34	549,038	-
Amounts from the issuance of other equity instruments	34	3,202,790	-
Amounts raised from long-term loans	34	2,361,875	-
Amounts raised from short-term loans	34	4,856,025	661,609
Loans from Related Entities	32	770,522	130,102
Loans repayments	34	(8,759,413)	(463,048)
Payments of lease liabilities	34	(131,917)	(103,366)
Payments of loans to related entities	34	(1,008,483)	-
Dividends paid		-	-
Interest paid		(521,716)	(104,621)
Other cash (outflows) inflows	34	(463,766)	(11,034)
Net cash inflow (outflow) from financing activities		854,955	109,642
Net (decrease) increase in cash and cash equivalents before effect of exchanges rate change		202,795	(617,110)
Effects of variation in the exchange rate on cash and cash equivalents		(32,955)	(31,896)
Net (decrease) increase in cash and cash equivalents		169,840	(649,006)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	6	1,046,835	1,695,841
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	6	1,216,675	1,046,835

The accompanying Notes 1 to 36 form an integral part of these consolidated financial statements.

LATAM AIRLINES GROUP S.A. AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

AS OF DECEMBER 31, 2022

NOTE 1 - GENERAL INFORMATION

LATAM Airlines Group S.A. (“LATAM” or the "Company") is an open stock company which holds the values inscribed in the Registro de Valores of the Commission for the Financial Market under No. 306, whose shares are listed in Chile on the Electronic Stock Exchange of Chile - Stock Exchange and the Santiago Stock Exchange. Latam’s ADR are currently trading in the United States of America on the OTC (Over-The-Counter) markets. LATAM Airlines Group S.A. and certain of its direct and indirect affiliates announced their emergence on November 3, 2022, from their reorganization proceedings in the United States of America under Chapter 11 of Title 11 of the United States Code at the United States Bankruptcy Court for the Southern District of New York (the Chapter 11 Proceedings”)

Its main business is the air transport of passengers and cargo, both in the domestic markets of Chile, Peru, Colombia, Ecuador and Brazil, as well as in a series of regional and international routes in America, Europe and Oceania. These businesses are developed directly or by its subsidiaries in Ecuador, Peru, Brazil, Colombia, Argentine and Paraguay. In addition, the Company has subsidiaries that operate in the cargo business in Chile, Brazil and Colombia.

The Company is located in Chile, in the city of Santiago, on Avenida Presidente Riesco No. 5711, Las Condes commune.

As of December 31, 2022, the Company's statutory capital is represented by 606,407,693,000 ordinary shares without nominal value. Of such amount, as of said date, 605,231,854,725 shares were subscribed and paid. The foregoing, considering the capital increase approved by the shareholders of the company at an extraordinary meeting held on July 5, 2022, in the context of the implementation of its reorganization plan approved and confirmed in the Chapter 11 Proceedings.

The major shareholders of the Company considering the total amount of subscribed and paid shares are Banco de Chile on behalf of State Street which owns 46,96%, Banco de Chile on behalf of Non-Resident Third Parties with 12.68%, Delta Air Lines with 10.03% and Qatar Airways with 10,02% ownership (9.999999992% considering the total amount of authorized shares).

As of December 31, 2022, the Company had a total of 2,092 shareholders in its registry. At that date, approximately 0.01% of the Company's capital stock was in the form of ADRs.

During 2022, the Company had an average of 30,877 employees, ending this year with a total number of 32,507 people, distributed in 4,627 Administration employees, 16,803 in Operations, 7,423 Cabin Crew and 3,654 Command crew.

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The main subsidiaries included in these consolidated financial statements are as follows:

a) Percentage ownership

Tax No.	Company	Country of origin	Functional Currency	As December 31, 2022 Direct %	As December 31, 2022 Indirect %	As December 31, 2022 Total %	As December 31, 2021 Direct %	As December 31, 2021 Indirect %	As December 31, 2021 Total %
96.969.680-0	Lan Pax Group S.A. and Subsidiaries	Chile	US$	99.9959	0.0041	100.0000	99.8361	0.1639	100.0000
Foreign	Latam Airlines Perú S.A.	Peru	US$	23.6200	76.1900	99.8100	23.6200	76.1900	99.8100
93.383.000-4	Lan Cargo S.A.	Chile	US$	99.8940	0.0041	99.8981	99.8940	0.0041	99.8981
Foreign	Connecta Corporation	U.S.A.	US$	0.0000	100.0000	100.0000	0.0000	100.0000	100.0000
Foreign	Prime Airport Services Inc. and Subsidiary	U.S.A.	US$	0.0000	100.0000	100.0000	0.0000	100.0000	100.0000
96.951.280-7	Transporte Aéreo S.A.	Chile	US$	0.0000	100.0000	100.0000	0.0000	100.0000	100.0000
96.631.520-2	Fast Air Almacenes de Carga S.A.	Chile	CLP	0.0000	100.0000	100.0000	0.0000	100.0000	100.0000
Foreign	Laser Cargo S.R.L.	Argentina	ARS	0.0000	100.0000	100.0000	0.0000	100.0000	100.0000
Foreign	Lan Cargo Overseas Limited and Subsidiaries	Bahamas	US$	0.0000	100.0000	100.0000	0.0000	100.0000	100.0000
96.969.690-8	Lan Cargo Inversiones S.A. and Subsidiary	Chile	US$	0.0000	100.0000	100.0000	0.0000	100.0000	100.0000
96.575.810-0	Inversiones Lan S.A.	Chile	US$	99.9000	0.1000	100.0000	99.9000	0.1000	100.0000
96.847.880-K	Technical Trainning LATAM S.A.	Chile	CLP	99.8300	0.1700	100.0000	99.8300	0.1700	100.0000
Foreign	Latam Finance Limited	Cayman Island	US$	100.0000	0.0000	100.0000	100.0000	0.0000	100.0000
Foreign	Peuco Finance Limited	Cayman Island	US$	100.0000	0.0000	100.0000	100.0000	0.0000	100.0000
Foreign	Profesional Airline Services INC.	U.S.A.	US$	100.0000	0.0000	100.0000	100.0000	0.0000	100.0000
Foreign	Jarletul S.A.	Uruguay	US$	0.0000	100.0000	100.0000	99.0000	1.0000	100.0000
Foreign	LatamTravel S.R.L.	Bolivia	US$	99.0000	1.0000	100.0000	99.0000	1.0000	100.0000
76.262.894-5	Latam Travel Chile II S.A.	Chile	US$	99.9900	0.0100	100.0000	99.9900	0.0100	100.0000
Foreign	Latam Travel S.A.	Argentina	ARS	94.0100	5.9900	100.0000	0.0000	100.0000	100.0000
Foreign	TAM S.A. and Subsidiaries (*)	Brazil	BRL	63.0901	36.9099	100.0000	63.0901	36.9099	100.0000

(*) As of December 31, 2022, the indirect participation percentage on TAM S.A. and Subsidiaries is from Holdco I S.A., a company over which LATAM Airlines Group S.A. it has a 99.9983% share on economic rights and 51.04% of political rights. Its percentage arises as a result of the provisional measure No. 863 of the Brazilian government implemented in December 2018 that allows foreign capital to have up to 100% of the property.

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b) Financial Information

		Statement of financial position						Net Income	
		As of December 31, 2022			As of December 31, 2021			For the period ended December 31, Gain /(loss)	
								2022	2021
Tax No.	Company	Assets ThUS$	Liabilities ThUS$	Equity ThUS$	Assets ThUS$	Liabilities ThUS$	Equity ThUS$	ThUS$	ThUS$
96.969.680-0	Lan Pax Group S.A. and Subsidiaries (*)	392,232	1,727,968	(1,342,687)	432,271	1,648,715	(1,236,243)	(120,717)	(7,289)
Foreign	Latam Airlines Perú S.A.	335,773	281,178	54,595	484,388	417,067	67,321	(12,726)	(109,392)
93.383.000-4	Lan Cargo S.A.	394,378	212,094	182,284	721,484	537,180	184,304	(1,230)	1,590
Foreign	Connecta Corporation	78,905	22,334	56,571	61,068	19,312	41,756	14,814	1,169
Foreign	Prime Airport Services Inc. and Subsidiary (*)	25,118	24,325	813	24,654	25,680	(1,026)	1,838	190
96.951.280-7	Transporte Aéreo S.A.	283,166	177,109	106,057	471,094	327,955	143,139	(36,190)	(56,135)
96.631.520-2	Fast Air Almacenes de Carga S.A.	16,150	12,623	3,527	18,303	10,948	7,355	1,154	48
Foreign	Laser Cargo S.R.L.	(3)	-	(3)	(5)	-	(5)	-	-
Foreign	Lan Cargo Overseas Limited and Subsidiaries (*)	35,991	15,334	20,656	36,617	14,669	21,940	(1,287)	(806)
96.969.690-8	Lan Cargo Inversiones S.A. and Subsidiary (*)	220,144	148,489	11,661	202,402	113,930	23,563	(11,901)	(54,961)
96.575.810-0	Inversiones Lan S.A.	1,281	56	1,225	1,284	45	1,239	(14)	(90)
96.847.880-K	Technical Trainning LATAM S.A.	1,417	1,110	307	2,004	467	1,537	77	181
Foreign	Latam Finance Limited	3,011	211,517	(208,506)	1,310,733	1,688,821	(378,088)	169,582	(104,512)
Foreign	Peuco Finance Limited	-	-	-	1,307,721	1,307,721	-	-	-
Foreign	Profesional Airline Services INC.	56,895	53,786	3,109	61,659	58,808	2,851	258	278
Foreign	Jarletul S.A.	16	1,109	(1,093)	24	1,116	(1,092)	(2)	(50)
Foreign	LatamTravel S.R.L.	92	5	87	64	132	(68)	154	(23)
76.262.894-5	Latam Travel Chile II S.A.	368	1,234	(866)	588	1,457	(869)	2	29
Foreign	Latam Travel S.A.	7,303	2,715	4,588	3,778	6,135	2,357	(6,187)	(2,804)
Foreign	TAM S.A. and Subsidiaries (*)	3,497,848	4,231,547	(733,699)	2,608,859	3,257,148	(648,289)	(69,932)	(756,633)

(*) The Equity reported corresponds to Equity attributable to owners of the parent, it does not include Non-controlling participation.

In addition, special purpose entities have been consolidated: 1. Chercán Leasing Limited, intended to finance advance payments of aircraft; 2. Guanay Finance Limited, intended for the issue of a securitized bond with future credit card payments; 3. Private investment funds; 4. Vari Leasing Limited, Yamasa Sangyo Aircraft LA1 Kumiai, Yamasa Sangyo Aircraft LA2 Kumiai, earmarked for aircraft financing. These companies have been consolidated as required by IFRS 10.

All entities over which Latam has control have been included in the consolidation. The Company has analyzed the control criteria in accordance with the requirements of IFRS 10.

Changes occurred in the consolidation perimeter between January 1, 2021 and December 31, 2022, are detailed below:

(1) Incorporation or acquisition of companies

- On December 22, 2022, LATAM Airlines Group S.A. made the purchase of 1,390,468,967 preferred shares of Latam Travel S.A. Consequently, the shareholding composition of Latam Travel S.A. is as follows: Lan Pax Group S.A. with 5.69%, Inversora Cordillera S.A. with 0.30% and LATAM Airlines Group S.A. with

94.01%. These transactions were between LATAM Airlines Group entities and therefore did not generate any effects within the consolidated financial statements.

- On January 21, 2021, Transporte Aéreos del Mercosur S.A. puchased 2,392,166 preferred shares of Inversora Cordillera S.A. from a non-controlling shareholder. Consequently the shareholding composition of Inversora Cordillera S.A. is as follows: Lan Pax Group S.A. with 90.5% and Transporte Aéreos del Mercosur S.A. with 9.5%.

- On January 21, 2021, Transporte Aéreos del Mercosur S.A. purchased 53,376 preferred shares of Lan Argentina S.A. from a non-controlling shareholder. Consequently the shareholding composition of Lan Argentina S.A. is as follows: Inversora Cordillera S.A. with 95%, Lan Pax Group S.A. with 4% and Transporte Aéreos del Mercosur S.A. with 1%.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following describes the principal accounting policies adopted in the preparation of these consolidated financial statements.

2.1. Basis of Preparation

These consolidated financial statements of LATAM Airlines Group S.A. as of December 31, 2022 and 2021, for the three years ended December 31, 2022 and have been prepared in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board ("IASB") and with the interpretations issued by the interpretations committee of the International Financial Reporting Standards (IFRIC).

The consolidated financial statements have been prepared under the historic-cost criterion, although modified by the valuation at fair value of certain financial instruments.

The preparation of the consolidated financial statements in accordance with IFRS requires the use of certain critical accounting estimates. It also requires management to use its judgment in applying the Company's accounting policies. Note 4 shows the areas that imply a greater degree of judgment or complexity or the areas where the assumptions and estimates are significant to the consolidated financial statements.

The consolidated financial statements have been prepared in accordance with the accounting policies used by the Company for the 2021 consolidated financial statements, except for the standards and interpretations adopted as of January 1, 2022.

(a) Application of new standards for the year 2022:

(a.1.) Accounting pronouncements with implementation effective from January 1, 2022:

(i) Standards and amendments	Date of issue	Effective Date:
Amendment to IFRS 3: Business combinations.	May 2020	01/01/2022
Amendment to IAS 37: Provisions, contingent liabilities and contingent assets.	May 2020	01/01/2022
Amendment to IAS 16: Property, plant and equipment.	May 2020	01/01/2022
Improvements to International Financial Reporting Standards Financial (2018-2020 cycle) IFRS 1: First-time adoption of international financial reporting standards, IFRS 9: Financial Instruments, illustrative examples accompanying IFRS 16: Leases, IAS 41: Agriculture	May 2020	01/01/2022

The application of these accounting pronouncements as of January 1, 2022, had no significant effect on the Company's consolidated financial statements.

(b) Accounting pronouncements not in force for the financial year beginning on January 1, 2022:

(i) Standards and amendments	Date of issue	Effective Date:
Amendment to IAS 12: Income taxes.	May 2021	01/01/2023
Amendment to IAS 8: Accounting policies, changes in accounting estimates and error.	February 2021	01/01/2023
Amendment to IAS 1: Presentation of financial statements.	January 2020	01/01/2024
IFRS 17: Insurance contracts, replaces IFRS 4.	May 2017	01/01/2023
Amendment to IAS 1: Non-current liabilities with covenants	October 2022	01/01/2024
Amendment to IFRS 16: Leases	September 2022	01/01/2024
Initial Application of IFRS 17 and IFRS 9 — Comparative Information (Amendment to IFRS 17)	December 2021	An entity that elects to apply the amendment applies it when it first applies IFRS 17
Amendment to IFRS 10: Consolidated financial statements and IAS 28: Investments in associates and joint ventures.	September 2014	Not determined

The Company's management estimates that the adoption of the standards, amendments and interpretations described above will not have a significant impact on the Company's consolidated financial statements in the exercise of their first application.

(c) Chapter 11 Filing and Going Concern

i) Going Concern

These consolidated financial statements have been prepared on a going concern basis, which contemplates continuity of operations, realization of assets and satisfaction of liabilities in the ordinary course of business.

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The Company previously disclosed that as of December 31, 2021, as a result of the Chapter 11 proceedings, the fulfillment of the Company's obligations and the financing of ongoing operations were subject to material uncertainty due to the COVID-19 pandemic and the impossibility of knowing as of that date, their duration and, consequently, those events or conditions indicated that a material uncertainty existed that created significant doubt or raised substantial doubt about the Company's ability to continue as a going concern..

On November 3, 2022, LATAM Parent and certain of its affiliates emerged from the Chapter 11 Proceedings. The emergence from the Chapter 11 proceedings and consummation of the Plan addressed liquidity concerns as it provided for new funds originated by the new financing and the capital restructuring. As a result, the Company expects that sufficient cash flows will be generated to finance the debts and the working capital requirements working capital for the next twelve months. Therefore, there is no longer a material uncertainty that may cast significant doubt or cast substantial doubt to continue as a going concern during the twelve months after the date of issuance of the financial statements.

ii) Chapter 11 Filing

Due to the effects on the operation of the restrictions established in the countries to control the effects of the COVID-19 pandemic, on May 25, 2020 the Board resolved unanimously that LATAM Parent and some subsidiaries of the group should initiate a reorganization process in the United States of America according to the rules established in the Bankruptcy Code title 11 by filing a voluntary petition for relief in accordance with the same, which was carried out on May 26, 2020. Subsequently, Piquero Leasing Limited (July 7, 2020) and TAM S.A. joined this process and its subsidiaries in Brazil (July 9, 2020) (the voluntary petitions, collectively, the “Bankruptcy Filing” and each LATAM entity that filed a petition, a “Debtor” and jointly, the "Debtors”).

The Bankruptcy Filing for each of the Debtors (each one, respectively, a “Petition Date”) was jointly administered under the caption “In re LATAM Airlines Group S.A. et al.” Case Number 20-11254. Prior to November 3, 2022, the Debtors operated their businesses as “debtors-in-possession” under the jurisdiction of the Bankruptcy Court and in accordance with the applicable provisions of the Bankruptcy Code and orders of the Bankruptcy Court. The Bankruptcy Filing permitted the Company to reorganize and improve liquidity, wind down unprofitable contracts and amend its capacity purchase agreements to enable sustainable profitability. As of November 3, 2022 (the “Effective Date”), the Plan (as defined below) was substantially consummated and the Debtors have each emerged from the Chapter 11 proceedings as the “Reorganized Debtors”. However, according to the rules of the Bankruptcy Code, the Chapter 11 proceedings of the Reorganized Debtors continued to be ongoing after the Effective Date to resolve certain remaining matters. Later, on December 14, 2022, the Bankruptcy Court entered an order consolidating the administration of all remaining matters in the lead Chapter 11 case of LATAM Parent and closing the cases of its debtor-related person. Therefore, as of the date hereof the Chapter 11 proceeding has been closed with respect to LATAM Parent’s subsidiaries that were part thereof, and continue ongoing solely with respect to LATAM Parent to resolve certain remaining matters. The Bankruptcy Court continues to administer the Chapter 11 proceedings for LATAM Parent in order to resolve the few remaining matters therein, including resolving remaining claims.

As part of their overall reorganization process, the Debtors also sought and received relief in certain non-U.S. jurisdictions. On May 27, 2020, the Grand Court of the Cayman Islands granted the applications of certain of the Debtors for the appointment of provisional liquidators (“JPLs”)

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pursuant to section 104(3) of the Companies Law (2020 Revision). On June 4, 2020, the 2nd Civil Court of Santiago, Chile issued an order recognizing the Chapter 11 proceedings with respect to LATAM Airlines Group S.A., Lan Cargo S.A., Fast Air Almacenes de Carga S.A., Latam Travel Chile II S.A., Lan Cargo Inversiones S.A., Transporte Aéreo S.A., Inversiones Lan S.A., Lan Pax Group S.A. and Technical Training LATAM S.A. All remedies filed against the order have been rejected and the decision has become final. Finally, on June 12, 2020, the Superintendence of Companies of Colombia granted recognition to the Chapter 11 proceedings. On July 10, 2020, the Grand Court of the Cayman Islands granted the Debtors’ application for the appointment of JPLs to Piquero Leasing Limited. Bearing in mind that on November 3, 2022, the Effective Date of the Reorganization Plan approved and confirmed in the main proceedings occurred, on November 10, 2022, the representative of the foreign proceeding filed with the court his last monthly report under the Protocol on Cross-Border Communications

Operation and Implication of the Bankruptcy Filing

As of the Effective Date, the Plan was substantially consummated. Pursuant to the Plan, the Reorganized Debtors are permitted to operate their businesses and manage their properties without supervision of the Bankruptcy Court and free of the restrictions of the Bankruptcy Code.

Plan of Reorganization

On November 26, 2021, the Debtors filed a joint plan of reorganization (as amended or revised, the “Plan” or “Plan of Reorganization”) and the related disclosure statement (as amended or revised, the “Disclosure Statement”) with the Bankruptcy Court. As detailed in the Disclosure Statement, the Plan was supported by a restructuring support agreement executed among the Debtors, creditors holding more than 70% of the general unsecured claims asserted against LATAM Airlines Group S.A., and holders of more than 50% of LATAM Airlines Group S.A.’s existing equity (the “Restructuring Support Agreement” or “RSA”). From time to time in the Chapter 11 Cases, the Debtors filed revised versions of the Plan and associated Disclosure Statement. On February 10, 2022 the Debtors executed a joinder Agreement to the RSA (each joinder agreement a “W&C Creditor Group Joinder Agreement”), effective as of February 10, 2022 under which certain creditors agreed to commitments made by the Commitment Parties under the RSA.

On March 21, 2022, the Bankruptcy Court entered an order approving the adequacy of the Disclosure Statement and procedures for the solicitation with respect to the Plan (the “Disclosure Statement Order”). Pursuant to the Disclosure Statement Order, the Debtors distributed the solicitation version of the Plan, the Disclosure Statement (as approved), voting ballots and certain other solicitation materials to creditors.

In accordance with the Restructuring Support Agreement, on January 12, 2022 the Debtors filed a motion seeking approval to enter into a backstop commitment agreement with certain shareholders, and a backstop commitment agreement with certain creditors (the “Backstop Agreements”). On March 15, 2022, the Bankruptcy Court issued a memorandum decision approving the Debtors’ entry into the Backstop Agreements and issued a corresponding order (the “Backstop Order”) on March 22, 2022.

The Debtors received objections to the Plan from certain parties, including the United States Trustee, the Official Committee of Unsecured Creditors (the “Committee”), Banco del Estado de Chile in its capacity as indenture trustee under certain Chilean local bonds issued by LATAM

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Parent ("BancoEstado"), an ad hoc group of unsecured claimants and a group of holders of claims against LATAM affiliate TAM Linhas Aéreas S.A. Following the Plan objection deadline, the Debtors participated in a mediation with BancoEstado, the Committee and the parties to the RSA in an effort to resolve their objections to the Plan and related disputes, which proved successful. On May 11, 2022, the Debtors filed a revised version of the Plan reflecting the terms of a settlement with the parties.

At a hearing held on May 17, 18 and 20, 2022, the Bankruptcy Court considered the remaining objections that had not been resolved pursuant to the settlement. On June 18, 2022, the Bankruptcy Court issued a memorandum decision approving the Plan and overruling all remaining objections (the "Memorandum Decision") and entered an order confirming the Plan (the "Confirmation Order").

Certain parties in interest appealed the Bankruptcy Court's decisions. On June 21, 2022, the Ad Hoc Group of Unsecured Claimants filed a notice of appeal of the memorandum decision and order approving entry into the Backstop Agreements, as well as the Memorandum Decision approving the Plan and the Confirmation Order.

On June 27, 2022, the Ad Hoc Group of Unsecured Claimants filed a motion seeking to stay the Confirmation Order pending appeal. On July 16, 2022, the motion to stay was denied by the Bankruptcy Court. On June 23, 2022, the TLA Claimholders Group also filed a motion seeking to stay the Confirmation Order pending appeal or, in the alternative, an affirmative injunction requiring the Debtors to fund an escrow account in the amount of the outstanding post-petition interest. On July 8, 2022, the Bankruptcy Court issued a bench memorandum and order denying the TLA Claimholders Group's motion to stay. On June 28, 2022, Columbus Hill Capital Management ("Columbus Hill") filed a notice of appeal of the Memorandum Decision and the Confirmation Order, which it later withdrew on July 5, 2022. On July 13, 2022, the Debtors filed a motion to approve a settlement agreement with Columbus Hill, which was granted by the Bankruptcy Court on July 21, 2022, bringing full and final resolution to the Columbus Hill appeal and any other potential objections from this claimant.

On August 31, 2022, after briefing and oral argument by the parties, the District Court issued an opinion denying the appeals of both the Ad Hoc Group of Unsecured Claimants and the TLA Claimholders Group. The District Court rejected the Ad Hoc Group of Unsecured Claimants' arguments that the Plan and Backstop Agreement violated the Bankruptcy Code and held that the Backstop Agreement did not constitute impermissible vote buying. The Ad Hoc Group of Unsecured Claimants did not further appeal the District Court's decision.

With respect to the TLA Claimholders Group's appeal, the District Court denied its request for payment of post-petition interest on its claims and found that the Bankruptcy Court was not mistaken with respect to its factual finding that TLA was insolvent. The District Court also denied the TLA Claimholders Group's motion to stay the Confirmation Order.

On September 2, 2022 the TLA Claimholders Group filed a notice of appeal in the District Court (the "Second Circuit Appeal") further appealing the Confirmation Order to the United States Court of Appeals for the Second Circuit (the "Second Circuit"). Both parties filed briefs regarding the merits of the Second Circuit Appeal, oral argument occurred on October 12, 2022, and on December 14, 2022, the Second Circuit unanimously affirmed the District Court's decision rejecting the Second Circuit Appeal. No further appeals have been filed to date.

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As of the Effective Date, the Plan was substantially consummated. Pursuant to the Plan, the Company received an infusion of approximately US$ 8.19 billion through a mix of new equity, convertible notes and debt, which enabled the Company to exit Chapter 11 with appropriate capitalization to effectuate its business plan. Upon emergence, the Company had total debt of approximately US$ 6.8 billion, cash and cash equivalents of approximately US$1.1 billion and revolving undrawn facilities in the amount of US$1.1 billion. Specifically, the Plan provided that:

- The Company conducted a US$ 800 million common equity rights offering, open to all shareholders in accordance with their preemptive rights under applicable Chilean law, and fully backstopped by the parties participating in the RSA;

- Three distinct classes of convertible notes were issued by the Company, all of which were preemptively offered to shareholders. The preemptive rights offering period closed on October 12, 2022. For those securities not subscribed by the Company's shareholders during the respective preemptive rights period:

    - New Convertible Notes Class A, hereinafter Class G Convertible notes (by the denomination with which they were registered in the Registro de Valores of the CMF), were delivered to certain general unsecured creditors of the Company in settlement of their allowed claims under the Plan.

      The Issuance conditions:
      Nominal Value : Approximately Th US$1,257,003
      Conversion Ratio: 15,9046155045956. The Convertible Notes Class G Conversion Ratio shall step down by 50% on the day that is sixty (60) days after the Effective Date.
      Backup Actions: 19,992,142,087
      Maturity: 31 Dec. 2121
      Interest rate: 0%
      Conversion Conditions: They may be converted into shares of the Company within twelve months from the Effective Date of the Plan. As soon as 50% of the holders of New Class G Convertible Notes have opted to convert, the remaining Class G Convertible Notes will be automatically converted.

    - New Convertible Notes Class B, hereinafter Class H Convertible notes (by the denomination with which they were registered in the Registro de Valores of the CMF), were subscribed and purchased by the shareholder that are part of the RSA.

      The Issuance conditions:
      Nominal Value: Approximately ThUS$1,372,840
      Conversion Ratio: 92.2623446840237. The conversion ratio of Class H Convertible Notes will be reduced by 50% sixty (60) days after the fifth anniversary counted from the Effective Date .
      Backup Actions: 126,661,409,136
      Maturity: 31 Dec. 2121
      Interest rate: 1% interest rate payable in cash annually with no interest in the first 60 days.
      Conversion Conditions:

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(a) First Convertible Notes Class H Conversion Period: Each holder of Convertible Notes Class H will have the ability to convert its Convertible Notes Class H into shares of the Company within sixty (60) days from the Effective Date.
(b) Second Convertible Notes Class H Conversion Period: Each holder of Convertible Notes Class H will have the subsequent ability to convert their Convertible Notes Class H into shares of the Company beginning on the fifth (5th) anniversary of the Effective Date.

- New Convertible Notes Class C, hereinafter Class I Convertible notes (by the denomination with which they were registered in the Registro de Valores of the CMF), were provided to certain general unsecured creditors in exchange for a combination of new money to the Company and the settlement of their allowed claims under the Plan, subject to certain limitations and holdbacks by the backstopping parties.

  The Issuance conditions:
  Nominal Value: Approximately ThUS$6,863,427
  Conversion Ratio: 56.143649821654. The Convertible Notes Class C Conversion Ratio shall step down by 50% on the day that is sixty (60) days after the Effective Date.
  Backup Actions: 385,337,858,290
  Maturity: 31 Dec. 2121
  Interest rate: 0%
  Conversion Conditions: They may be converted into shares within twelve months from the Effective Date of the Plan. As soon as 50% of the holders of Class I Convertible Notes have opted to convert, then the remaining Class I Convertible Notes will be automatically converted. The allocated amounts of the unused Class I Convertible Notes were distributed to the supporting parties of the Class I Convertible Notes in accordance with the respective Support Agreement.

- The election period for the Convertible Notes Class G and Convertible Notes Class I by creditors ended on October 6, 2022.

- General unsecured creditors that elected to receive Convertible Notes Class G or Convertible Notes Class I were entitled to receive a one-time cash distribution in an aggregate amount of approximately US$ 175 million, distributed among the general unsecured creditors that opted to receive Convertible Notes Class G and I. (see Note 36).

- The Convertible Notes Classes H and I were issued, totally or partially, in consideration of a new money contribution for the aggregate amount of approximately US$ 4.64 billion fully backstopped by the parties to the RSA.

- In lieu of receiving Convertible Notes Class G or Convertible Notes Class I (and the aforementioned one-time cash distribution), general unsecured creditors were provided with the alternative of opting to receive New Local Notes issued by LATAM. As set forth in the Plan and based on the elections made by general unsecured creditors, such notes were issued in the amount of UF 3,818,042 (equal to approximately US$ 130 million as of the date of their issuance).

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Pursuant to the Plan and Backstop Agreements, LATAM raised up to US$ 500 million through a new revolving credit facility and approximately US$ 2.25 billion in total new money debt financing through exit financing (new term loan and new notes).

On September 2, 2022, the Convertible Notes Classes G, H and I together with the shares contemplated in the Plan were registered with the Chilean Registro de Valores of the Financial Market Commission (the “CMF”). The CMF approved the New Local Notes on September 5, 2022. The Debtors established September 12, 2022 as the record date with respect to creditors entitled to participate in the Convertible Notes Class G and Convertible Notes Class I, and commenced the offering of the Convertible Notes to claimholders on the same day.

As of December 31, 2022, 94,14% of the Convertible Notes Class G, 99.997% of the Convertible Notes Class H and 99.999% of the Convertible Notes Class I had been converted to equity, respectively.

On November 17, 2022 the Reorganized Debtors filed a motion to consolidate the administration of certain remaining matters, including the reconciliation of claims that have not yet been allowed or disallowed, in the lead Chapter 11 case of LATAM Parent and for entry of a final decree closing the Chapter 11 cases of LATAM Parent’s debtor-affiliates. The Bankruptcy Court entered an Order on December 14, 2022 granting the motion to consolidate the administration of remaining matters in the lead Chapter 11 case of LATAM Parent. As a result, the dockets for all 37 debtor-affiliates of LATAM Parent were marked “closed” on December 23, 2022.

Chapter 11 Milestones during the period covered by these consolidated financial statements

Assumption, Amendment & Rejection of Executory Contracts & Leases

Prior to the Effective Date, pursuant to the Bankruptcy Code and the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”), the Debtors were authorized to assume, assign or reject certain executory contracts and unexpired leases. Absent certain exceptions, the Debtors’ rejection of an executory contract or an unexpired lease is generally treated as prepetition breach, which entitles the contract counterparty to file a general unsecured claim against the Debtors and simultaneously relieves the Debtors from their future obligations under the contract or lease. Further, the Debtors’ assumption of an executory contract or unexpired lease would generally require the Debtors to cure outstanding defaults under such contract or lease.

Other Key Filings

On June 16, 2021, the Committee filed two motions seeking standing to prosecute certain claims on behalf of the Debtors against Delta Airlines, Inc. (the “Delta Motion”) and Qatar Airways O.C.S.C. (the “Qatar Motion”, and together with the Delta Motion, (the “Standing Motions”)), which were opposed by certain parties. In connection with the negotiation of the RSA, the Plan provided for the full settlement and release for Qatar and Delta of all potential claims described in the Standing Motions upon the effective date of the Plan. As the Plan became effective on November 3, 2022, such claims have been released.

Statements and Schedules

On September 8, 2020, each of the Debtors filed Schedules of Assets and Liabilities ("Schedules") and Statements of Financial Affairs ("Statements") that described the Debtors' financial circumstances as of their respective Petition Date. On August 13, 2021 and December 3, 2021, certain Debtors filed amended Schedules that supplemented and amended the initial Schedules.

From the Petition Date through the Plan Effective Date (as defined in the Plan), the Company was also required to file "Monthly Operating Reports" (MORs) to disclose the receipt, administration and disposition of property by the Debtors during the pendency of the Chapter 11 Cases. After the Effective Date, the Company will be required to file a more streamlined "Post-confirmation Report" (PCR) each calendar quarter until the Chapter 11 Cases of LATAM Parent are closed.

While the Reorganized Debtors believe that these materials provide the information required by the Bankruptcy Code and Bankruptcy Court, they are nonetheless unaudited documents that are prepared in a format different from the consolidated financial reports historically prepared by LATAM in accordance with IFRS (International Financial Reporting Standards). For example, certain of the debtor-specific information contained in the Statements and Schedules may normally be prepared on an unconsolidated basis in the ordinary course. Accordingly, the Reorganized Debtors believe that the substance and format of these materials may not allow meaningful comparison with their regularly publicly-disclosed consolidated financial statements. Moreover, the materials filed with the Bankruptcy Court are not prepared for the purpose of providing a basis for an investment decision relating to the Reorganized Debtors' securities, or claims against the Reorganized Debtors, or for comparison with other financial information required to be reported under applicable securities law.

Bearing in mind that November 3, 2022 was the Effective Date of the reorganization plan approved and confirmed in the main proceeding, on November 10, 2022, the representative of the foreign proceeding submitted to the court his last monthly report in accordance with the Protocol of Cross Border Communications.

Intercompany and Affiliate Transactions

On January 10, 2022, the Committee filed an objection with respect to an intercompany claim asserted by LATAM Finance Ltd. against Peuco Finance Ltd. The Bankruptcy Court held a hearing on the objection on March 10, 2022. Post-hearing briefs were submitted by the parties on March 17, 2022, and closing arguments were held on March 18, 2022. On April 29, 2022, the Court entered a decision and order overruling the objection (the "Intercompany Claim Decision"). On May 13, 2022, the Committee appealed the Intercompany Claim Decision to the District Court. On May 26, 2022 the District Court granted a joint motion of the Debtors and the Committee to stay such appeal until the effective date of the Plan. Following the Effective Date, the Committee sought to dismiss the appeal, and the District Court entered an order dismissing the appeal on November 7, 2022.

Debtor-in-Possession Financing and Exit Financing

As previously reported, on June 10, 2022 the Debtors entered into debt commitment letters (the "Exit Financing Commitment Letters") providing commitments from various lenders for (i) an approximately US$1.170 billion of junior debtor-in-possession term loan facility (the "Junior DIP Facility"); (ii) a US$500 million debtor-in-possession and exit revolving credit facility (the "Revolving Facility"), (iii) a US$750 million debtor-in-possession and exit term loan B credit facility (the "Term Loan B Facility"; together with the Revolving Facility, the "Credit Facilities"), (iv) a US$750 million debtor-in-possession and exit bridge loan facility (the "Bridge to 5Y Notes Facility") and (v) US$750 million debtor-in-possession and exit bridge loan facility (the "Bridge to 7Y Notes Facility" and together with the Bridge to 5Y Notes Facility, and the Credit Facilities, the "Debt Facilities"). According to the terms of the Exit Financing Commitment Letters, the committed amounts under the Term Loan B Facility and the Bridge Facilities could be reallocated amount such facilities. The Debt Facilities were structured to remain in place after the emergence of the Reorganized Debtors from the Chapter 11, subject to the satisfaction of certain conditions at emergence (the "Conversion Date").

In the context of the Company's exit from Chapter 11, on October 12, the Consolidated and Amended DIP Financing Agreement was paid in full. The repayment has been made entirely with funds from (i) a Junior DIP Financing of approximately US$1,146 million; (ii) a US$500 million Revolving Credit Line; (iii) a Term B Loan of US$750 million; (iv) a 5-year Bond Bridge Loan of US$750 million (v) a 7-year Bond Bridge Loan of US$750 million.

On October 18, 2022, the Bridge Loans were partially repaid by: i) a bond issue exempt from registration under U.S. Securities Act of 1933, as amended (the "Securities Act"), pursuant to Rule 144A and Regulation S, both under the Securities Act, due 2027 (the "5-Year Bonds"), by a total principal amount of US$450 million and ii) a bond issue exempt from registration under the Securities Law pursuant to Rule 144A and Regulation S, both under the Securities Law, due 2029 (the "Bonds to 7 Years"), for a total principal amount of US$700 million.

Additionally, on November 3, the repayment of the Bridge Loans and the junior DIP was completed with the proceeds from the Exit Financing, which was made up of: US$450 million in senior guaranteed bonds maturing in 2027, US$700 million in senior secured notes due 2029 and an incremental "Term Loan B" loan for US$350 million

Establishment of Bar Dates and Claims Reconciliation

On September 24, 2020, the Bankruptcy Court entered an order (the "Bar Date Order") establishing December 18, 2020, as the general deadline (the "General Bar Date") by which persons or entities (other than governmental units) who believe they hold any claims (other than certain damages claims arising out of the rejection of executory contracts or unexpired leases) against any Debtor that arose prior to the Petition Date, as applicable to each Debtor, must have submitted written documentation of such claims (a "Proof of Claim"). On December 17, 2020, the Court entered an order (the "Supplemental Bar Date Order") establishing a supplemental bar date of February 5, 2021 (the "Supplemental Bar Date"), for certain non-U.S. claimants not otherwise subject to the General Bar Date. Any person or entity that failed to timely file its Proof of Claim by the applicable Bar Date will be forever barred from asserting their claim and will not receive any distributions made as part of the ultimate plan of reorganization. On the Effective Date, the Reorganized Debtors established December 3, 2022 as the deadline (the "Administrative Expense

Bar Date") by which persons or entities (other than those exempted under the Plan) must submit a Proof of Claim establishing their claim against the Reorganized Debtors for costs and expenses of administration of the Chapter 11 proceedings.

Following the close of the General Bar Date, the Supplemental Bar Date, and the Administrative Expense Bar Date, the Reorganized Debtors have continued the process of reconciling approximately 6,575 submitted claims. As of December 31, 2022, the Reorganized Debtors have objected to or have resolved through claims withdrawals, stipulations and court orders approximately 5,030 claims with a total value of approximately US$ 163.5 billion. As the Reorganized Debtors continue to reconcile claims against the Company's books and records, they will object to and contest such claims that they determine are not valid or are not asserted in the proper amount or classification and will resolve other claims disputes in and outside of the Bankruptcy Court.

A Claim is recorded as a liability when it has a present obligation, whether legal or constructive, as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the obligation amount can be made. Under the Plan, a further 1,352 litigation claims will ride through. As of December 31, 2022, approximately 64 of the Claims filed against the Debtors are still being reconciled with an estimated total value of approximately US$ 354.7 million.

2.2. Basis of Consolidation

(a) Subsidiaries

Subsidiaries are all the entities (including special-purpose entities) over which the Company has the power to control the financial and operating policies, which are generally accompanied by a holding of more than half of the voting rights. In evaluating whether the Company controls another entity, the existence and effect of potential voting rights that are currently exercisable or convertible at the date of the consolidated financial statements are considered. The subsidiaries are consolidated from the date on which control is passed to the Company and they are excluded from the consolidation on the date they cease to be so controlled. The results and cash are incorporated from the date of acquisition.

Balances, transactions and unrealized gains on transactions between the Company's entities are eliminated. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment loss of the asset transferred. When necessary, in order to ensure uniformity with the policies adopted by the Company, the accounting policies of the subsidiaries are modified.

To account for and identify the financial information to be disclosed when carrying out a business combination, such as the acquisition of an entity by the Company, the acquisition method provided for in IFRS 3: Business combinations is used.

(b) Transactions with non-controlling interests

The Group applies the policy of considering transactions with non-controlling interests, when not related to the loss of control, as equity transactions without an effect on income.

(c) Sales of subsidiaries

When a subsidiary is sold and a percentage of participation is not retained, the Company derecognizes the assets and liabilities of the subsidiary, the non-controlling interest and other components of equity related to the subsidiary. Any gain or loss resulting from the loss of control is recognized in the consolidated income statement by function within Other gains (losses).

If LATAM Airlines Group S.A. and Subsidiaries retain an ownership of participation in the disposed subsidiary which does not represent control, this is recognized at fair value on the date that control is lost and the amounts previously recognized in Other comprehensive income are accounted as if the Company had disposed directly the assets and related liabilities, which can cause these amounts to be reclassified to profit or loss. The percentage retained valued at fair value is subsequently accounted using the equity method.

(d) Investees or associates

Investees or associates are all entities over which LATAM Airlines Group S.A. and Subsidiaries have significant influence but have no control. This usually arises from holding between 20% and 50% of the voting rights. Investments in associates are booked using the equity method and are initially recognized at their cost.

2.3. Foreign currency transactions

(a) Presentation and functional currencies

The items included in the financial statements of each of the entities of LATAM Airlines Group S.A. and Subsidiaries are valued using the currency of the main economic environment in which the entity operates (the functional currency). The functional currency of LATAM Airlines Group S.A. is the United States dollar which is also the presentation currency of the consolidated financial statements of LATAM Airlines Group S.A. and Subsidiaries.

(b) Transactions and balances

Foreign currency transactions are translated to the functional currency using the exchange rates on the transaction dates. Foreign currency gains and losses resulting from the liquidation of these transactions and from the translation at the closing exchange rates of the monetary assets and liabilities denominated in foreign currency are shown in the consolidated statement of income by function except when deferred in Other comprehensive income as qualifying cash flow hedges.

(c) Adjustment due to hyperinflation

After July 1, 2018, the Argentine economy was considered, for purposes of IFRS, hyperinflationary. The consolidated financial statements of the subsidiaries whose functional currency is the Argentine Peso have been restated.

The non-monetary items of the statement of financial position as well as the income statement, comprehensive income and cash flows of the group's entities, whose functional currency corresponds to a hyperinflationary economy, are adjusted for inflation and re-expressed in accordance with the variation of the consumer price index ("CPI"), at each presentation date of its financial statements. The re-expression of non-monetary items is made from the date of initial recognition in the statements of financial position and considering that the financial statements are prepared under the historical cost criterion.

Net losses or gains arising from the re-expression of non-monetary items and income and costs are recognized in the consolidated income statement under "Result of indexation units".

Net gains and losses on the re-expression of opening balances due to the initial application of IAS 29 are recognized in consolidated retained earnings.

Re-expression due to hyperinflation will be recorded until the period or exercise in which the economy of the entity ceases to be considered as a hyperinflationary economy. At that time, the adjustments made by hyperinflation will be part of the cost of non-monetary assets and liabilities. The comparative amounts in the consolidated financial statements of the Company are presented in a stable currency and are not adjusted for subsequent changes in the price level or exchange rates.

(d) Group entities

The results and the financial situation of the Group's entities, whose functional currency is different from the presentation currency of the consolidated financial statements, of LATAM Airlines Group S.A., which does not correspond to the currency of a hyperinflationary economy, are converted into the currency of presentation as follows:

(i) Assets and liabilities of each consolidated statement of financial position presented are translated at the closing exchange rate on the consolidated statement of financial position date;

(ii) The revenues and expenses of each income statement account are translated at the exchange rates prevailing on the transaction dates, and

(iii) All the resultant exchange differences by conversion are shown as a separate component in other comprehensive income, within "Gain (losses) from exchange rate difference, before tax".

For those subsidiaries of the group whose functional currency is different from the presentation currency and, moreover, corresponds to the currency of a hyperinflationary economy; its restated results, cash flow and financial situation are converted to the presentation currency at the closing exchange rate on the date of the consolidated financial statements.

The exchange rates used correspond to those fixed in the country where the subsidiary is located, whose functional currency is different to the U.S. dollar.

2.4. Property, plant and equipment

The land of LATAM Airlines Group S.A. and Subsidiaries, are recognized at cost less any accumulated impairment loss. The rest of the Properties, plants and equipment are recorded, both in their initial recognition and in their subsequent measurement, at their historical cost, restated for inflation when appropriate, less the corresponding depreciation and any loss due to impairment.

The amounts of advances paid to the aircraft manufacturers are capitalized by the Company under Construction in progress until they are received.

Subsequent costs (replacement of components, improvements, extensions, etc.) are included in the value of the initial asset or are recognized as a separate asset, only when it is probable that the future economic benefits associated with the elements of property, plant and equipment, will flow to the Company and the cost of the item can be determined reliably. The value of the replaced component is written off. The rest of the repairs and maintenance are charged to income when they are incurred.

The depreciation of the properties, plants and equipment is calculated using the linear method over their estimated technical useful lives; except in the case of certain technical components which are depreciated on the basis of cycles and hours flown. This charge is recognized in the captions "Cost of sale" and "Administrative expenses".

The residual value and the useful life of the assets are reviewed and adjusted, if necessary, once a year. Useful lives are detailed in Note 16 (d).

When the value of an asset exceeds its estimated recoverable amount, its value is immediately reduced to its recoverable amount.

Losses and gains from the sale of property, plant and equipment are calculated by comparing the consideration with the book value and are included in the consolidated statement of income.

2.5. Intangible assets other than goodwill

(a) Airport slots and Loyalty program

Airport slots and the Loyalty program correspond to intangible assets with indefinite useful lives and are annually tested for impairment as an integral part of the CGU Air Transport.

Airport Slots correspond to an administrative authorization to carry out operations of arrival and departure of aircraft, at a specific airport, within a certain period of time.

The Loyalty program corresponds to the system of accumulation and exchange of points that is part of TAM Linhas Aereas S.A.

The airport slots and Loyalty program were recognized at fair value under IFRS 3, as a consequence of the business combination with TAM S.A. and Subsidiaries.

(b) Computer software

Licenses for computer software acquired are capitalized on the basis of the costs incurred in acquiring them and preparing them for using the specific software. These costs are amortized over their estimated useful lives, for which the Company has defined useful lives between 3 and 10 years.

Expenses related to the development or maintenance of computer software which do not qualify for capitalization, are shown as an expense when incurred. The personnel costs and other costs directly related to the production of unique and identifiable computer software controlled by the Company, are shown as intangible Assets other than Goodwill when they have met all the criteria for capitalization.

(c) Brands

The Brands were acquired in the business combination with TAM S.A. and Subsidiaries and, recognized at fair value under IFRS 3. The Company has defined a useful life of five years, period in which the value of the brands will be amortized (see note 15).

2.6. Borrowing costs

Interest costs incurred for the construction of any qualified asset are capitalized over the time necessary for completing and preparing the asset for its intended use. Other interest costs are recognized in the consolidated statement of income by function when accrued.

2.7. Losses for impairment of non-financial assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Assets subject to amortization are tested for impairment losses whenever any event or change in circumstances indicates that the carrying amount may not be recoverable. An impairment loss is recognized for the excess of the carrying amount of the asset over its recoverable amount. The recoverable amount is the fair value of an asset less the costs of sale or the value in use, whichever is greater. For the purpose of evaluating impairment losses, assets are grouped at the lowest level for which there are largely independent cash inflows (cash generating unit. Non-financial assets, other than goodwill, that would have suffered an impairment loss are reviewed if there are indicators of reversal of losses. Impairment losses are recognized in the consolidated statement of income by function under "Other gains (losses)".

2.8. Financial assets

The Company classifies its financial assets in the following categories: at fair value (either through other comprehensive income, or through gains or losses), and at amortized cost. The classification depends on the business model of the entity to manage the financial assets and the contractual terms of the cash flows.

The group reclassifies debt investments when, and only when, it changes its business model to manage those assets.

In the initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset classified at amortized cost, the transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets accounted for at fair value through profit or loss are recorded as expenses in the consolidated statement of income by function.

(a) Debt instruments

The subsequent measurement of debt instruments depends on the group's business model to manage the asset and cash flow characteristics of the asset. The Company has two measurement categories in which the group classifies its debt instruments:

Amortized cost: the assets held for the collection of contractual cash flows where those cash flows represent only payments of principal and interest are measured at amortized cost. A gain or loss on

a debt investment that is subsequently measured at amortized cost and is not part of a hedging relationship is recognized in income when the asset is derecognized or impaired. Interest income from these financial assets is included in financial income using the effective interest rate method.

Fair value through profit or loss: assets that do not meet the criteria of amortized cost or fair value through other comprehensive income are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognized in profit or loss and is presented net in the consolidated statement of income by function within other gains / (losses) in the period or exercise in which it arises.

(b) Equity instruments

Changes in the fair value of financial assets at fair value through profit or loss are recognized in other gains / (losses) in the consolidated statement of income by function as appropriate.

The Company evaluates in advance the expected credit losses associated with its debt instruments recorded at amortized cost. The applied impairment methodology depends on whether there has been a significant increase in credit risk.

2.9. Derivative financial instruments and embedded derivatives

Derivative financial instruments and hedging activities

Initially at fair value on the date on which the derivative contract was made and are subsequently valued at their fair value. The method to recognize the resulting loss or gain depends on whether the derivative designated as a hedging instrument and, if so, the nature of the item being hedged.

The Company designates certain derivatives as:

(a) Hedge of an identified risk associated with a recognized liability or an expected highly- probable transaction (cash-flow hedge), or
(b) Derivatives that do not qualify for hedge accounting.

At the beginning of the transaction, the Company documents the economic relationship between the hedged items existing between the hedging instruments and the hedged items, as well as its objectives for risk management and the strategy to carry out various hedging operations. The Company also documents its assessment, both at the beginning and on an ongoing basis, as to whether the derivatives used in the hedging transactions are highly effective in offsetting the changes in the fair value or cash flows of the items being hedged.

The total fair value of the hedging derivatives is booked as Other non-current financial asset or liability if the remaining maturity of the item hedged is over 12 months, and as an Other current financial asset or liability if the remaining term of the item hedged is less than 12 months. Derivatives not booked as hedges are classified as Other financial assets or liabilities.

(a) Cash flow hedges

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is shown in the statement of other comprehensive income. The loss or gain relating to the ineffective portion is recognized immediately in the consolidated statement of income by function under other gains (losses). Amounts accumulated in equity are reclassified to profit or loss in the periods or exercise when the hedged item affects profit or loss. When these amounts correspond to hedging derivatives of highly probable items that give rise to non-financial assets or liabilities, in which case, they are recorded as part of the non-financial assets or liabilities.

For fuel price hedges, the amounts shown in the statement of other comprehensive income are reclassified to results under the line item Cost of sales to the extent that the fuel subject to the hedge is used.

Gains or losses related to the effective part of the change in the intrinsic value of the options are recognized in the cash flow hedge reserve within equity. Changes in the time value of the options related to the part are recognized within Other Consolidated Comprehensive Income in the costs of the hedge reserve within equity.

When a hedging instrument mature, is sold or fails to meet the requirements to be accounted for as a hedges, any gain or loss accumulated in the statement of Other comprehensive income until that moment, remains in the statement of other comprehensive income and is reclassified to the consolidated statement of income when the hedged transaction is finally recognized.

When it is expected that the hedged transaction is no longer going to occur, the gain or loss accumulated in the statement of other comprehensive income is taken immediately to the consolidated statement of income by function as “Other gains (losses)”.

(b) Derivatives not booked as a hedge

The changes in fair value of any derivative instrument that is not booked as a hedge are shown immediately in the consolidated statement of income in “Other gains (losses)”.

<u>Embedded derivatives</u>

The Company assesses the existence of embedded derivatives in financial instrument contracts. Derivatives embedded in non-derivative host contracts are treated as separate derivatives when they meet the definition of a derivative, their risks and characteristics are not closely related to those of the host contracts and the contracts are not measured at FVTPL as a whole. LATAM Airlines Group S.A. has determined that no embedded derivatives currently exist.

2.10. Inventories

Inventories, are shown at the lower of cost and their net realizable value. The cost is determined on the basis of the weighted average cost method (WAC). The net realizable value is the estimated selling price in the normal course of business, less estimated costs necessary to make the sale.

2.11. Trade and other accounts receivable

Commercial accounts receivable are initially recognized at their fair value and subsequently at their amortized cost in accordance with the effective rate method, less the provision for impairment according to the model of the expected credit losses. The Company applies the simplified approach permitted by IFRS 9, which requires that expected lifetime losses be recognized upon initial recognition of accounts receivable.

In the event that the Company transfers its rights to any financial asset (generally accounts receivable) to a third party in exchange for a cash payment, the Company evaluates whether all risks and rewards have been transferred, in which case the account receivable is derecognized.

The existence of significant financial difficulties on the part of the debtor, the probability that the debtor goes bankrupt or financial reorganization are considered indicators of a significant increase in credit risk.

The carrying amount of the asset is reduced as the provision account is used and the loss is recognized in the consolidated income statement under "Cost of sales". When an account receivable is written off, it is regularized against the provision account for the account receivable.

2.12. Cash and cash equivalents

Cash and cash equivalents include cash and bank balances, time deposits in financial institutions, and other short-term and highly liquid investments and a low risk of loss of value.

2.13. Capital

The common shares are classified as net equity.

Incremental costs directly attributable to the issuance of new shares or options are shown in net equity as a deduction from the proceeds received from the placement of shares.

2.14. Trade and other accounts payables

Trade payables and other accounts payable are initially recognized at fair value and subsequently at amortized cost.

2.15. Interest-bearing loans

Financial liabilities are shown initially at their fair value, net of the costs incurred in the transaction. Later, these financial liabilities are valued at their amortized cost; any difference between the proceeds obtained (net of the necessary arrangement costs) and the repayment value, is shown in the consolidated statement of income during the term of the debt, according to the effective interest rate method.

Financial liabilities are classified in current and non-current liabilities according to the contractual payment dates of the nominal principal.

Convertible Notes

The component parts of the convertible notes issued by LATAM are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for similar non-convertible instruments. This amount is recorded as a liability on an amortized cost basis using the effective interest method until extinguished upon conversion or at the instrument's maturity date. The conversion option classified as equity is determined by the deducting the amount of the liability component from the fair value of the compound instrument as a whole. This is recognized and included in other equity, net of income tax effects. and is not subsequently remeasured. In addition, the conversion option classified as equity will remain in other equity until the conversion option is exercised, in which case, the balance recognized in other equity will be transferred to share capital. Where the conversion option remains unexercised at maturity date of the convertible bond, the balance recognized in other equity will be transferred to retained earnings. No gain or loss is recognized in profit or loss upon conversion or expiration of the conversion option.

Transaction costs that relate to the issue of the convertible notes are allocated to the liability and equity components in proportion to the allocation of the gross proceeds. Transaction costs relating to the equity component are charged directly to equity.

2.16. Current and deferred taxes

The tax expense for the period or exercise comprises income and deferred taxes.

The current income tax expense is calculated based on tax laws enacted at the date of the statement of financial position, in the countries in which the subsidiaries and associates operate and generate taxable income.

Deferred taxes are recognized on the temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred income tax is not accounted for if it arises from the initial recognition of an asset or a liability in a transaction other than a business combination that at the time of the transaction does not affect the accounting or the taxable profit or loss. Deferred tax is determined using the tax rates (and laws) that have been enacted or substantially enacted at the date of the consolidated statements of financial position and are expected to apply when the related deferred tax asset is realized or the deferred tax liability discharged.

Deferred tax assets are recognized only to the extent it is probable that the future taxable profit will be available against which the temporary differences can be utilized.

The tax (current and deferred) is recognized in the statement of income by function, unless it relates to an item recognized in other comprehensive income, directly in equity. In this case the tax is also recognized in other comprehensive income or, directly in the statement of income by function, respectively.

Deferred tax assets and liabilities are offset if, and only if:

(a) there is a legally enforceable right to set off current tax assets and liabilities, and

(b) the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either: (i) the same taxable entity, or (ii) different taxable entities which intend to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

2.17. Employee benefits

(a) Personnel vacations

The Company recognizes the expense for personnel vacations on an accrual basis.

(b) Share-based compensation

The compensation plans implemented based on the value of the shares of the Company are recognized in the consolidated financial statements in accordance with IFRS 2: Share-based payments. For equity settled plans the fair value is recorded in equity with a charge to remuneration in a linear manner between the grant of said options and the date on which they become vested. For cash settled awards the fair value, updated as of the closing date of each reporting period or exercise, is recorded as a liability with charge to remuneration.

(c) Post-employment and other long-term benefits

Provisions are made for these obligations by applying the method of the projected unit credit method, and considering estimates of future permanence, mortality rates and future wage increases determined on the basis of actuarial calculations. The discount rates are determined by reference to market interest-rate curves. Actuarial gains or losses are shown in other comprehensive income.

(d) Incentives

The Company has an annual incentives plan for its personnel for compliance with objectives and individual contribution to the results. The incentives eventually granted consist of a given number or portion of monthly remuneration and the provision is made on the basis of the amount estimated for distribution.

(e) Termination benefits

The group recognizes termination benefits at the earlier of the following dates: (a) when the group terminates the employee relationship; and (b) when the entity recognizes costs for a restructuring that is within the scope of IAS 37 and involves the payment of terminations benefits.

2.18. Provisions

Provisions are recognized when:

(i) The Company has a present legal or constructive obligation as a result of a past event;

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(ii) It is probable that payment is going to be required to settle an obligation; and

(iii) A reliable estimate of the obligation amount can be made.

2.19. Revenue from contracts with customers

(a) Transportation of passengers and cargo

The Company recognizes the sale for the transportation service as a deferred income liability, which is recognized as income when the transportation service has been provided or expired. In the case of air transport services sold by the Company and that will be made by other airlines, the liability is reduced when they are remitted to said airlines. The Company periodically reviews whether it is necessary to make an adjustment to deferred income liabilities, mainly related to returns, changes, among others.

Compensations granted to clients for changes in the levels of services or billing of additional services such as additional baggage, change of seat, among others, are considered modifications of the initial contract, therefore, they are deferred until the corresponding service is provided.

(b) Expiration of air tickets

The Company estimates on a monthly basis the probability of expiration of air tickets, with refund clauses, based on their history of use. Air tickets without a refund clause expire on the date of the flight in case the passenger does not show up.

(c) Costs associated with the contract

The costs related to the sale of air tickets are capitalized and deferred until the moment of providing the corresponding service. These assets are included under the heading "Other current non-financial assets" in the Consolidated Classified Statement of Financial Position.

(d) Frequent passenger program

The Company maintains the following loyalty programs: LATAM Pass and LATAM Pass Brasil, whose objective is building customer loyalty through the delivery of miles or points.

These programs give their frequent passengers the possibility of earning LATAMPASS’s miles or points, which grant the right to a selection of both air and non-air awards. Additionally, the Company sells the LATAMPASS miles or points to financial and non-financial partners through commercial alliances to award miles or points to their customers.

To reflect the miles and points earned, the loyalty program mainly includes two types of transactions that are considered revenue arrangements with multiple performance obligations: (1) Passenger Ticket Sales Earning miles or points (2) miles or points sold to financial and non-financial partner

(1) Passenger Ticket Sales Earning Miles or Points.
In this case, the miles or points are awarded to customers at the time that the company performs the flight.

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To value the miles or points earned with travel, we consider the quantitative value a passenger receives by redeeming miles for a ticket rather than paying cash, which is referred to as Equivalent Ticket Value ("ETV"). Our estimate of ETV is adjusted for miles and points that are not likely to be redeemed ("breakage").

The balance of miles and points that are pending to redeem are included within deferred revenue.

(2) Miles sold to financial and non-financial partners

To value the miles or points earned through financial and non-financial partners,the performance obligations with the client are estimated separately. To calculate these performance obligations, different components that add value in the commercial contract must be considered, such as marketing, advertising and other benefits, and finally the value of the points awarded to customers based on our ETV. The value of each of these components is finally allocated in proportion to their relative prices. The performance obligations associated with the valuation of the points or miles earned become part of the Deferred Revenue, and the remaining performance obligations are recorded as revenue when the miles or points are delivered to the client.

When the miles and points are exchanged for products and services other than the services provided by the Company, the income is recognized immediately; when the exchange is made for air tickets of any airline of LATAM Airlines Group S.A. and subsidiaries, the income is deferred until the air transport service is provided.

The miles and points that the Company estimates will not be exchanged are recognized in the results based on the consumption pattern of the miles or points effectively exchanged by customers. The Company uses statistical models to estimate the probability of exchange, which is based on historical patterns and projections.

(e) Dividend income

Dividend income is recognized when the right to receive payment is established.

2.20. Leases

The Company recognizes contracts that meet the definition of a lease as a right of use asset and a lease liability on the date when the underlying asset is available for use.

Right of use assets are measured at cost including the following:

- The amount of the initial measurement of the lease liability;
- Lease payment made at or before commencement date;
- Initial direct costs, and
- Restoration costs.

The right of use assets are recognized in the statement of financial position in Property, plant and equipment.

Lease liabilities include the net present value of the following payments:

- Fixed payments including in substance fixed payment.

- Variable lease payments that depend on an index or a rate;
- The exercise price of a purchase option, if it is reasonably certain that the option will be exercised.

The discount rate that LATAM uses is the interest rate implicit in the lease, if that rate can be readily determined. This is the rate of interest that causes the present value of (a) lease payments and (b) the unguaranteed residual value to equal the sum of (i) the fair value of the underlying asset and (ii) any initial direct costs of the lessor.

LATAM uses its incremental borrowing rate if the interest rate implicit in the lease cannot be readily determined.

Lease liabilities are recognized in the statement of financial position under Other financial liabilities, current or non-current.

Interest accrued on financial liabilities is recognized in the consolidated statement of income in "Financial costs".

Principal and interest are present in the consolidated cash flow as "Payments of lease liability" and "Interest paid", respectively, within financing cash flows.

Payments associated with short-term leases without purchase options and leases of low-value assets are recognized on a straight-line basis in profit or loss at the time of accrual. Those payments are presented within operating cash flows.

The Company analyzes the financing agreements of aircraft, mainly considering characteristics such as:

(a) That the Company initially acquired the aircraft or took an important part in the process of direct acquisition with the manufacturers.

(b) Due to the contractual conditions, it is virtually certain that the Company will execute the purchase option of the aircraft at the end of the lease term.

Since these financing agreements are “substantially purchases” and not leases, the related liability is considered as a financial debt classified under IFRS 9 and continues to be presented within the “Other financial liabilities” described in Note 18. On the other hand, the aircraft are presented in Property, Plant and Equipment, as described in Note 16, as “own aircraft”.

The Group qualifies as sale and lease transactions, operations that lead to a sale according to IFRS 15. More specifically, a sale is considered as such if there is no option to purchase the goods at the end of the lease term.

If the sale by the seller-lessee is classified as a sale in accordance with IFRS 15, the underlying asset is derecognized, and a right-of-use asset equal to the portion retained proportionally of the amount of the asset is recognized.

If the sale by the seller-lessee is not classified as a sale in accordance with IFRS 15, the transferred assets are kept in the financial statements and a financial liability equal to the sale price is recognized (received from the buyer-lessor).

The Company has applied the practical solution allowed by IFRS 16 for those contracts that meet the established requirements and that allows a lessee to choose not to evaluate if the concessions that it obtains derived from COVID-19 are a modification of the lease.

2.21. Non-current assets or disposal groups classified as held for sale

Non-current assets (or disposal groups) classified as assets held for sale are shown at the lesser of their book value and the fair value less costs to sell.

2.22. Maintenance

The costs incurred for scheduled heavy maintenance of the aircraft’s fuselage and engines are capitalized and depreciated until the next maintenance. The depreciation rate is determined on technical grounds, according to the use of the aircraft expressed in terms of cycles and flight hours.

In case of aircraft include in property, plant and equipment, these maintenance cost are capitalized as Property, plant and equipment, while in the case of aircraft on right of use, a liability is accrued based on the use of the main components is recognized, since a contractual obligation with the lessor to return the aircraft on agreed terms of maintenance levels exists. These are recognized as Cost of sales.

Additionally, some contracts that comply with the definition of lease establish the obligation of the lessee to make deposits to the lessor as a guarantee of compliance with maintenance and return conditions. These deposits, often called maintenance reserves, accumulate until a major maintenance is performed. Once made, the recovery is requested to the lessor. At the end of the contract period, there is comparison between the reserves that have been paid and required return conditions, and compensation between the parties are made if applicable.

The unscheduled maintenance of aircraft and engines, as well as minor maintenance, are charged to results as incurred.

2.23. Environmental costs

Disbursements related to environmental protection are charged to results when incurred or accrue.

NOTE 3 - FINANCIAL RISK MANAGEMENT

3.1. Financial risk factors

The Company is exposed to different financial risks: (a) market risk, (b) credit risk, and (c) liquidity risk. The risk management of the Company aims to minimize the adverse effects of financial risks affecting the company.

(a) Market risk

Due to the nature of its operations, the Company has exposure to market factors such as: (i) fuel-price risk, (ii) exchange -rate risk (FX), and (iii) interest -rate risk.

The Company has developed policies and procedures to manage the market risk, which goal is to identify, quantify, monitor and mitigate the adverse effects of changes in market factors mentioned above.

For the foregoing, Management monitors the evolution of fuel price levels, exchange rates and interest rates, quantifies their exposures and their risk, and develops and executes hedging strategies.

(i) Fuel-price risk

Exposure:

For the execution of its operations, the Company purchases a fuel called Jet Fuel grade 54 USGC, which is subject to the fluctuations of international fuel prices.

Mitigation:

To hedge the fuel-price risk exposure, the Company operates with derivative instruments (swaps and options) whose underlying assets may be different from Jet Fuel, such as West Texas Intermediate (“WTI”) crude, Brent (“BRENT”) crude and distillate Heating Oil (“HO”), which may have a high correlation with Jet Fuel and greater liquidity.

Fuel Hedging Results:

During the period ended December 31, 2022, the Company recognized gains of US$ 18.8 million for fuel hedging net of premiums in the costs of sales for the year. During the period ended December 31, 2021, the Company recognized gains of US$ 10.1 million for fuel hedging net of premiums in the costs of sales for the year.

As of December 31, 2022, the market value of the fuel positions amounted to US$12.6 million (positive). At the end of December 2021, this market value was US$ 17.6 million (positive).

The following tables show the level of hedge for different periods:

Positions as of December 31, 2022 (*)	Maturities				
	Q123	Q223	Q323	Q423	Total
Percentage of coverage over the expected volume of consumption	24%	24%	15%	5%	17%

(*) The percentage shown in the table considers all the hedging instruments (swaps and options).

Positions as of December 31, 2021 (*)	Maturities				
	Q122	Q222	Q322	Q422	Total
Percentage of coverage over the expected volume of consumption	25%	30%	17%	14%	21%

(*) The volume shown in the table considers all the hedging instruments (swaps and options).

Sensitivity analysis

A drop in fuel price positively affects the Company through a reduction in costs. However, also negatively affects contracted positions as these are acquired to protect the Company against the risk of a rise in price. Therefore, the policy is to maintain a hedge-free percentage in order to be competitive in the event of a drop in price.

The current hedge positions are booked as cash flow hedge contracts, so a variation in the fuel price has an impact on the Company’s net equity.

The following table shows the sensitivity of financial instruments according to reasonable changes in the price of fuel and their effect on equity.

The calculations were made considering a parallel movement of US$ 5 per barrel in the underlying reference price curve at the end of December 2022 and the end of December 2021. The projection period was defined until the end date of the last contract in force, corresponding to the last business day of the fourth quarter 2023.

Benchmark price (US$ per barrel)	Positions as of December 31, 2022 effect on Equity (MUS$)	Positions as of December 31, 2021 effect on Equity (MUS$)
+5	+2.2	+2.7
-5	-2.3	-3.3

Given the fuel coverage structure for the year 2022, which considers a portion free of hedges, a vertical drop of 5 dollars in the JET reference price (considered as the monthly daily average), would have meant an impact of approximately US$ 123 million lower fuel cost. For the same period, a vertical rise of 5 dollars in the JET reference price (considered as the monthly daily average), would have meant an approximate impact of US$ 122.1 million in higher fuel costs.

(ii) Foreign exchange rate risk:

Exposure:

The functional currency of the financial statements of the Parent Company is the US dollar, so that the risk of the Transactional and Conversion exchange rate arises mainly from the Company's business, strategic and accounting operating activities that are expressed in a monetary unit other than the functional currency.

The subsidiaries of LATAM are also exposed to foreign exchange risk whose impact affects the Company's Consolidated Income.

The largest operational exposure to LATAM's exchange risk comes from the concentration of businesses in Brazil, which are mostly denominated in Brazilian Real (BRL), and are actively managed by the Company.

At a lower concentration, the Company is also exposed to the fluctuation of other currencies, such as: Euro, Pound sterling, Australian dollar, Colombian peso, Chilean peso, Argentine peso, Paraguayan guarani, Mexican peso, Peruvian Sol and New Zealand dollar.

Mitigation:

The Company mitigates currency risk exposures by contracting hedging or non-hedging derivative instruments or through natural hedges or execution of internal operations.

Exchange Rate Hedging Results (FX):

As of December 31, 2022, the Company recognized gains of US$ 5,2 million for FX hedging derivatives net of premiums in sales revenue for the year. At the end of December 2021, the Company did not recognize gains or losses for FX hedging derivatives.

As of December 31, 2022, the market value of hedging FX derivative positions is US$ 0,2 million (positive). As of December 31, 2022, the Company has current hedging FX derivatives for MUS$ 108. As of December 31, 2021, the Company has no current hedging FX derivatives.

During the period ended December 31, 2022, the Company recognized losses of US$ 1,8 million for FX non-hedging derivatives, net of premiums in the costs of sales for the year. As of December 31, 2022, the Company does not maintain current non-hedged FX derivatives. At the end of December 2021, the Company did not recognize gains or losses for FX non-hedging derivatives.

Sensitivity analysis:

A depreciation of the R$/US$ exchange rate, negatively affects the Company's operating cash flows, however, also positively affects the value of the positions of derivatives contracted.

The following table shows the sensitivity of current hedging FX derivative instruments according to reasonable changes in the exchange rate and its effect on equity.

Appreciation (depreciation) of R$/US$	Effect on equity as of December 31, 2022 (MUS$)	Effect on equity as of December 31, 2021 (MUS$)
-10%	-2.9	-
+10%	+3.0	-

As of December 31, 2022, the Company does not have currency Swap derivatives. At the end of December 2021, the Company did not have currency Swap derivatives.

Impact of Exchange rate variation in the Consolidated Income Statements (Foreign exchange gains/losses)

In the case of TAM S.A., whose functional currency is the Brazilian real, a large part of its liabilities is expressed in US dollars. Therefore, when converting financial assets and liabilities, from dollar to real, they have an impact on the result of TAM S.A., which is consolidated in the Company's Income Statement.

In order to reduce the impact on the Company's result caused by appreciations or depreciations of R$/US$, the Company carries out internal operations to reduce the net exposure in US$ for TAM S.A.

The following table shows the impact of the Exchange Rate variation on the Consolidated Income Statement when the R$/US$ exchange rate appreciates or depreciates by 10%:

Appreciation (depreciation) of R$/US$	Effect on Income Statement for the period ended December 31, 2022 (MUS$)	Effect on Income Statement for the period ended December 31, 2021 (MUS$)
-10%	+70.7	+51.9
+10%	-70.7	-51.9

Impact of the exchange rate variation in the Equity, from translate the subsidiaries financial statements into US Dollars (Cumulative Translate Adjustment)

Since the functional currency of TAM S.A. and Subsidiaries is the Brazilian real, the Company presents the effects of the exchange rate fluctuations in Other comprehensive income (Cumulative Translation Adjustment) by converting the Statement of financial position and Income statement of TAM S.A. and Subsidiaries from their functional currency to the U.S. dollar, which is the presentation currency of the consolidated financial statement of LATAM Airlines Group S.A. and Subsidiaries.

The following table shows the impact on the Cumulative Translation Adjustment included in Other comprehensive income recognized in Total equity in the case of an appreciation or depreciation 10% the exchange rate R$/US$:

Appreciation (depreciation) of R$/US$	Effect at December 31, 2022 MUS$	Effect at December 31, 2021 MUS$
-10%	+98.11	+96.66
+10%	-80.28	-79.09

(iii) Interest -rate risk:

Exposure:

The Company has exposure to fluctuations in interest rates affecting the markets future cash flows of the assets, and current and future financial liabilities.

The Company is mainly exposed to the Secured Overnight Financing Rate ("SOFR"), also to the London InterBank Offered Rate ("LIBOR") and other less relevant interest rates such as Brazilian Interbank Certificates of Deposit ("CDI"). As the publication of LIBOR will cease by June 2023, the company has begun to migrate to the adoption of SOFR as an alternative rate, which will fully materialize with the cessation of LIBOR.

Regarding rate exposure, a portion of the company's variable financial debt maintains exposure to the LIBOR rate. However, all these contracts will have definitive migration to the SOFR rate. This migration has been redacted within each of the existing financial debt contracts benchmarked to the LIBOR rate.

Currently, 31% of the financial debt contracts subject to variable rates maintain exposure to the LIBOR rate, and 69% of them have exposure to the SOFR rate. All of these contracts will migrate to SOFR rate since mid 2023.

Mitigation:

Currently, 52% (40% as of December 31, 2021) of the debt is fixed against fluctuations in interest rates. Of the variable debt, most of it is indexed to the reference rate based on SOFR.

To mitigate the effect of those derivatives that will be affected by the transition from LIBOR to SOFR, the Company is following the recommendations of the relevant authorities, including the Alternative Reference Rates Committee ("ARRC") and the International Standard Derivatives Association in line with the measures generally adopted by the market for the replacement of LIBOR in debt and derivative contracts.

Rate Hedging Results:

During the period ended December 31, 2022, the Company recognized losses of US$ 7 million (negative) corresponding to the recognition for premiums paid.

As of December 31, 2022, the value of interest rate derivative positions amounted to MUS$ 8.8 (positive) corresponding to operating lease hedges in order to fix the rents upon delivery of the aircraft. As of December 31, 2021, the Company did not maintain interest rate derivative positions in force.

As of December 31, 2022, the Company recognized a decrease in the right-of-use asset upon settlement of a derivative of US$ 8.1 million associated with leased aircraft. On this same date, a lower expense for depreciation of the right-of-use asset for US$ 0,1 million (positive) is recognized. At the end of December 2021, the Company did not earn profits or losses for this same concept.

Sensitivity analysis:

The following table shows the sensitivity of changes in financial obligations that are not hedged against interest-rate variations. These changes are considered reasonably possible, based on current market conditions each date.

Increase (decrease) futures curve in libor 3 months	Positions as of December 31, 2022 effect on profit or loss before tax (MUS$)	Positions as of December 31, 2021 effect on profit or loss before tax (MUS$)
+ 100 basis points	-22.64	-46.31
- 100 basis points	+22.64	+46.31

A large part of the derivatives of current rates are recorded as cash flow hedge contracts, therefore, a variation in interest rates has an impact on the market value of the derivatives, whose changes affect the equity of the entity. Society.

The calculations were made by vertically increasing (decreasing) 100 base points of the interest rate curve, both scenarios being reasonably possible according to historical market conditions.

Increase (decrease) interest rate curve	Positions as of December 31, 2022 effect on equity (MUS$)	Positions as of December 31, 2021 effect on equity (MUS$)
+100 basis points	+6.9	-
- 100 basis points	-8.2	-

The sensitivity calculation hypothesis must assume that the forward curves of interest rates will not necessarily reflect the real value of the compensation of the flows. In addition, the interest rate structure is dynamic over time.

During the periods presented, the Company has not recorded amounts for ineffectiveness in the consolidated income statement for this type of coverage.

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(b) Credit risk

Credit risk occurs when the counterparty does not meet its obligations to the Company under a specific contract or financial instrument, resulting in a loss in the market value of a financial instrument (only financial assets, not liabilities). The client portfolio as of December 31, 2022 increased by 25% when compared to the balance as of December 31, 2021, mainly due to an increase in passenger transport operations (travel agencies and corporate) that increased by 53% in its sales, mainly affecting the forms of payment credit card 58%, and cash sales 54%. In relation to the cargo business, it presented an increase in its operations of 1% compared to December 2021. In the case of clients with debt that management considered risky, the corresponding measures were taken to consider their expected credit loss. The provision at the end of December 2022 had a decrease of 17 % compared to the end of December 2021, as a result of the decrease in the portfolio due to recoveries, application of write-offs and updates of the risk matrix factors.

The Company is exposed to credit risk due to its operational activities and its financial activities, including deposits with banks and financial institutions, investments in other types of instruments, exchange rate transactions and derivatives contracts.

To reduce the credit risk related to operational activities, the Company has implemented limits to the exposure of its debtors, which are permanently monitored for the LATAM network, when deemed necessary, agencies have been blocked for cargo and passenger businesses.

(i) Financial activities

Cash surpluses that remain after the financing of assets necessary for the operation are invested according to credit limits approved by the Company's Board, mainly in time deposits with different financial institutions, private investment funds, short-term mutual funds, and easily-liquidated corporate and sovereign bonds with short remaining maturities. These investments are booked as Cash and cash equivalents and other current financial assets.

In order to reduce counterparty risk and to ensure that the risk assumed is known and managed by the Company, investments are diversified among different banking institutions (both local and international). The Company evaluates the credit standing of each counterparty and the levels of investment, based on (i) its credit rating, (ii) the equity size of the counterparty, and (iii) investment limits according to the Company's level of liquidity. According to these three parameters, the Company chooses the most restrictive parameter of the previous three and based on this, establishes limits for operations with each counterparty.

The Company has no guarantees to mitigate this exposure.

(ii) Operational activities

The Company has four large sales "clusters": travel agencies, cargo agents, airlines and credit-card administrators. The first three are governed by International Air Transport Association ("IATA"), international organization comprising most of the airlines that represent over 90% of scheduled commercial traffic and one of its main objectives is to regulate the financial transactions between airlines and travel agents and cargo. When an agency or airline does not pay their debt, it is excluded from operating with IATA's member airlines. In the case of credit-card administrators, they are fully guaranteed by 100% by the issuing institutions.

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Under certain of the Company's credit card processing agreements, the financial institutions have the right to require that the Company maintain a reserve equal to a portion of advance ticket sales that have been processed by that financial institution, but for which the Company has not yet provided the air transportation. Additionally, the financial institutions have the ability to require additional collateral reserves or withhold payments related to receivables to be collected if increased risk is perceived related to liquidity covenants in these agreements or negative balances occur.

The exposure consists of the term granted, which fluctuates between 1 and 45 days.

One of the tools the Company uses for reducing credit risk is to participate in global entities related to the industry, such as IATA, Business Sales Processing ("BSP"), Cargo Account Settlement Systems ("CASS"), IATA Clearing House ("ICH") and banks (credit cards). These institutions fulfill the role of collectors and distributors between airlines and travel and cargo agencies. In the case of the Clearing House, it acts as an offsetting entity between airlines for the services provided between them. A reduction in term and implementation of guarantees has been achieved through these entities.

Currently the sales invoicing of TAM Linhas Aéreas S.A. related with travel agents and cargo agents for domestic transportation in Brazil is done directly by TAM Linhas Aéreas S.A.

Credit quality of financial assets

The external credit evaluation system used by the Company is provided by IATA. Internal systems are also used for particular evaluations or specific markets based on trade reports available on the local market. The internal classification system is complementary to the external one, i.e. for agencies or airlines not members of IATA, the internal demands are greater.

To reduce the credit risk associated with operational activities, the Company has established credit limits to abridge the exposure of their debtors which are monitored permanently (mainly in case of operational activities of TAM Linhas Aéreas S.A. with travel agents). The bad-debt rate in the principal countries where the Company has a presence is insignificant.

(c) Liquidity risk

Liquidity risk represents the risk that the Company does not have sufficient funds to pay its obligations.

Due to the cyclical nature of its business, the operation and investment needs, along with the need for financing, the Company requires liquid funds, defined as Cash and cash equivalents plus other short-term financial assets, to meet its payment obligations.

The balance of liquid funds, future cash generation and the ability to obtain financing, provide the Company with alternatives to meet future investment and financing commitments.

As of December 31, 2022, the balance of liquid funds is US$ 1,216 million (US $ 1,047 million as of December 31, 2021), which are invested in short-term instruments through financial entities with a high credit rating classification.

As of December 31, 2022, LATAM maintains two engaged Revolving Credit Facility for a total of US$ 1,100 million, one for an amount of US$600 million and another for an amount of US$500 million, which are fully available. These lines are secured by and subject to the availability of collateral (i.e. aircraft, engines and spare parts).

After voluntary petition for amparo of Chapter 11 Proceedings, the Company received authorization from the Bankruptcy Court for the "debtors in possession" (DIP) financing, in the form of a multi-draw term loan facility in an aggregate principal amount of up to US$ 3.2 billion divided in Tranche A, B and C (hereinafter the contract that documented such financing, the Original DIP Credit Agreement"). Initially, Tranches A and C were committed for a total of US$2.450 billion. To date, these three tranches are fully committed after the approval on October 18, 2021, of a proposal to grant financing under Tranche B of the DIP for a total of US$750 million, thus allowing LATAM to access lower financing costs in the next disbursements of the DIP financing.

On April 8, 2022, a consolidated and modified text (the "Reconsolidated and Modified DIP Credit Agreement") of the Existing Original DIP Credit Agreement was signed, which modifies and recasts said agreement and repays the pending payment obligations under it. (that is, under its Tranches A, B and C). The total amount of the Consolidated and Modified DIP Credit Agreement was US$3.7 billion. The Revised and Amended DIP Credit Agreement included certain reductions in fees and interest compared to the DIP Credit Agreement; and contemplated an expiration date in accordance with the calendar that LATAM anticipated to emerge from the Chapter 11 Procedure.

In the context of the Company's exit from Chapter 11, on October 12, 2022, the Amended and Restated DIP Financing Contract was repaid in full. The repayment was fully made with funds from (i) a Junior DIP Financing of approximately US$1,146Mn; (ii) a Revolving Credit Facility of US$500 million; (iii) a Term Loan B of US$ 750 million; (iv) a Bridge Loan of 5Y Notes of US$750 million; (v) a Bridge Loan of 7Y Notes of US$750million.

On October 18, 2022, the Bridge Loans were partially repaid by; (i) a Note issued from registration under U.S. Securities Act of 1933, as amended ("the "Securities Act"), pursuant to Rule 144A and Regulation S, both under the Securities Act, due in 2027 (the "5 Year Note"), with a total principal amount of US$ 450 million, and (ii) a Note issued from registration under the Securities Act pursuant to Rule 144A and Regulation A, both under the Securities Act, due in 2029 (the "7 Year Note"), with a total principal amount of US$ 700 million.

Additionally, on November 3, 2022, the repayments of outstanding balances of the Bridge Loan and the Junior DIP were finished with the funds obtained under from the Exit Financing. Starting in November 2022, the exit financing was composed of: (i) a Revolving Credit Line for an amount of US$500 million; (ii) a tranche B term loan for an amount of US$1,100 million (this is the original US$750 million, plus an incremental loan under it obtained on November 3, 2022 for an amount of US$350 million), US$450 million in senior secured notes due in 2027 and US$700 million in senior secured notes due in 2029.

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Class of liability for the analysis of liquidity risk ordered by date of maturity as of December 31, 2022
Debtor: LATAM Airlines Group S.A. and Subsidiaries, Tax No. 89.862.200-2 Chile.

Tax No.	Creditor	Creditor country	Currency	Up to 90 days ThUS$	More than 90 days to one year ThUS$	More than one to three years ThUS$	More than three to five years ThUS$	More than five years ThUS$	Total ThUS$	Nominal value ThUS$	Amortization	Annual Effective rate %	Annual Nominal rate %
Bank loans													
0-E	GOLDMAN SACHS	U.S.A.	US$	32,071	122,278	323,125	1,361,595	-	1,839,069	1,100,000	Quarterly	18.46	13.38
0-E	SANTANDER	Spain	US$	19,164	55,288	-	-	-	74,452	70,951	Quarterly	7.26	7.26
Obligations with the public													
97.036.000-K	SANTANDER	Chile	UF	-	3,136	6,271	6,271	178,736	194,414	156,783	To the expiration	2.00	2.00
0-E	WILMINGTON TRUST COMPAN	U.S.A.	US$	-	152,531	307,625	757,625	887,250	2,105,031	1,150,000	To the expiration	15.00	13.38
97.036.000-K	SANTANDER	Chile	US$	-	-	-	-	6	6	3	To the expiration	1.00	1.00
Guaranteed obligations													
0-E	BNP PARIBAS	U.S.A.	US$	6,692	14,705	39,215	39,215	138,345	238,172	184,198	Quarterly	5.76	5.76
0-E	WILMINGTON TRUST COMPAN	U.S.A.	US$	3,839	13,465	45,564	43,444	75,505	181,817	141,605	Quartely/Monthly	8.20	8.20
Other guaranteed obligation													
0-E	EXIM BANK	U.S.A.	US$	394	1,171	12,119	21,111	60,857	95,652	86,612	Quarterly	2.01	1.78
0-E	MUFG	U.S.A.	US$	13,091	38,914	69,916	-	-	121,921	112,388	Quarterly	6.23	6.23
0-E	CREDIT AGRICOLE	France	US$	5,769	31,478	70,890	267,615	-	375,752	275,000	To the expiration	8.24	8.24
Financial lease													
0-E	CITIBANK	U.S.A.	US$	6,995	5,844	-	-	-	12,839	12,514	Quarterly	6.19	5.47
0-E	BNP PARIBAS	U.S.A.	US$	6,978	20,662	1,543	-	-	29,183	28,165	Quarterly	5.99	5.39
0-E	NATIXIS	France	US$	9,864	29,468	75,525	70,787	129,582	315,226	239,138	Quarterly	6.44	6.44
0-E	US BANK	U.S.A.	US$	18,072	54,088	86,076	-	-	158,236	152,693	Quarterly	4.06	2.85
0-E	PK AIRFINANCE	U.S.A.	US$	1,749	5,165	6,665	-	-	13,579	12,590	Quarterly	5.97	5.97
0-E	EXIM BANK	U.S.A.	US$	3,176	9,681	137,930	193,551	157,978	502,316	446,509	Quarterly	3.58	2.79
0-E	BANK OF UTAH	U.S.A.	US$	5,878	17,651	47,306	50,649	145,184	266,668	182,237	Monthly	10.45	10.45
Others loans													
0-E	OTHERS (*)		US$	2,028	-	-	-	-	2,028	2,028	To the expiration	-	-
	TOTAL			135,760	575,525	1,229,770	2,811,863	1,773,443	6,526,361	4,353,414			

(*) Obligation with creditors for executed letters of credit.

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1 Class of liability for the analysis of liquidity risk ordered by date of maturity as of December 31, 2022
Debtor: TAM S.A. and Subsidiaries, Tax No. 02.012.862/0001-60, Brazil.

Tax No.	Creditor	Creditor country	Currency	Up to 90 days ThUS$	More than 90 days to one year ThUS$	More than one to three years ThUS$	More than three to five years ThUS$	More than five years ThUS$	Total ThUS$	Nominal value ThUS$	Amortization	Annual Effective rate %	Annual Nominal rate %
Financial leases													
0-E	NATIXIS	France	US$	510	1,530	4,080	4,080	7,846	18,046	18,046	Semiannual/Quarterly	7.23	7.23
Bank loans													
0-E	MERRIL LYNCH CREDIT PRODUCTS LLC	Brazil	BRL	304,549	-	-	-	-	304,549	304,549	Monthly	3.95	3.95
	TOTAL			305,059	1,530	4,080	4,080	7,846	322,595	322,595			

Class of liability for the analysis of liquidity risk ordered by date of maturity as of December 31, 2022
Debtor: LATAM Airlines Group S.A. and Subsidiaries, Tax No. 89.862.200-2, Chile.

Tax No.	Creditor	Creditor country	Currency	Up to 90 days	More than 90 days to one year	More than one to three years	More than three to five years	More than five years	Total	Nominal value	Amortization	Annual Effective rate	Annual Nominal rate
				ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$		%	%
Lease Liability													
	AIRCRAFT	OTHERS	US$	80,602	250,297	845,215	776,431	1,094,935	3,047,480	2,134,968	-	-	-
	OTHER ASSETS	OTHERS	US$	1,727	8,080	20,641	6,251	1,763	38,462	35,157	-	-	-
			CLP	20	34	69	-	-	123	111	-	-	-
			UF	574	1,568	3,007	2,515	6,273	13,937	11,703	-	-	-
			COP	76	227	301	-	-	604	518	-	-	-
			EUR	84	253	246	24	-	607	571	-	-	-
			BRL	2,064	6,192	14,851	12,491	28,625	64,223	33,425			
Trade and other accounts payables													
-	OTHERS	OTHERS	US$	80,557	35,542	-	-	-	116,099	116,099	-	-	-
			CLP	168,393	1,231	-	-	-	169,624	169,624	-	-	-
			BRL	370,772	5,242	-	-	-	376,014	376,014	-	-	-
			Other currency	583,118	3,935	-	-	-	587,053	587,053	-	-	-
Accounts payable to related parties currents													
Foreign	Inversora Aeronáutica Argentina S.A.	Argentina	US$	5	-	-	-	-	5	5	-	-	-
Foreign	Patagonia Seafarms INC	U.S.A	CLP	7	-	-	-	-	7	7	-	-	-
	Total			1,287,999	312,601	884,330	797,712	1,131,596	4,414,238	3,465,255			
	Total consolidated			1,728,818	889,656	2,118,180	3,613,655	2,912,885	11,263,194	8,141,264			

Class of liability for the analysis of liquidity risk ordered by date of maturity as of December 31, 2021
Debtor: LATAM Airlines Group S.A. and Subsidiaries, Tax No. 89.862.200-2 Chile.

Tax No.	Creditor	Creditor country	Currency	Up to 90 days ThUS$	More than 90 days to one year ThUS$	More than one to three years ThUS$	More than three to five years ThUS$	More than five years ThUS$	Total ThUS$	Nominal value ThUS$	Amortization	Annual Effective rate %	Annual Nominal rate %
Loans to exporters													
97.018.000-1	CITIBANK	Chile	US$	115,350	-	-	-	-	115,350	114,000	At Expiration	2.96	2.96
97.030.000-7	ITAU	Chile	US$	20,140	-	-	-	-	20,140	20,000	At Expiration	4.20	4.20
0-E	HSBC	Chile	US$	12,123	-	-	-	-	12,123	12,000	At Expiration	4.15	4.15
Bank loans													
97.023.000-9	CORPBANCA	Chile	UF	10,236	-	-	-	-	10,236	10,106	Quarterly	3.35	3.35
0-E	SANTANDER	Spain	US$	751	2,604	106,939	-	-	110,294	106,427	Quarterly	2.80	2.80
0-E	CITIBANK	U.S.A.	UF	60,935	-	-	-	-	60,935	60,935	At Expiration	3.10	3.10
Obligations with the public													
97.030.000-7	BANCO ESTADO	Chile	UF	36,171	179,601	31,461	31,461	369,537	648,231	502,897	At Expiration	4.81	4.81
0-E	BANK OF NEW YORK	U.S.A.	US$	184,188	104,125	884,188	856,000	-	2,028,501	1,500,000	At Expiration	7.16	6.94
Guaranteed obligations													
0-E	BNP PARIBAS	U.S.A.	US$	17,182	19,425	40,087	41,862	95,475	214,031	198,475	Quarterly	1.48	1.48
0-E	MUFG	U.S.A.	US$	29,652	17,921	36,660	37,829	55,297	177,359	166,712	Quarterly	1.64	1.64
0-E	WILMINGTON TRUST COMPANY	U.S.A.	US$	933	4,990	29,851	36,337	89,263	161,374	144,358	Quarterly / Monthly	3.17	1.60
Other guaranteed obligation													
0-E	CREDIT AGRICOLE	France	US$	273,199	-	-	-	-	273,199	273,199	At Expiration	1.82	1.82
0-E	MUFG	U.S.A.	US$	8,150	46,746	94,062	14,757	-	163,715	156,933	Quarterly	1.72	1.72
0-E	CITIBANK	U.S.A.	US$	613,419	-	-	-	-	613,419	600,000	At Expiration	2.00	2.00
0-E	BANK OF UTAH	U.S.A.	US$	-	1,858,051	-	-	-	1,858,051	1,644,876	At Expiration	22.71	12.97
0-E	EXIM BANK	U.S.A.	US$	271	1,173	3,375	10,546	55,957	71,322	62,890	Quarterly	1.84	1.84
Financial lease													
0-E	CREDIT AGRICOLE	France	US$	699	1,387	-	-	-	2,086	2,052	Quarterly	3.68	3.23
0-E	CITIBANK	U.S.A.	US$	19,268	59,522	5,721	-	-	84,511	83,985	Quarterly	1.37	0.79
0-E	BNP PARIBAS	U.S.A.	US$	7,351	26,519	21,685	-	-	55,555	54,918	Quarterly	1.56	0.96
0-E	NATIXIS	France	US$	5,929	34,328	59,574	59,930	130,131	289,892	261,458	Quarterly	2.09	2.09
0-E	US BANK	U.S.A.	US$	18,158	72,424	133,592	6,573	-	230,747	219,667	Quarterly	4.03	2.84
0-E	PK AIRFINANCE	U.S.A.	US$	853	5,763	10,913	-	-	17,529	16,851	Quarterly	1.88	1.88
0-E	EXIM BANK	U.S.A.	US$	2,758	11,040	61,167	249,466	269,087	593,518	533,127	Quarterly	2.88	2.03
Others loans													
0-E	OTHERS (*)		US$	55,819	-	-	-	-	55,819	55,819	At Expiration	-	-
	TOTAL			1,493,535	2,445,619	1,519,275	1,344,761	1,064,747	7,867,937	6,801,685			

(*) Obligation with creditors for executed letters of credit.

Class of liability for the analysis of liquidity risk ordered by date of maturity as of December 31, 2021
Debtor: TAM S.A. and Subsidiaries, Tax No. 02.012.862/0001-60, Brazil.

Tax No.	Creditor	Creditor country	Currency	Up to 90 days ThUS$	More than 90 days to one year ThUS$	More than one to three years ThUS$	More than three to five years ThUS$	More than five years ThUS$	Total ThUS$	Nominal value ThUS$	Amortization	Annual Effective rate %	Annual Nominal rate %
Bank loans													
0-E	NCM	Netherlands	US$	990	-	-	-	-	990	943	Monthly	6.01	6.01
0-E	MERRIL LYNCH CREDIT PRODUCTS LLC	U.S.A.	BRL	185,833	-	-	-	-	185,833	185,833	Monthly	3.95	3.95
0-E	BANCO BRADESCO	Brazil	BRL	74,661	-	-	-	-	74,661	74,661	Monthly	4.33	4.33
Financial leases													
0-E	NATIXIS	France	US$	486	2,235	4,080	11,076	-	17,877	17,326	Quarterly	2.74	2.74
0-E	GA TELESIS LLC	U.S.A.	US$	762	2,706	4,675	4,646	5,077	17,866	10,999	Monthly	14.72	14.72
Others Loans													
0-E	Deustche Bank (*)	Brazil	US$	20,689	-	-	-	-	20,689	20,689	At Expiration	-	-
	TOTAL			283,421	4,941	8,755	15,722	5,077	317,916	310,451			

(*) Obligation with creditors for executed letters of credit

Class of liability for the analysis of liquidity risk ordered by date of maturity as of December 31, 2021
Debtor: LATAM Airlines Group S.A. and Subsidiaries, Tax No. 89.862.200-2, Chile.

Tax No.	Creditor	Creditor country	Currency	Up to 90 days ThUS$	More than 90 days to one year ThUS$	More than one to three years ThUS$	More than three to five years ThUS$	More than five years ThUS$	Total ThUS$	Nominal value ThUS$	Amortization	Annual Effective rate %	Annual Nominal rate %
Lease Liability													
-	AIRCRAFT	OTHERS	US$	694,568	469,568	767,629	811,843	778,613	3,522,221	2,883,657	-	-	-
-	OTHER ASSETS	OTHERS	US$	9,859	11,820	22,433	23,365	8,651	76,128	73,615	-	-	-
			UF	1,759	982	245	76	231	3,293	2,621	-	-	-
			COP	2	7	35	-	-	44	42	-	-	-
			EUR	198	112	293	-	-	603	599	-	-	-
			PEN	4	7	97	-	-	108	103	-	-	-
Trade and other accounts payables													
-	OTHERS	OTHERS	US$	644,743	165,085	-	-	-	809,828	809,828	-	-	-
			CLP	214,224	4,912	-	-	-	219,136	219,136	-	-	-
			BRL	365,486	5,258	-	-	-	370,744	370,744	-	-	-
			Other currency	542,304	3,719	-	-	-	546,023	546,023	-	-	-
Accounts payable to related parties currents (*)													
Foreign	Inversora Aeronáutica Argentina S.A.	Argentina	US$	-	5	-	-	-	5	5	-	-	-
Foreign	Delta Airlines	U.S.A	US$	-	2,268	-	-	-	2,268	2,268	-	-	-
Foreign	Patagonia Seafarms INC	U.S.A	US$	-	7	-	-	-	7	7	-	-	-
81.062.300-4	Costa Verde Aeronautica S.A.	Chile	US$	-	175,819	-	-	-	175,819	175,819	-	-	-
Foreign	QA Investments Ltd	Jersey Channel Islands	US$	-	219,774	-	-	-	219,774	219,774	-	-	-
Foreign	QA Investments 2 Ltd	Jersey Channel Islands	US$	-	219,774	-	-	-	219,774	219,774	-	-	-
Foreign	Lozuy S.A.	Uruguay	US$	-	43,955	-	-	-	43,955	43,955	-	-	-
	Total			2,473,147	1,323,072	790,732	835,284	787,495	6,209,730	5,567,970			
	Total consolidated			4,250,103	3,773,632	2,318,762	2,195,767	1,857,319	14,395,583	12,680,106			

(*)Trade and other accounts payables include claims resulting from Chapter 11 negotiation and are subject to settlement in accordance with the Reorganization plan.

The Company has fuel, interest rate and exchange rate hedging strategies involving derivatives contracts with different financial institutions.

As of December 31, 2022, the Company maintains guarantees for US$7.5 million corresponding to derivative transactions. The increase is due to: i) Increase in the number of hedging contracts and ii) changes in fuel prices, exchange rates and interest rates. At the end of 2021, the Company had guarantees for US$ 5.5 million corresponding to derivative transactions.

3.2. Capital risk management

The objectives of the Company, in relation to capital management are: (i) to meet the minimum equity requirements and (ii) to maintain an optimal capital structure.

The Company monitors contractual obligations and regulatory requirements in the different countries where the group's companies are domiciled to ensure faithful compliance with the minimum equity requirement, the most restrictive limit of which is to maintain positive liquid equity.

Additionally, the Company periodically monitors the short and long term cash flow projections to ensure that it has sufficient cash generation alternatives to meet future investment and financing commitments.

The international credit rating of the Company is the result of the ability to meet long-term financial commitments. As of December 31, 2022, The Company has a national rating of BBB- by Fitch, a rating of B- by Standard & Poor's, and a preliminary rating at the exit of the Chapter 11 process of B2 with a stable outlook by Moody's.

3.3. Estimates of fair value.

At December 31, 2022, the Company maintained financial instruments that should be recorded at fair value. These are grouped into two categories:

1. Derivative financial instruments:

This category includes the following instruments:

- Interest rate derivative contracts,
- Fuel derivative contracts,
- Currency derivative contracts.

2. Financial Investments:

This category includes the following instruments:

- Investments in short-term Mutual Funds (cash equivalent)
- Private investment funds.

The Company has classified the fair value measurement using a hierarchy that reflects the level of information used in the assessment. This hierarchy consists of 3 levels (I) fair value based on quoted prices in active markets for identical assets or liabilities, (II) fair value calculated through valuation methods based on inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) and (III) fair value based on inputs for the asset or liability that are not based on observable market data.

The fair value of financial instruments traded in active markets, such as investments acquired for trading, is based on quoted market prices at the close of the period using the current price of the buyer. The fair value of financial assets not traded in active markets (derivative contracts) is determined using valuation techniques that maximize use of available market information. Valuation techniques generally used by the Company are quoted market prices of similar instruments and / or estimating the present value of future cash flows using forward price curves of the market at period end.

The following table shows the classification of financial instruments at fair value, depending on the level of information used in the assessment:

	As of December 31, 2022				As of December 31, 2021			
		Fair value measurements using values considered as				Fair value measurements using values considered as		
	Fair value ThUS$	Level I ThUS$	Level II ThUS$	Level III ThUS$	Fair value ThUS$	Level I ThUS$	Level II ThUS$	Level III ThUS$
Assets								
Cash and cash equivalents	95,452	95,452	-	-	26,025	26,025	-	-
Short-term mutual funds	95,452	95,452	-	-	26,025	26,025	-	-
Other financial assets, current	21,878	277	21,601	-	17,988	347	17,641	-
Fair value interest rate derivatives	8,816	-	8,816	-	-	-	-	-
Fair value of fuel derivatives	12,594	-	12,594	-	17,641	-	17,641	-
Fair value of foreign currency derivative	191	-	191	-	-	-	-	-
Private investment funds	277	277	-	-	347	347	-	-
Liabilities								
Other financial liabilities, current	-	-	-	-	5,671	-	5,671	-
Fair value of interest rate derivatives	-	-	-	-	2,734	-	2,734	-
Currency derivative not registered as hedge accounting	-	-	-	-	2,937	-	2,937	-

Additionally, at December 31, 2022, the Company has financial instruments which are not recorded at fair value. In order to meet the disclosure requirements of fair values, the Company has valued these instruments as shown in the table below:

	As of December 31, 2022		As of December 31, 2021	
	Book value	Fair value	Book value	Fair value
	ThUS$	ThUS$	ThUS$	ThUS$
Cash and cash equivalents	1,121,223	1,121,223	1,020,810	1,020,810
Cash on hand	2,248	2,248	2,120	2,120
Bank balance	480,566	480,566	558,078	558,078
Overnight	259,129	259,129	386,034	386,034
Time deposits	379,280	379,280	74,578	74,578
Other financial assets, current	481,637	481,637	83,150	83,150
Other financial assets	481,637	481,637	83,150	83,150
Trade debtors, other accounts receivable and Current accounts receivable	1,008,109	1,008,109	881,770	881,770
Accounts receivable from entities related, current	19,523	19,523	724	724
Other financial assets, not current	15,517	15,517	15,622	15,622
Accounts receivable, non-current	12,743	12,743	12,201	12,201
Other current financial liabilities	802,841	824,167	4,447,780	4,339,370
Accounts payable for trade and other accounts payable, current	1,627,992	1,627,992	4,839,251	4,839,251
Accounts payable to entities related, current	12	12	661,602	662,345
Other financial liabilities, not current	5,979,039	5,533,131	5,948,702	5,467,594
Accounts payable, not current	326,284	326,284	472,426	472,426

The book values of accounts receivable and payable are assumed to approximate their fair values, due to their short-term nature. In the case of cash on hand, bank balances, overnight, time deposits and accounts payable, non-current, fair value approximates their carrying values.

The fair value of other financial liabilities is estimated by discounting the future contractual cash flows at the current market interest rate for similar financial instruments (Level II). In the case of Other financial assets, the valuation was performed according to market prices at period end. The book value of Other financial liabilities, current or non-current, do not include lease liabilities.

NOTE 4 - ACCOUNTING ESTIMATES AND JUDGMENTS

The Company has used estimates to value and record some of the assets, liabilities, income, expenses and commitments. Basically, these estimates refer to:

(a) Evaluation of possible losses due to impairment of intangible assets with indefinite useful life

Management conducts an impairment test annually or more frequently if events or changes in circumstances indicate potential impairment. An impairment loss is recognized for the amount by which the carrying amount of the cash generating unit (CGU) exceeds its recoverable amount.

Management's value-in-use calculations included significant judgments and assumptions relating to revenue growth rates, exchange rates, discount rates, inflation rates, fuel price. The estimation of these assumptions requires significant judgment by management as these variables are inherently uncertain; however, the assumptions used are consistent with the Company's forecasts approved by management. Therefore, management evaluates and updates the estimates as necessary in light of conditions that affect these variables. The main assumptions used as well as the corresponding sensitivity analyses are shown in Note 15.

(b) Useful life, residual value, and impairment of property, plant, and equipment

The depreciation of assets is calculated based on a straight-line basis, except for certain technical components depreciated on cycles and hours flown. These useful lives are reviewed on an annual basis according to the Company's future economic benefits associated with them.

Changes in circumstances such as: technological advances, business model, planned use of assets or capital strategy may result in a useful life different from what has been estimated. When it is determined that the useful life of property, plant, and equipment must be reduced, as may occur in line with changes in planned usage of assets, the difference between the net book value and estimated recoverable value is depreciated, in accordance with the revised remaining useful life.

The residual values are estimated according to the market value that the assets will have at the end of their life. The residual value and useful life of the assets are reviewed, and adjusted if necessary, once a year. When the value of an asset is greater than its estimated recoverable amount, its value is immediately reduced to its recoverable amount.

The Company has concluded that the Properties, Plant and Equipment cannot generate cash inflows to a large extent independent of other assets, therefore the impairment assessment is made as an integral part of the only Cash Generating Unit maintained by the Company, Air Transport. The Company checks when there are signs of impairment, whether the assets have suffered any impairment losses at the Cash Generated Unit level.

(c) Recoverability of deferred tax assets

Management records deferred taxes on the temporary differences that arise between the tax bases of assets and liabilities and their amounts in the financial statements. Deferred tax assets on tax losses are recognized to the extent that it is probable that future tax benefits will be available to offset temporary differences.

The Company applies significant judgment in evaluating the recoverability of deferred tax assets. In determining the amounts of the deferred tax asset to be accounted for, management considers tax planning strategies, historical profitability, projected future taxable income (considering assumptions such as: growth rate, exchange rate, discount rate and fuel price consistent with those used in the impairment analysis of the group's cash-generating unit) and the expected timing of reversals of existing temporary differences.

(d) Air tickets sold that will not be finally used.

The Company records the sale of airline tickets as deferred income. Ordinary revenue from the sale of tickets is recognized in the income statement when the passenger transport service is provided or expires due to non-use. The Company evaluates on a monthly basis the probability of expiration of the air tickets, with return clauses, based on the history of use of the air tickets. A change in this probability could have an impact on revenue in the year in which the change occurs and in future years.

As of December 31, 2022, deferred income associated with air tickets sold amounts to ThUS$1,574,145 (ThUS$1,126,371 as of December 31, 2021). A hypothetical change of one percentage point in the behavior of the passenger regarding the use would translate into an impact of up to ThUS$7,453 per month.

(e) Valuation of miles and points awarded to holders of loyalty programs, pending use.

As of December 31, 2022, the deferred income associated with the LATAM Pass loyalty program amounts to ThUS$1,120,565 (ThUS$1,285,732 as of December 31, 2021). A hypothetical change of one percentage point in the exchange probability would translate into a cumulative impact of ThUS$29,571 in the results of 2022 (ThUS$27,151 in 2021). Deferred income associated with the LATAM Pass Brasil loyalty program (See Note 21) amounts to ThUS$140,486 as of December 31, 2022 (ThUS$192,381 as of December 31, 2021). A hypothetical change of two percentage points in the probability of exchange would translate into a cumulative impact of ThUS$7,453 in the results of 2022 (ThUS$5,100 in 2021).

Management used statistical models to estimate the miles and points awarded that will not be redeemed by the program's members (breakage) which involved significant judgments and assumptions relating to the historical redemption and expiration activity and forecasted redemption and expiration patterns.

The management in conjunction with an external specialist developed a predictive model of non-use miles or points, which allows to generate non-use rates on the basis of historical information, based on behavior of the accumulation, use and expiration of the miles or points.

(f) The need to establish a provision and its valuation

In the case of known contingencies, the Company records a provision when it has a present obligation, whether legal or constructive, as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the obligation amount can be made. The assessment of contingencies inherently involves the exercise of significant judgment and estimates of the outcome of future events, the likelihood of loss being incurred and when determining whether a reliable estimate of the loss can be made. The Company assesses its liabilities and contingencies based upon the best information available, uses the knowledge,

experience and professional judgment to the specific characteristics of the known risks. This process facilitates the early assessment and quantification of potential risks in individual cases or in the development of contingent matters. If we are unable to reliably estimate the obligation or conclude no loss is probable but it is reasonably possible that a loss may be incurred, no provision is recorded but the contingency is disclosed in the notes to the consolidated financial statements.

The Company recognizes the present obligation under an onerous contract as a provision when a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from it.

(g) Leases

During 2022, as a result of the arrival of new aircraft and the significant change in the flows of many current contracts, the Company evaluated the relevance in the current scenario of continuing to use the implicit rate, a methodology used in recent years, or whether it should in instead use a different approximation for calculating the rate. It was concluded that the implicit rate was not being able to reflect the economic environment in which the company operates, therefore it was not accurately representing the Company's indebtedness conditions. Because of this, all new contracts entered into during 2022 and all contracts that were modified during 2022 used the incremental rate. Existing contracts that remained unchanged continued using the original implicit discount rate.

(i) Discount rate

The discount rates used to calculate the aircraft lease debt correspond to: (i) For aircraft that did not have contractual changes associated with the exit from Chapter 11, the rate used was the implicit rate of the contract, this is the discount rate that results from the aggregate present value of the minimum lease payments and the unguaranteed residual value, and (ii) For aircraft that had contractual changes associated with exit from Chapter 11, the rate used was the incremental rate, this discount rate was calculated considering our recent aircraft debt negotiations, as well as publicly available data for instruments with similar characteristics when calculating our incremental borrowing rates.

For assets other than aircraft, the estimated lessee's incremental borrowing rate, which is derived from information available at the lease inception date, was used to determine the present value of the lease payments. We consider our recent debt issuances as well as publicly available data for instruments with similar characteristics when calculating our incremental borrowing ratios.

A decrease of one percentage point in our estimate of the rates used to determine the lease liabilities of new and modified fleet contracts booked as of December 31, 2022 would increase the lease liability by approximately US$82 million.

(ii) Lease term

In determining the lease term, all facts and circumstances that create an economic incentive to exercise an extension option are considered. Extension options (or periods after termination options) are only included in the lease term if it is reasonably certain that the lease will be extended (or not terminated). This is reviewed if a significant event or significant change in circumstances occurs that affects this assessment and is within the lessee's control.

These estimates are made based on the best information available on the events analyzed.

In any case, it is possible that events that may take place in the future make it necessary to modify them in future periods, which would be done prospectively.

NOTE 5 - SEGMENT INFORMATION

As of December 31, 2022, the Company considers that it has a single operating segment, Air Transport. This segment corresponds to the route network for air transport and is based on the way in which the business is managed, according to the centralized nature of its operations, the ability to open and close routes, as well as reassignment (airplanes, crew, personnel, etc.) within the network, which implies a functional interrelation between all of them, making them inseparable. This segment definition is one of the most common in the worldwide airline industry.

The Company's revenues by geographic area are as follows:

	For the year ended At December 31, 2022	2021
	ThUS$	ThUS$
Peru	858.957	503.616
Argentina	206.856	75.513
U.S.A.	1.058.107	577.970
Europe	768.980	376.857
Colombia	540.231	368.474
Brazil	3.724.466	1.664.523
Ecuador	248.454	162.959
Chile	1.514.645	794.122
Asia Pacific and rest of Latin America	441.825	359.981
Income from ordinary activities	9.362.521	4.884.015
Other operating income	154.286	227.331

The Company allocates revenues by geographic area based on the point of sale of the passenger ticket or cargo. Assets are composed primarily of aircraft and aeronautical equipment, which are used throughout the different countries, so it is not possible to assign a geographic area.

The Company has no customers that individually represent more than 10% of sales.

NOTE 6 - CASH AND CASH EQUIVALENTS

	As of December 31, 2022	As of December 31, 2021
	ThUS$	ThUS$
Cash on hand	2,248	2,120
Bank balances	480,566	558,078
Overnight	259,129	386,034
Total Cash	741,943	946,232
Cash equivalents		
Time deposits	379,280	74,578
Mutual funds	95,452	26,025
Total cash equivalents	474,732	100,603
Total cash and cash equivalents	1,216,675	1,046,835

Cash and cash equivalents are denominated in the following currencies:

Currency	As of December 31, 2022	As of December 31, 2021
	ThUS$	ThUS$
Argentine peso	10,711	7,148
Brazilian real	193,289	89,083
Chilean peso	17,643	9,800
Colombian peso	22,607	13,535
Euro	19,361	7,099
US Dollar	906,666	886,627
Other currencies	46,398	33,543
Total	1,216,675	1,046,835

NOTE 7 - FINANCIAL INSTRUMENTS

Financial instruments by category

As of December 31, 2022

Assets	Measured at amortized cost	At fair value with changes in results	Hedge derivatives	Total
	ThUS$	ThUS$	ThUS$	ThUS$
Cash and cash equivalents	1,121,223	95,452	-	1,216,675
Other financial assets, current (*)	481,637	277	21,601	503,515
Trade and others accounts receivable, current	1,008,109	-	-	1,008,109
Accounts receivable from related entities, current	19,523	-	-	19,523
Other financial assets, non current	15,517	-	-	15,517
Accounts receivable, non current	12,743	-	-	12,743
Total	2,658,752	95,729	21,601	2,776,082

Liabilities	Measured at amortized cost	At fair value with changes in results	Hedge derivatives	Total
	ThUS$	ThUS$	ThUS$	ThUS$
Other financial liabilities, current	802,841	-	-	802,841
Trade and others accounts payable, current	1,627,992	-	-	1,627,992
Accounts payable to related entities, current	12	-	-	12
Other financial liabilities, non-current	5,979,039	-	-	5,979,039
Accounts payable, non-current	326,284	-	-	326,284
Total	8,736,168	-	-	8,736,168

(*) The amount presented as at fair value with changes in the results corresponds mainly to private investment funds. The amount presented as measured at amortized cost relates to ThUS$340,008 of funds delivered as restricted advances (as described in Note 11) and guarantees.

As of December 31, 2021

Assets	Measured at amortized cost	At fair value with changes in results	Hedge derivatives	Total
	ThUS$	ThUS$	ThUS$	ThUS$
Cash and cash equivalents	1,020,810	26,025	-	1,046,835
Other financial assets, current (*)	83,150	347	17,641	101,138
Trade and others accounts receivable, current	881,770	-	-	881,770
Accounts receivable from related entities, current	724	-	-	724
Other financial assets, non current	15,622	-	-	15,622
Accounts receivable, non current	12,201	-	-	12,201
Total	2,014,277	26,372	17,641	2,058,290

Liabilities	Measured at amortized cost	At fair value with changes in results	Hedge derivatives	Total
	ThUS$	ThUS$	ThUS$	ThUS$
Other financial liabilities, current	4,447,780	2,937	2,734	4,453,451
Trade and others accounts payable, current	4,839,251	-	-	4,839,251
Accounts payable to related entities, current	661,602	-	-	661,602
Other financial liabilities, non-current	5,948,702	-	-	5,948,702
Accounts payable, non-current	472,426	-	-	472,426
Total	16,369,761	2,937	2,734	16,375,432

(*) The amount presented as at fair value with changes in results corresponds mainly to private investment funds. The amount presented as measured at amortized cost relates to guarantees.

NOTE 8 - TRADE AND OTHER ACCOUNTS RECEIVABLE CURRENT, AND NON-CURRENT ACCOUNTS RECEIVABLE

	As of December 31, 2022	As of December 31, 2021
	ThUS$	ThUS$
Trade accounts receivable	952,625	765,050
Other accounts receivable	135,459	209,925
Total trade and other accounts receivable	1,088,084	974,975
Less: Expected credit loss	(67,232)	(81,004)
Total net trade and accounts receivable	1,020,852	893,971
Less: non-current portion – accounts receivable	(12,743)	(12,201)
Trade and other accounts receivable, current	1,008,109	881,770

The fair value of trade and other accounts receivable does not differ significantly from the book value.

To determine the expected credit losses, the Company groups accounts receivable for passenger and cargo transportation depending on the characteristics of shared credit risk and maturity.

	As of December 31, 2022			As December 31, 2021		
Portfolio maturity	Expected loss rate (1)	Gross book value (2)	Impairment loss Provision	Expected loss rate (1)	Gross book value (2)	Impairment loss Provision
	%	ThUS$	ThUS$	%	ThUS$	ThUS$
Up to date	1%	745,334	(8,749)	2%	570,307	(8,806)
From 1 to 90 days	3%	142,780	(3,758)	10%	116,613	(11,840)
From 91 to 180 days	15%	8,622	(1,297)	31%	11,376	(3,567)
From 181 to 360 days	79%	8,269	(6,565)	72%	3,864	(2,766)
more of 360 days	98%	47,620	(46,863)	86%	62,890	(54,025)
Total		952,625	(67,232)		765,050	(81,004)

(1) Corresponds to the consolidated expected rate of accounts receivable.
(2) The gross book value represents the maximum credit risk value of trade accounts receivables.

Currency balances composition of Trade and other accounts receivable and non-current accounts receivable are as follow:

Currency	As of December 31, 2022	As of December 31, 2021
	ThUS$	ThUS$
Argentine Peso	25,559	7,282
Brazilian Real	389,451	352,027
Chilean Peso	36,626	53,488
Colombian Peso	6,779	5,657
Euro	12,506	24,548
US Dollar	510,916	429,091
Korean Won	6,337	844
Mexican Peso	1,536	2,428
Australian Dollar	9,808	62
Pound Sterling	9,149	13,105
Uruguayan Peso (New)	45	860
Swiss Franc	2,621	361
Japanese Yen	2,802	106
Swedish crown	223	490
Other Currencies	6,494	3,622
Total	1,020,852	893,971

The movements of the provision for impairment losses of the Trade Debtors and other accounts receivable are as follows:

Periods	Opening balance ThUS$	Write-offs ThUS$	(Increase) Decrease ThUS$	Closing balance ThUS$
From January 1 to December 31, 2021	(122.193)	26.435	14.754	(81.004)
From January 1 to December 31, 2022	(81.004)	5.966	7.806	(67.232)

Once pre-judicial and judicial collection efforts are exhausted, the assets are written off against the allowance. The Company only uses the allowance method rather than direct write-off, to ensure control.

The historical and current renegotiations are not significant, and the policy is to analyze case by case to classify them according to the existence of risk, determining they need to be reclassified to pre-judicial collection accounts.

The maximum credit-risk exposure at the date of presentation of the information is the fair value of each one of the categories of accounts receivable indicated above.

	As of December 31, 2022			As of December 31, 2021		
	Gross exposure according to balance	Gross impaired exposure	Exposure net of risk concentrations	Gross exposure according to balance	Gross Impaired exposure	Exposure net of risk concentrations
	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$
Trade accounts receivable	952,625	(67,232)	885,393	765,050	(81,004)	684,046
Other accounts receivable	135,459	-	135,459	209,925	-	209,925

There are no relevant guarantees covering credit risk and these are valued when they are settled; no materially significant direct guarantees exist. Existing guarantees, if appropriate, are made through IATA.

NOTE 9 - ACCOUNTS RECEIVABLE FROM/PAYABLE TO RELATED ENTITIES

(a) Accounts Receivable

Tax No.	Related party	Relationship	Country of origin	Currency	As of December 31, 2022 ThUS$	As of December 31, 2021 ThUS$
Foreign	Qatar Airways	Indirect shareholder	Qatar	US$	257	703
Foreign	TAM Aviação Executiva e Taxi Aéreo S.A.	Common shareholder	Brazil	BRL	-	2
Foreign	Delta Air Lines Inc.	Shareholder	U.S.A.	US$	19,228	-
87.752.000-5	Granja Marina Tornagaleones S.A.	Common shareholder	Chile	CLP	-	6
76.335.600-0	Parque de Chile S.A.	Related director	Chile	CLP	2	2
96.989.370-3	Rio Dulce S.A.	Related director	Chile	CLP	1	4
96.810.370-9	Inversiones Costa Verde Ltda. y CPA.	Related director	Chile	CLP	35	7
	Total current assets				19,523	724

(b) Current accounts payable

Tax No.	Related party	Relationship	Country of origin	Currency	Current liabilities As of December 2022 ThUS$	Current liabilities As of December 31, 2021 ThUS$
Foreign	Delta Airlines, Inc.	Shareholder	U.S.A.	US$	-	2,268
Foreign	Inversora Aeronáutica Argentina S.	Related director	Argentina	US$	5	5
Foreign	Patagonia Seafarms INC	Related director	U.S.A.	US$	7	7
81.062.300-4	Costa Verde Aeronautica S.A. (*)	Shareholder	Chile	US$	-	175,819
Foreign	QA Investments Ltd (*)	Common shareholder	U.K.	US$	-	219,774
Foreign	QA Investments 2 Ltd (*)	Common shareholder	U.K.	US$	-	219,774
Foreign	Lozuy S.A. (*)	Common shareholder	Uruguay	US$	-	43,955
	Total current and non current liabilities				12	661,602

(*)corresponds to drawdowns tranche C of the DIP loan (See note 3.1c)

Transactions between related parties have been carried out on arm's length conditions between interested and duly-informed parties. The transaction terms for the Liabilities of the period 2022 correspond from 30 days to 1 year of maturity, and the nature of the settlement of transactions are monetary.

NOTE 10 - INVENTORIES

The composition of Inventories is as follows:

	As of December 31, 2022 ThUS$	As of December 31, 2021 ThUS$
Technical stock (*)	438,717	250,327
Non-technical stock (**)	39,072	37,010
Total	477,789	287,337

(*) Correspond to spare parts and materials that will be used in own maintenance services as well as those of third parties.
(**) Consumption of on-board services, uniforms and other indirect materials

These are valued at their average acquisition cost net of their obsolescence provision according to the following detail:

	As of December 31, 2022 ThUS$	As of December 31, 2021 ThUS$
Provision for obsolescence Technical stock	49,981	64,455
Provision for obsolescence Non-technical stock	5,823	5,785
Total	55,804	70,240

The resulting amounts do not exceed the respective net realization values.

As of December 31, 2022, the Company registered ThUS$ 148,790 (ThUS$ 47,362 as of December 31, 2021) in results, mainly related to on-board consumption and maintenance, which is part of the Cost of sales.

NOTE 11 - OTHER FINANCIAL ASSETS

(a) The composition of other financial assets is as follows:

	Current Assets		Non-current assets		Total Assets	
	As of December 31, 2022	As of December 31, 2021	As of December 31, 2022	As of December 31, 2021	As of December 31, 2022	As of December 31, 2021
	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$
(a) Other financial assets						
Private investment funds	277	347	-	-	277	347
Deposits in guarantee (aircraft)	22,340	7,189	1,273	2,758	23,613	9,947
Guarantees for margins of derivatives	7,460	5,451	-	-	7,460	5,451
Other investments	-	-	493	493	493	493
Domestic and foreign bonds	-	1,290	-	-	-	1,290
Guaranteed debt advances Chapter 11 (*)	340,008	-	-	-	340,008	-
Other guarantees given	111,829	69,220	13,751	12,371	125,580	81,591
Subtotal of other financial assets	481,914	83,497	15,517	15,622	497,431	99,119
(b) Hedging derivative asset						
Fair value of interest rate derivatives	8,816	-	-	-	8,816	-
Fair value of foreign currency derivatives	191	-	-	-	191	-
Fair value of fuel price derivatives	12,594	17,641	-	-	12,594	17,641
Subtotal of derivative assets	21,601	17,641	-	-	21,601	17,641
Total Other Financial Assets	503,515	101,138	15,517	15,622	519,032	116,760

(*) As of December 31, 2022, there are ThUS$340,008 of funds delivered to an agent as restricted advances, the purpose of which is to settle the claims pending resolution existing at the exit of the Chapter 11 process. See claims in force at the end of the period in Note 34b.

The different derivative hedging contracts maintained by the Company at the end of each fiscal year are described in Note 18.

(b) The balances composition by currencies of the Other financial assets are as follows:

Type of currency	As of December 31, 2022	As of December 31, 2021
	ThUS $	ThUS $
Argentine peso	5	16
Brazilian real	336,676	9,775
Chilean peso	5,847	4,502
Colombian peso	1,716	1,727
Euro	6,791	4,104
U.S.A dollar	165,457	93,247
Other currencies	2,540	3,389
Total	519,032	116,760

NOTE 12 - OTHER NON-FINANCIAL ASSETS

The composition of other non-financial assets is as follows:

	Current assets		Non-current assets		Total Assets	
	As of December 31, 2022	As of December 31, 2021	As of December 31, 2022	As of December 31, 2021	As of December 31, 2022	As of December 31, 2021
	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$
(a) Advance payments						
Aircraft insurance and other	27,122	12,331	-	-	27,122	12,331
Others	13,039	11,404	1,733	2,002	14,772	13,406
Subtotal advance payments	40,161	23,735	1,733	2,002	41,894	25,737
(b) Contract assets (1)						
GDS costs	9,530	6,439	-	-	9,530	6,439
Credit card commissions	26,124	10,550	-	-	26,124	10,550
Travel agencies commissions	12,912	8,091	-	-	12,912	8,091
Subtotal advance payments	48,566	25,080	-	-	48,566	25,080
(c) Other assets						
Sales tax	100,665	57,634	27,962	33,212	128,627	90,846
Other taxes	1,688	1,661	-	-	1,688	1,661
Contributions to the International Aeronautical Telecommunications Society ("SITA")	258	258	739	739	997	997
Contributions to Universal Air Travel Plan "UATP"	-	-	40	20	40	20
Judicial deposits	26	-	117,904	89,459	117,930	89,459
Subtotal other assets	102,637	59,553	146,645	123,430	249,282	182,983
Total Other Non - Financial Assets	191,364	108,368	148,378	125,432	339,742	233,800

(1) Movement of Contracts assets:

	Initial balance	Activation	Cumulative translation adjustment	Amortization	Final balance
	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$
From January 1 to December 31, 2021	15,476	67,647	(6,680)	(51,363)	25,080
From January 1 to December 31, 2022	25,080	302,290	(37,145)	(241,658)	48,567

NOTE 13 - NON-CURRENT ASSETS AND DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE

Non-current assets and disposal group classified as held for sale at December 31, 2022 and December 31, 2021, are detailed below:

	As of December 31, 2022	As of December 31, 2021
	ThUS$	ThUS$
Current assets		
Aircraft	64,483	99,694
Engines and rotables	21,552	46,724
Other assets	381	374
Total	86,416	146,792

The balances are presented at the lower of book value and fair value less cost to sell. The fair value of these assets was determined based on quoted prices in active markets for similar assets or liabilities. This is a level II measurement as per the fair value hierarchy set out in Note 3.3 (2). There were no transfers between levels for recurring fair value measurements during the year.

Assets reclassified from Property, plant and equipment to Non-current assets or groups of assets for disposal classified as held for sale.

During 2020, eleven Boeing 767 aircraft were transferred from the Property, plant and equipment, to Non-current assets item or groups of assets for disposal classified as held for sale. During 2021, the sale of five aircraft was completed. Additionally, during the year 2022 the sale of three aircraft was finalized.

During 2021, associated with the fleet restructuring plan, 3 engines of the A350 fleet were transferred from the Property, plant and equipment to Non-current assets or groups of assets for disposal classified as held for sale, of which during the same year the sale of an engine was finalized. Additionally, during the year 2022, the sale of an engine was finalized and some materials and spare parts of this same fleet were transferred to Non-current assets or groups of assets for disposal classified as held for sale.

During 2022, 28 A319 family aircraft were transferred from Property, plant and equipment to Non-current assets or asset groups for disposal classified as held for sale. Additionally, adjustments for US$ 345 million of expenses were recognized within results as part of Other gains (losses) to record these assets at their net realizable value.

During the year 2022, 6 aircraft and 8 engines of the A320 family were transferred from Property, plant and equipment to Non-current assets or asset groups for disposal classified as held for sale, of which during the year 2022 the sale of three aircraft was finalized. Additionally, adjustments for US$ 25 million of expenses were recognized to record these assets at their net realizable value, and since the fleet restructuring process had already been completed, these adjustments were recorded in results as part of Other expenses by function.

During the year ended December 31, 2021, adjustments for US$ 85 million (US$ 332 million at December 31, 2020) of expenses were recognized to record these assets at their net realizable value, which were recorded as restructuring activity expenses.

The detail of the fleet classified as non-current assets and disposal group classified as held for sale is as follows:

Aircraft	As of December 31, 2022	As of December 31, 2021
Boeing 767	3	6
Airbus A320	3	-
Airbus A319	28	-
Total	34	6

NOTE 14 - INVESTMENTS IN SUBSIDIARIES

(a) Investments in subsidiaries

The Company has investments in companies recognized as investments in subsidiaries. All the companies defined as subsidiaries have been consolidated within the financial statements of LATAM Airlines Group S.A. and Subsidiaries. The consolidation also includes special-purpose entities.

Detail of significant subsidiaries:

			Ownership	
Name of significant subsidiary	Country of incorporation	Functional currency	As of December 31, 2022	As of December 31, 2021
			%	%
Latam Airlines Perú S.A.	Peru	US$	99.81000	99.81000
Lan Cargo S.A.	Chile	US$	99.89810	99.89810
Lan Argentina S.A.	Argentina	ARS	100.00000	100.00000
Transporte Aéreo S.A.	Chile	US$	100.00000	100.00000
Latam Airlines Ecuador S.A.	Ecuador	US$	100.00000	100.00000
Aerovías de Integración Regional, AIRES S.A.	Colombia	COP	99.21764	99.20120
TAM S.A.	Brazil	BRL	100.00000	100.00000

The consolidated subsidiaries do not have significant restrictions for transferring funds to the parent company.

As of December 31, 2021 the consolidated subsidiaries do not have significant restrictions for transferring funds to the parent entity in the normal course of operations, except for those imposed by Chapter 11 on dividend payments.

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Summary financial information of significant subsidiaries

	Statement of financial position as of December 31, 2022						Income for the period ended December 31, 2022	
Name of significant subsidiary	Total Assets	Current Assets	Non-current Assets	Total Liabilities	Current Liabilities	Non-current Liabilities	Revenue	Net Income/(loss)
	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$
Latam Airlines Perú S.A.	335,773	305,288	30,485	281,178	276,875	4,303	1,257,865	(12,726)
Lan Cargo S.A.	394,378	144,854	249,524	212,094	165,297	46,797	333,054	(1,230)
Lan Argentina S.A.	178,881	175,130	3,751	176,707	111,306	65,401	3,108	(450,755)
Transporte Aéreo S.A.	283,166	47,238	235,928	177,109	145,446	31,663	320,187	(36,190)
Latam Airlines Ecuador S.A.	110,821	107,313	3,508	93,975	82,687	11,288	134,622	1,519
Aerovías de Integración Regional, AIRES S.A.	112,501	109,076	3,425	213,941	211,679	2,262	394,430	(122,199)
TAM S.A. (*)	3,497,848	1,998,284	1,499,564	4,231,547	3,302,692	928,855	4,255,115	(69,932)

	Statement of financial position as of December 31, 2021						Income for the period ended December 31, 2021	
Name of significant subsidiary	Total Assets	Current Assets	Non-current Assets	Total Liabilities	Current Liabilities	Non-current Liabilities	Revenue	Net Income/(loss)
	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$
Latam Airlines Perú S.A.	484,388	454,266	30,122	417,067	414,997	2,070	584,929	(109,390)
Lan Cargo S.A.	721,484	452,981	268,503	537,180	488,535	48,645	215,811	1,590
Lan Argentina S.A.	162,995	158,008	4,987	119,700	98,316	21,384	242	(200,315)
Transporte Aéreo S.A.	471,094	184,235	286,859	327,955	275,246	52,709	203,411	(56,135)
Latam Airlines Ecuador S.A.	112,437	108,851	3,586	97,111	80,861	16,250	68,762	(5,596)
Aerovías de Integración Regional, AIRES S.A.	70,490	67,809	2,681	87,749	75,621	12,128	239,988	(19,810)
TAM S.A. (*)	2,608,859	1,262,825	1,346,034	3,257,148	2,410,426	846,722	2,003,922	(741,791)

(*) Corresponds to consolidated information of TAM S.A. and subsidiaries

(b) Non-controlling interests

Equity	Tax No.	Country of origin	As of December 31, 2022	As of December 31, 2021	As of December 31, 2022	As of December 31, 2021
			%	%	ThUS$	ThUS$
Latam Airlines Perú S.A	Foreign	Peru	0.19000	0.19000	(12,392)	(13,035)
Lan Cargo S.A. and Subsidiaries	93.383.000-4	Chile	0.10196	0.10196	(1,638)	2,481
Lan Pax Airlines Group S.A. y Filiales	96.969.680-0	Chile	0.00000	0.00000	1,691	(149)
Linea Aérea Carguera de Colombiana S.A.	Foreign	Colombia	9.54000	9.54000	129	(422)
Transportes Aereos del Mercosur S.A.	Foreign	Paraguay	5.02000	5.02000	653	769
Total					(11,557)	(10,356)

Incomes	Tax No.	Country of origin	For the year ended December 31, 2022	2021	For the year ended December 31, 2022	2021
			%	%	ThUS$	ThUS$
Latam Airlines Perú S.A	Foreign	Peru	0.19000	0.19000	643	(5,553)
Lan Cargo S.A. and Subsidiaries	93.383.000-4	Chile	0.10196	0.10196	(4,118)	(1,771)
Lan Pax Airlines Group S.A. y Filiales	96.969.680-0	Chile	-	-	967	(182)
Linea Aérea Carguera de Colombiana S.A.	Foreign	Colombia	9.54000	9.54000	551	1,788
Transportes Aereos del Mercosur S.A.	Foreign	Paraguay	5.02000	0.79880	(116)	67
Total					(2,073)	(5,651)

NOTE 15 - INTANGIBLE ASSETS OTHER THAN GOODWILL

The details of intangible assets are as follows:

	Classes of intangible assets (net)		Classes of intangible assets (gross)	
	As of December 31, 2022	As of December 31, 2021	As of December 31, 2022	As of December 31, 2021
	ThUS$	ThUS$	ThUS$	ThUS$
Airport slots	625,368	587,214	625,368	587,214
Loyalty program	203,791	190,542	203,791	190,542
Computer software	143,550	136,135	518,971	463,478
Developing software	107,652	104,874	107,651	105,673
Trademarks (1)	-	-	37,904	36,723
Other assets	25	127	1,315	1,315
Total	1,080,386	1,018,892	1,495,000	1,384,945

a) Movement in Intangible assets other than goodwill:

	Computer software and others Net	Developing software	Airport slots	Trademarks and loyalty program (1)	Total
	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$
Opening balance as of January 1, 2021	139.341	68.521	627.742	210.955	1.046.559
Additions	-	82.798	-	-	82.798
Withdrawals	(275)	(429)	-	-	(704)
Transfer software and others	46.144	(45.657)	-	(352)	135
Foreign exchange	(3.571)	(359)	(40.528)	(14.276)	(58.734)
Amortization	(45.377)	-	-	(5.785)	(51.162)
Closing balance as of December 31, 2021	136.262	104.874	587.214	190.542	1.018.892
Opening balance as of January 1, 2022	136.262	104.874	587.214	190.542	1.018.892
Additions	47	66.820	-	-	66.867
Withdrawals	(2.947)	(245)	-	-	(3.192)
Transfer software and others	61.212	(63.658)	-	-	(2.446)
Foreign exchange	3.359	(139)	38.154	13.249	54.623
Amortization	(54.358)	-	-	-	(54.358)
Closing balance as of December 31, 2022	143.575	107.652	625.368	203.791	1.080.386

(1) In 2016, the Company decided to adopt a unique name and identity and announced that the group's brand will be LATAM, which united all the companies under a single image.

The estimate of the new useful life is 5 years, equivalent to the period necessary to complete the change of image.

As of December, 31, 2022, the TAM brand is fully amortized.

See Note 2.5

The amortization of each period is recognized in the consolidated income statement within administrative expenses.

The cumulative amortization of computer programs, brands and other assets as of December 31, 2022 amounts to ThUS $ 414,614 (ThUS $ 366,053 as of December 31, 2021).

b) Impairment Test Intangible Assets with an indefinite useful life

As of December 31, 2022, the Company maintains only the CGU "Air Transport".

The CGU "Air transport" considers the transport of passengers and cargo, both in the domestic markets of Chile, Peru, Argentina, Colombia, Ecuador and Brazil, as well as in a series of regional and international routes in America, Europe, Africa and Oceania.

As of December 31, 2022, in accordance with the accounting policy, the Company performed the annual impairment test.

The recoverable amount of the CGU was determined based on calculations of the value in use. These calculations use projections of 5 years of cash flows after taxes from the financial budgets approved by management. Cash flows beyond the budgeted period are extrapolated using growth rates and estimated average volumes, which do not exceed long-term average growth rates.

Management's cash flow projections included significant judgements and assumptions related to annual revenue growth rates, discount rate, inflation rates, the exchange rate and the price of fuel. The annual revenue growth rate is based on past performance and management's expectations of market development in each of the countries in which it operates. The discount rates used for the CGU "Air transport" are determined in US dollars, after taxes, and reflect specific risks related to the relevant countries of each of the operations. Inflation rates and exchange rates are based on the data available from the countries and the information provided by the Central Banks of the various countries where it operates, and the price of fuel is determined based on estimated levels of production, the competitive environment of the market in which they operate and their commercial strategy.

The recoverable values were determined using the following assumptions:

		CGU Air transport
Annual growth rate (Terminal)	%	0.0 – 3.5
Exchange rate (1)	R$/US$	5.40 – 5.63
Discount rate based don the Weighted Average Cost of Capital (WACC)	%	8.40– 12.40
Fuel Price from future prices curves		
Commodities markets	US$/barrel	100 – 130

(1) In line with expectations of the Central Bank of Brazil.

The result of the impairment test, which includes a sensitivity analysis of its main variables, showed that the recoverable amount exceeded the book value of the cash-generating unit, and therefore no impairment was identified.

The CGU is sensitive to annual growth rates, discounts and exchange rates and fuel price. The sensitivity analysis included the individual impact of changes in critical estimates in determining recoverable amounts, namely:

	Increase WACC Maximum %	Decrease rate Terminal growth Minimal %	Increase fuel price Maximum US$/barrel
Air Transportation CGU	12.4	0	130

In none of the above scenarios an impairment of the cash-generating unit was identified.

NOTE 16 - PROPERTY, PLANT AND EQUIPMENT

The composition by category of Property, plant and equipment is as follows:

	Gross Book Value		Accumulated depreciation		Net Book Value	
	As of December 31, 2022	As of December 31, 2021	As of December 31, 2022	As of December 31, 2021	As of December 31, 2022	As of December 31, 2021
	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$
a) Property, plant and equipment						
Construction in progress (1)	388,810	473,797	-	-	388,810	473,797
Land	44,349	43,276	-	-	44,349	43,276
Buildings	124,507	121,972	(55,511)	(61,521)	68,996	60,451
Plant and equipment	11,135,425	11,024,722	(4,836,926)	(4,462,706)	6,298,499	6,562,016
Own aircraft (3) (4)	10,427,950	10,377,850	(4,619,279)	(4,237,585)	5,808,671	6,140,265
Other (2)	707,475	646,872	(217,647)	(225,121)	489,828	421,751
Machinery	27,090	25,764	(25,479)	(23,501)	1,611	2,263
Information technology equipment	153,355	146,986	(136,746)	(130,150)	16,609	16,836
Fixed installations and accessories	155,351	147,402	(118,279)	(108,661)	37,072	38,741
Motor vehicles	51,504	49,186	(46,343)	(44,423)	5,161	4,763
Leasehold improvements	202,753	248,733	(42,726)	(115,758)	160,027	132,975
Subtotal Properties, plant and equipment	12,283,144	12,281,838	(5,262,010)	(4,946,720)	7,021,134	7,335,118
b) Right of use						
Aircraft (3)	4,391,690	5,211,153	(3,064,869)	(3,109,411)	1,326,821	2,101,742
Other assets	246,078	243,014	(182,372)	(190,007)	63,706	53,007
Subtotal Right of use	4,637,768	5,454,167	(3,247,241)	(3,299,418)	1,390,527	2,154,749
Total	16,920,912	17,736,005	(8,509,251)	(8,246,138)	8,411,661	9,489,867

(1) As of December 31, 2022, includes advances paid to aircraft manufacturers for ThUS$ 357,979 (ThUS$ 368,625 as of December 31, 2021)
(2) Consider mainly rotables and tools.
(3) As of December 31, 2021, due to Chapter 11, 13 aircraft lease contract were rejected, of which 4 were recorded as Property, plant and equipment, (4 A350) and 9 were presented as right of use assets, (2 A320 and 7 A350).
(4) During 2022, six A320 and twenty-eight A319 aircraft were reclassified to Non-current assets or groups of assets for disposal as held for sale.

Movement in the different categories of Property, plant and equipment:

	Construction in progress	Land	Buildings net	Plant and equipment net	Information technology equipment net	Fixed installations & accessories net	Motor vehicles net	Leasehold improvements net	Property, Plant and equipment net
	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$
Opening balance as of January 1, 2021	377,961	42,978	65,207	7,698,969	14,831	49,199	396	74,408	8,323,949
Additions	84,392	1,550	92	563,023	6,455	6	17	6,543	662,078
Disposals	-	-	-	(169)	(26)	(309)	(17)	-	(521)
Rejection fleet (*)	-	-	-	(469,878)	-	-	-	(46,816)	(516,694)
Retirements	(279)	-	-	(44,684)	(212)	(1,885)	-	(26)	(47,086)
Depreciation expenses	-	-	(4,074)	(620,349)	(4,345)	(8,304)	(61)	(11,649)	(648,782)
Foreign exchange	(1,720)	(1,252)	(833)	(19,199)	(404)	(1,752)	(11)	(13,074)	(38,245)
Other increases (decreases) (**)	13,443	-	59	(538,996)	537	1,786	1	123,589	(399,581)
Changes, total	95,836	298	(4,756)	(1,130,252)	2,005	(10,458)	(71)	58,567	(988,831)
Closing balance as of December 31, 2021	473,797	43,276	60,451	6,568,717	16,836	38,741	325	132,975	7,335,118
Opening balance as of January 1, 2022	473,797	43,276	60,451	6,568,717	16,836	38,741	325	132,975	7,335,118
Additions	16,332	-	-	843,808	6,426	113	258	27,160	894,097
Disposals	-	-	-	(4,140)	-	(264)	(3)	-	(4,407)
Withdrawals	(75)	-	(2)	(42,055)	(24)	(836)	-	(313)	(43,305)
Retirements	-	-	(3,285)	(669,059)	(5,662)	(7,914)	(55)	(13,071)	(699,046)
Depreciation expenses	(1,282)	1,073	918	11,527	(84)	2,365	(28)	7,593	22,082
Foreing exchange	(99,962)	-	10,914	(403,950)	(883)	4,867	(74)	5,683	(483,405)
Other increases (decreases)	-	-	-	-	-	-	-	-	-
Changes, total	(84,987)	1,073	8,545	(263,869)	(227)	(1,669)	98	27,052	(313,984)
Closing balance as of December 31, 2022	388,810	44,349	68,996	6,304,848	16,609	37,072	423	160,027	7,021,134

(*) Include aircraft lease rejection due to Chapter 11.

(**) As of December 31, 2022, six A320 ThUS$ (29,328) and twenty-eight A319 ThUS$ (373,410) aircraft were reclassified to Non-current assets or groups of assets for disposal as held for sale. As of December 31, 2021, it includes the lease contract amendment of two B787 aircraft ThUS$ (397,569) and six A320N aircraft ThUS$ (284,952) (see note 13).

(c) Right of use assets:

	Aircraft	Others	Net right of use assets
	ThUS$	ThUS$	ThUS$
Opening balances as of January 1, 2021	2,338,042	68,277	2,406,319
Additions	537,995	1,406	539,401
Fleet rejection (*)	(573,047)	(4,577)	(577,624)
Depreciation expense	(317,616)	(16,597)	(334,213)
Cumulative translate adjustment	(574)	(1,933)	(2,507)
Other increases (decreases) (**)	116,942	6,431	123,373
Total changes	(236,300)	(15,270)	(251,570)
Final balances as of December 31, 2021	2,101,742	53,007	2,154,749
Opening balances as of January 1, 2022	2,101,742	53,007	2,154,749
Additions	372,571	13,087	385,658
Depreciation expense	(249,802)	(16,368)	(266,170)
Cumulative translate adjustment	919	1,392	2,311
Other increases (decreases) (***)	(898,609)	12,588	(886,021)
Total changes	(774,921)	10,699	(764,222)
Final balances as of December 31, 2022	1,326,821	63,706	1,390,527

(*) Include aircraft lease rejection due to Chapter 11.
(**) Includes the renegotiations of 92 aircraft (1 A319, 37 A320, 12 A320N, 19 A321, 1 B767, 6 B777 and 16 B787).
(***) Include the renegotiations of 115 aircraft (1 A319, 39 A320, 14 A320N, 30 A321, 1 B767, 6 B777 and 24 B787).

		Aircraft included in Property, plant and equipment		Aircraft included as Rights of use assets		Total fleet	
Aircraft	Model	As of December 31, 2022	As of December 31, 2021	As of December 31, 2022	As of December 31, 2021	As of December 31, 2022	As of December 31, 2021
Boeing 767	300ER	15	16	-	-	15	16
Boeing 767	300F	13	12 (1)	1	1	14	13 (1)
Boeing 777	300ER	4	4	6	6	10	10
Boeing 787	800	4	4	6	6	10	10
Boeing 787	900	2	2	19	15	21	17
Airbus A319	100	12 (3)	37	1	7	13	44
Airbus A320	200	88	94	40 (2)	39	128 (2)	133
Airbus A320	NEO	1	-	15	12	16	12
Airbus A321	200	19	18	30	31	49	49
Total		158	187	118	117	276	304

(1) An aircraft leased to Aerotransportes Mas de Carga S.A. de C.V, was returned to LATAM Airlines Group S.A. in 2022.
(2) An aircraft with a short-term operating lease is not considered value for right of use.
3) Twenty-eight A319 aircraft were classified under non-current assets or groups of assets for disposal as held for sale, (see Note 13)

(d) Method used for the depreciation of Property, plant and equipment:

	Method	Useful life (years) minimum	Useful life (years) maximum
Buildings	Straight line without residual value	20	50
Plant and equipment	Straight line with residual value of 20% in the short-haul fleet and 36% in the long-haul fleet. (*)	5	30
Information technology equipment	Straight line without residual value	5	10
Fixed installations and accessories	Straight line without residual value	10	10
Motor vehicle	Straight line without residual value	10	10
Leasehold improvements	Straight line without residual value	5	8
Assets for rights of use	Straight line without residual value	1	25

(*) Except in the case of the Boeing 767 300ER, Airbus 320 Family and Boeing 767 300F fleets that consider a lower residual value, due to the extension of their useful life to 22, 25 and 30 years respectively. Additionally, certain technical components are depreciated based on cycles and hours flown.

(e) Additional information regarding Property, plant and equipment:

(i) Property, plant and equipment pledged as guarantee:

Description of Property, plant and equipment pledged as guarantee:

				As of Deceember 31, 2022		As of December 31, 2021	
Guarantee agent (1)	Creditor company	Committed Assets	Fleet	Existing Debt	Book Value	Existing Debt	Book Value
				ThUS$	ThUS$	ThUS$	ThUS$
Wilmington Trust Company	MUFG	Aircraft and engines	Airbus A319	4,554	13,205	58,611	259,036
			Airbus A320	33,154	203,788	51,543	227,604
			Boeing 767	35,043	164,448	46,779	168,315
			Boeing 777	141,605	144,065	144,358	141,620
Credit Agricole	Credit Agricole	Aircraft and engines	Airbus A319	3,518	5,311	1,073	6,419
			Airbus A320	195,864	161,397	139,192	117,130
			Airbus A321 / A350	6,192	4,827	30,733	27,427
			Boeing 767	9,121	23,323	10,404	30,958
			Boeing 787	60,305	34,077	91,797	38,551
Bank Of Utah	BNP Paribas	Aircraft and engines	Boeing 787	184,199	221,311	198,475	233,501
Citibank N.A.	Citibank N.A.	Aircraft and engines	Airbus A319	-	-	27,936	45,849
			Airbus A320	-	-	128,030	181,224
			Airbus A321	-	-	41,599	75,092
			Airbus A350	-	-	15,960	26,507
			Airbus B767	-	-	90,846	181,246
			Airbus B787	-	-	23,156	17,036
			Rotables	-	-	162,477	134,846
UMB Bank	MUFG	Aircraft and engines	Airbus A320	-	-	166,712	258,875
Total direct guarantee				673,555	975,752	1,429,681	2,171,236

(1) For the syndicated loans, the Guarantee Agent represents different creditors.

The amounts of the current debt are presented at their nominal value. The net book value corresponds to the assets granted as collateral.

Additionally, there are indirect guarantees associated with assets booked within Property, Plant and Equipment whose total debt as of December 31, 2022, amounts to ThUS$ 1,037,122 (ThUS$ 1,200,382 as of December 31, 2021). The book value of the assets with indirect guarantees as of December 31, 2022, amounts to ThUS$ 2,306,233 (ThUS$ 2,884,563 as of December 31, 2021).

As of December 31, 2021, given Chapter 11, four aircraft included within Property, plant and equipment were rejected, of which four had direct guarantees and one indirect guarantee.

As of December 31, 2022, the Company keeps valid letters of credit related to right of use assets according to the following detail:

Creditor Guarantee	Debtor	Type	Value ThUS$	Release date
GE Capital Aviation Services Ltd.	LATAM Airlines Group S.A.	Three letters of credit	12,198	Dec 6, 2023
Merlin Aviation Leasing (Ireland) 18 Limited	Tam Linhas Aéreas S.A.	Two letters of credit	3,852	Mar 15, 2023
RB Comercial Properties 49 Empreendimentos Imobiliarios LTDA	Tam Linhas Aéreas S.A.	One letter of credit	27,091	Apr 20, 2023
			43,141	

(ii) Commitments and others

Fully depreciated assets and commitments for future purchases are as follows:

	As of December 31, 2022 ThUS$	As of December 31, 2021 ThUS$
Gross book value of fully depreciated property, plant and equipment still in use	266,896	223,608
Commitments for the acquisition of aircraft (*)	13,186,000	10,800,000

(*) According to the manufacturer's price list.

Purchase commitment of aircraft

	Year of delivery				
Manufacturer	2023	2024	2025	2026-2029	Total
Airbus S.A.S.	8	8	11	56	83
A320-NEO Family	8	8	11	56	83
The Boeing Company	2	-	-	-	2
Boeing 787-9	2	-	-	-	2
Total	10	8	11	56	85

As of December 31, 2022, as a result of the different aircraft purchase contracts signed with Airbus S.A.S., 83 Airbus aircraft of the A320 family remain to be received with deliveries between 2023 and 2029. The approximate amount, according to manufacturer list prices, is ThUS$12,586,000.

As of December 31, 2022, as a result of the different aircraft purchase contracts signed with The Boeing Company, 2 Boeing 787 Dreamliner aircraft remain to be received with delivery dates during 2023. The approximate amount, according to list prices from the manufacturer, is ThUS$ 600,000.

As of December 31, 2022, as a result of the different aircraft operating lease contracts signed with AerCap Holdings N.V., 8 Airbus aircraft of the A320 Neo family remain to be received with deliveries between 2023 and 2024.

As of December 31, 2022, as a result of the different aircraft operating lease contracts signed with Air Lease Corporation, 2 Airbus aircraft of the A320 Neo family remain to be received with deliveries between 2023 and 2024.

As of December 31, 2022, as a result of the different aircraft operating lease contracts signed with Avolon Aerospace Leasing Limited, 3 Airbus aircraft of the A320 Neo family remain to be received with deliveries between 2023 and 2024.

As of December 31, 2022, as a result of the different aircraft operating lease contracts signed with CDB Aviation, 1 Airbus aircraft of the A320 Neo family with a delivery date of 2023 remains to be received.
As of December 31, 2022, as a result of the different aircraft operating lease contracts signed with Air Lease Corporation, 5 Airbus A321XLR family aircraft remain to be received with deliveries between 2025 and 2026.

As of December 31, 2022, as a result of the different aircraft operating lease contracts signed with ORIX Aviation Systems Ltd., 4 Boeing 787 Dreamliner aircraft with a delivery date of 2023 remain to be received.

(iii) Capitalized interest costs with respect to Property, plant and equipment.

		For the period ended December 31, 2022	2021
Average rate of capitalization of capitalized interest costs	%	7.12	5.06
Costs of capitalized interest	ThUS$	10,575	7,345

(f) Assumption, Amendment & Rejection of Executory Contracts & Leases

On June 28, 2020, the Bankruptcy Court authorized the Debtors to establish procedures for the rejection of certain executory contracts and unexpired leases and on September 24, 2020, the Bankruptcy Court authorized the Debtors to establish procedures for the rejection of certain unexpired aircraft lease agreements, aircraft engine agreements and the abandonment of certain related assets. In accordance with these rejection procedures, the Bankruptcy Code and the

Bankruptcy Rules the Debtors have or will reject certain contracts and leases (see notes 18 and 26). Relatedly, the Bankruptcy Court approved the Debtors' request to extend the date by which the Debtors may assume or reject unexpired non-residential, real property leases until December 22, 2020. Pursuant to the Disclosure Statement Order, the Debtors have until the Effective Date of the Plan (as defined in the Plan) to assume or reject executory contracts and unexpired leases.

Further, the Debtors have filed motions to reject certain aircraft and engine leases and related agreements:

Bankruptcy Court approval date:	Asset rejected:
January 29, 2021	(i) 2 Airbus A320-family aircraft
April 23, 2021	(i) 1 Airbus A350-941 aircraft
May 14, 2021	(i) 6 Airbus A350 aircraft
June 17, 2021	(i) 1 Airbus A350-941 aircraft
June 24, 2021	(i) 3 Airbus A350-941 aircraft
November 3, 2021	(i) 1 Rolls-Royce Trent XWB-84K engine; (ii) 1 Rolls-Royce International Aero Engine AG V2527M-A5;
January 5, 2022	(i) General Terms Agreement between Rolls-Royce PLC and Rolls-Royce Totalcare Services Limited and TAM Linhas Aereas S.A.;
March 22, 2022	(i) 1 International Aero Engines AG V2527-A5 engine; and
May 18, 2022	(i) Framework Deed Relating to the purchase and leaseback of ten used Airbus A330-200 aircraft, nine new Airbus A350-900 aircraft, four new Boeing 787-9 aircraft and two new Boeing 787-8 aircraft.

As of December 31, 2021, and as a result of these contract rejections, performance obligations with the lenders and lessors were extinguished and the Company lost control over the related assets resulting in the derecognition of the assets and the liabilities associated with these aircraft. See Note 18 and 26.
Contracts rejected during 2022 in the previous table do not result in changes in the asset or liabilities structure of the Company, since these were general terms of agreement for purchases, engine maintenance contracts and short term leases which according to the accounting policies (see Note 2) should not be registered as right of use assets.

The Debtors also have filed motions to enter into certain new aircraft lease agreements, including:

Bankruptcy Court Approval Date:	Counterparty / Aircraft
March 8, 2021	Vermillion Aviation (nine) Limited, Aircraft MSNs 4860 and 4827
April 12, 2021	Wilmington Trust Company, Solely in its Capacity as Trustee, Aircraft MSNs 6698, 6780, 6797, 6798, 6894, 6895, 6899, 6949, 7005, 7036, 7081
May 30, 2021	UMB Bank N.A., Solely in its Capacity as Trustee, Aircraft MSNs 38459, 38478, 38479, 38461
August 31, 2021	(i) Avolon Aerospace Leasing Limited or its Affiliates, Aircraft MSNs 38891, 38893, 38895 (ii) Sky Aero Management Ltd. Ten Airbus A320neo
February 23, 2022	Vmo Aircraft Leasing, Two Boeing 787-9
March 17, 2022	Avolon Aerospace Leasing Limited, Two Airbus A321neo
March 17, 2022	Air Lease Corporation, Three Airbus A321NX
March 17, 2022	AerCap Ireland, Two Airbus A321-200NEO
March 18, 2022	CDB Aviation Lease Finance DAC, Two Airbus A321NX
April 14, 2022	Macquarie Aircraft Leasing Services (Ireland) Ltd., One Airbus A320-233
June 29, 2022	UK Export Finance, Four Boeing 787-9
August 12, 2022	Air Lease Corporation, Three Airbus A321XLR
September 8, 2022	Air Lease Corporation, Two Airbus A321XLR

In addition, the Debtors also have filed motions to enter into certain aircraft lease amendment agreements which have the effect of, among other things, reducing the Debtors' rental payment obligations and extension on the lease term. Certain amendments also involved updates to related financing arrangements. These amendments include:

Bankruptcy Court Approval Date:	Amended Lease Agreement/Counterparty
April 14, 2021	(1) Bank of Utah (2) AWAS 5234 Trust (3) Sapucaia Leasing Limited, PK Airfinance US, LLC and PK Air 1 LP
April 15, 2021	Aviator IV 3058, Limited
April 27, 2021	Bank of America Leasing Ireland Co.,
May 4, 2021	(1) NBB Grosbeak Co., Ltd, NBB Cuckoo Co., Ltd., NBB-6658 Lease Partnership, NBB-6670 Lease Partnership and NBB Redstart Co. Ltd. (2) Sky High XXIV Leasing Company Limited and Sky High XXV Leasing Company Limited (3) SMBC Aviation Capital Limited
May 5, 2021	(1) JSA International US Holdings LLC and Wells Fargo Trust Company N.A. (2) Orix Aviation Systems Limited
May 27, 2021	(1) Shenton Aircraft Leasing 3 (Ireland) Limited. (2) Chishima Real Estate Company, Limited and PAAL Aquila Company Limited
May 28, 2021	MAF Aviation 1 Designated Activity Company
May 30, 2021	(1) IC Airlease One Limited (2) UMB Bank, National Association, Macquarie Aerospace Finance 5125-2 Trust

	and Macquarie Aerospace Finance 5178 Limited
	(3) Wilmington Trust SP Services (Dublin) Limited
	(4) Aercap Holdings N.V.
	(5) Banc of America Leasing Ireland Co.
	(6) Castlelake L.P.
July 1, 2021	EX-IM Fleet
July 8, 2021	Greylag Goose Leasing 38887 Designated Activity Company
July 15, 2021	(1) ECAF I 40589 DAC
	(2) Wells Fargo Company, National Associates, as Owner Trustee
	(3) Orix Aviation Systems Limited
	(4) Wells Fargo Trust Company, N.A.
July 20, 2021	(1) Avolon AOE 62 Limited
	(2) Avolon Aerospace (Ireland) AOE 99 Limited, Avolon Aerospace (Ireland) AOE 100 Limited, Avolon Aerospace (Ireland) AOE 101 Limited, Avolon Aerospace (Ireland) AOE 102 Limited, Avolon Aerospace (Ireland) AOE 103 Limited, Avolon Aerospace AOE 130 Limited, Avolon Aerospace AOE 134 Limited
July 27, 2021	(1) Merlin Aviation Leasing (Ireland) 18 Limited
	(2) JSA International U.S. Holdings, LLC
August 30, 2021	(1) Yamasa Sangyo Aircraft LA1 Kumiai and Yamasa Sangyo Aircraft LA2 Kumiai
	(2) Dia Patagonia Ltd. and DIa Iguazu Ltd. Condor Leasing Co., Ltd., FC Initial Leasing Ltd., Alma Leasing Co., Ltd., and FI Timothy Leasing Ltd.
	(3) Platero Fleet
	(4) SL Alcyone Ltd.
	(5) NBB Crow Co., Ltd.
	(6) NBB Sao Paulo Lease Co., Ltd., NBB Rio Janeiro Lease Co., Ltd. And NBB Brasilia Lease LLC
	(7) Gallo Finance Limited
	(8) Orix Aviation Systems Limited

The lease amendment agreements were accounted for as lease modifications (see Note 18).
In relation to several of these lease amendment agreements, the Debtors entered into claims settlement stipulations for prepetition amounts due upon assumption of those agreements.

NOTE 17 - CURRENT AND DEFERRED TAXES

The Company calculated and booked its income tax provision for the period ended December 31, 2022 using the partially integrated system with a tax rate of 27%, in accordance with the Law No. 21,210, published in the Journal of the Republic of Chile, dated February 24, 2020, which update the Tax Legislation.

The net result for deferred tax corresponds to the variation of the year, of the assets and liabilities for deferred taxes generated by temporary differences and tax losses.

For the permanent differences that give rise to a book value of assets and liabilities other than their tax value, no deferred tax has been recorded since they are caused by transactions that are recorded in the financial statements and that will have no effect on income tax expense.

(a) Current taxes

(a.1) The composition of the current tax assets is the following:

	Current assets		Non-current assets		Total assets	
	As of December 31, 2022	As of December 31, 2021	As of December 31, 2022	As of December 31, 2021	As of December 31, 2022	As of December 31, 2021
	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$
Provisional monthly payments (advances)	18,559	32,086	-	-	18,559	32,086
Other recoverable credits	14,474	9,178	-	-	14,474	9,178
Total current tax assets	33,033	41,264	-	-	33,033	41,264

(a.2) The composition of the current tax liabilities are as follows:

	Current liabilities		Non-current liabilities		Total liabilities	
	As of December 31, 2022	As of December 31, 2021	As of December 31, 2022	As of December 31, 2021	As of December 31, 2022	As of December 31, 2021
	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$
Income tax provision	1,026	675	-	-	1,026	675
Total current tax liabilities	1,026	675	-	-	1,026	675

(b) Deferred taxes

The balances of deferred tax are the following:

Concept	Assets As of December 31, 2022	Assets As of December 31, 2021	Liabilities As of December 31, 2022	Liabilities As of December 31, 2021
	ThUS$	ThUS$	ThUS$	ThUS$
Properties, Plants and equipment	(1,006,814)	(1,128,225)	81,326	80,468
Assets by right of use	249,462	715,440	(45)	(68)
Amortization	(88,172)	(44,605)	10	10
Provisions	(20,563)	111,468	69,519	74,047
Revaluation of financial instruments	2,438	(16,575)	-	-
Tax losses	852,654	358,284	(94,005)	(87,378)
Intangibles	-	-	270,512	254,155
Other	16,910	19,503	17,308	19,777
Total	5,915	15,290	344,625	341,011

The balance of deferred tax assets and liabilities are composed primarily of temporary differences to be reversed in the long term.

Movements of Deferred tax assets and liabilities

(b.1) From January 1 to December 31, 2021

	Opening balance Assets/(liabilities)	Recognized in consolidated income	Recognized in comprehensive income	Exchange rate variation	Ending balance Asset (liability)
	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$
Property, plant and equipment	(1,396,337)	187,644	-	-	(1,208,693)
Assets for right of use	229,255	486,253	-	-	715,508
Amortization	(65,148)	20,533	-	-	(44,615)
Provisions	144,030	(103,826)	(2,783)	-	37,421
Revaluation of financial instruments	(18,133)	1,616	(58)	-	(16,575)
Tax losses (*)	1,557,737	(1,112,075)	-	-	445,662
Intangibles	(270,681)	(1,394)	-	17,920	(254,155)
Others	(187)	(87)	-	-	(274)
Total	180,536	(521,336)	(2,841)	17,920	(325,721)

(b.2 From January 1 to December 31, 2022

	Opening balance Assets/(liabilities)	Recognized in consolidated income	Recognized in comprehensive income	Exchange rate variation	Ending balance Asset (liability)
	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$
Property, plant and equipment	(1,208,693)	120,553	-	-	(1,088,140)
Assets for right of use	715,508	(466,001)	-	-	249,507
Amortization	(44,615)	(43,567)	-	-	(88,182)
Provisions	37,421	(128,070)	567	-	(90,082)
Revaluation of financial instruments	(16,575)	19,248	(235)	-	2,438
Tax losses (*)	445,662	500,997	-	-	946,659
Intangibles	(254,155)	2,114	-	(18,471)	(270,512)
Others	(274)	(124)	-	-	(398)
Total	(325,721)	5,150	332	(18,471)	(338,710)

Unrecognized deferred tax assets:

Deferred tax assets are recognized to the extent that it is probable that sufficient taxable profits will be generated in the future. In total the Company has not recognized deferred tax assets for ThUS$ 3,651,023 at December 31, 2022 (ThUS$ 2,638,473 as of December 31, 2021) which include deferred tax assets related to negative tax results of ThUS$ 14,930,487 at December 31, 2022 (ThUS$ 9,030,059 at December 31, 2021).

(*) As stated in note 2c), on November 26th, 2021 the Company filed a Reorganization Plan and Disclosure Statement in which, among other items, financial forecasts were included together with the proposed issuance of new shares and convertible notes. With that information the Company´s management updated its analysis on the recoverability of deferred tax assets and determined that during the time covered by the financial forecast it will not be probable that part of such deferred tax assets may be offset by future taxable profits. Therefore, the Company during the fourth quarter of 2021 derecognized deferred tax assets not considered recoverable in the amount of ThUS$1,251,912. On the other hand, on December 31, 2022 the Company management of subsidiary Lan Cargo S.A determined that considering financial forecast it will not be probable that part of the deferred tax assets may be offset with future taxable profits. Therefore, the Company derecognized deferred tax assets not considered recoverable in the amount of ThUS$6,173.

(Expenses)/income from deferred taxes and income tax:

	For the year ended December 31, 2022	For the year ended December 31, 2021
	ThUS$	ThUS$
Income tax (expense)/benefit		
Current tax (expense) benefit	(14,064)	(47,139)
Adjustments to the current tax of the previous year	-	(460)
Total current tax (expense) benefit	(14,064)	(47,599)
(Expense)/benefit from deferred income taxes		
Deferred (expense) benefit for taxes related to the creation and reversal of temporary differences	5,150	(521,336)
Total deferred tax (expense)benefit	5,150	(521,336)
Income tax (expense)/benefit	(8,914)	(568,935)

Income tax (expense)benefit

	For the year ended December 31, 2022	2021
	ThUS$	ThUS$
Current tax (expense) benefit, foreign	19,573	(9,943)
Current tax (expense) benefit , domestic	(33,637)	(37,656)
Total current tax (expense) benefit	(14,064)	(47,599)
Deferred tax (expense) benefit, foreign	(532)	4,309
Deferred tax (expense) benefit, domestic	5,682	(525,645)
Total deferred tax (expense)benefit	5,150	(521,336)
Income tax (expense)/benefit	(8,914)	(568,935)

Income before tax from the Chilean legal tax rate (27% as of December 31, 2022 and 2021)

	For the year ended December 31,		For the year ended December 31,	
	2022	2021	2022	2021
	ThUS$	ThUS$	%	%
Income tax benefit/(expense) using the legal tax rate	(363,434)	1,102,736	(27.00)	(27.00)
Tax effect by change in tax rate	9,016	-	0.67	-
Tax effect of rates in other jurisdictions	20,398	54,775	1.52	(1.34)
Tax effect of non-taxable income (*)	1,201,618	9,444	89.27	(0.23)
Tax effect of disallowable expenses	(33,855)	(30,928)	(2.52)	0.76
Other increases (decreases):				
Derecognition of deferred tax liabilities for early termination of aircraft financing	90,823	205,458	6.75	(5.03)
Tax effect for goodwill impairment losses	-	-	-	-
Derecognition of deferred tax assets not recoverable	(6,173)	(1,251,912)	(0.46)	30.65
Deferred tax asset not recognized	(990,095)	(667,702)	(73.56)	16.35
Other increases (decreases)	62,788	9,194	4.66	(0.23)
Total adjustments to tax expense using the legal rate	354,520	(1,671,671)	26.33	40.93
Income tax benefit/(expense) using the effective rate	(8,914)	(568,935)	(0.67)	13.93

(*) As of December 31, 2022, this amount mainly includes ThUS$974,826 and ThUS$218,775 related to amounts resulting from the gain resulting from the de-recognition of financial liabilities as a result of emergence from Chapter 11, and the equity issuance cost which is not taxable respectively.

Deferred taxes related to items charged to equity:

	For the year ended December 31, 2022	2021
	ThUS$	ThUS$
Aggregate deferred taxation of components of other comprehensive income	332	(2,841)

NOTE 18 - OTHER FINANCIAL LIABILITIES

The composition of other financial liabilities is as follows:

	As of December 31, 2022	As of December 31, 2021
	ThUS$	ThUS$
Current		
(a) Interest bearing loans	629,106	3,869,040
(b) Lease Liability	173,735	578,740
(c) Hedge derivatives	-	2,734
(d) Derivative non classified as hedge accounting	-	2,937
Total current	802,841	4,453,451
Non-current		
(a) Interest bearing loans	3,936,320	3,566,804
(b) Lease Liability	2,042,719	2,381,898
Total non-current	5,979,039	5,948,702

(a) Interest bearing loans

Obligations with credit institutions and debt instruments:

	As of December 31, 2022	As of December 31, 2021
	ThUS$	ThUS$
Current		
Loans to exporters	-	159,161
Bank loans (3)	353,284	415,087
Guaranteed obligations (5)(6)	17,887	75,593
Other guaranteed obligations (1)(3)	66,239	2,546,461
Subtotal bank loans	437,410	3,196,302
Obligation with the public (3)	33,383	396,345
Financial leases (4)(5)(6)(7)	156,285	199,885
Other loans	2,028	76,508
Total current (2)	629,106	3,869,040
Non-current		
Bank loans (3)	1,032,711	106,751
Guaranteed obligations (5)(6)	307,174	434,942
Other guaranteed obligations	408,065	178,961
Subtotal bank loans	1,747,950	720,654
Obligation with the public (3)	1,256,416	1,856,853
Financial leases (4)(5)(6)(7)	931,954	989,297
Total non-current (2)	3,936,320	3,566,804
Total obligations with financial institutions (2)	4,565,426	7,435,844

(1) During March and April 2020, LATAM Airlines Group S.A. drew the entirety (US$ 600 million) of the committed credit line “Revolving Credit Facility (RCF)”. The line is guaranteed with collateral made up of aircraft, engines and spare parts, which was fully drawn until November 3, 2022. Once emerged from Chapter 11, this line was fully repaid and is available to be drawn.

(2) On May 26, 2020 LATAM Airlines Group S.A. and its subsidiaries in Chile, Peru, Colombia and Ecuador filed for protection under Chapter 11 of the United States bankruptcy law in the Court for the Southern District of New York. Under Section 362 of the Bankruptcy Code. The same occurred for TAM LINHAS AÉREAS S.A and its affiliates (all LATAM affiliates in Brazil), dated July 9, 2020. Filing for Chapter 11 automatically suspends most actions against LATAM and its affiliates, including most of actions to collect financial obligations incurred before the Chapter 11 filing date or to exercise control over the property of LATAM and its affiliates. Consequently, although the bankruptcy filing may have caused defaults for some of the obligations of LATAM and its affiliates, the counterparties cannot take any action as a result of such defaults.

Then, on November 3, 2022, the Company and all of its subsidiaries successfully emerged from Chapter 11.

(3) On September 29, 2020, LATAM Airlines Group S.A. obtained Debtor-in-Possession (“DIP”) financing for a total of US$2,450 million, composed of US$1,300 million of a tranche A (“Tranche A”) and US$1,150 million of a tranche C (“Tranche C”), of which US$750 million were provided by related parties. Obligations under the DIP were secured by assets owned by LATAM and certain of its subsidiaries, including, but not limited to, shares, certain engines and spare parts.

On October 8, 2020, LATAM made a partial withdrawal for US$1,150 million from Tranche A and Tranche C, and then, on or around June 22, 2021, LATAM made an additional withdrawal for US$500 million from Tranche A and Tranche C.

On October 18, 2021, LATAM Airlines Group S.A. obtained court approval for a Tranche B (“Tranche B”) of the DIP Financing for up to a total of US$750 million. The obligations of this Tranche B, like the previous tranches, were guaranteed with the same guarantees granted by LATAM and its subsidiaries subject to the Chapter 11 Procedure, included without limitation, by pledges on shares, certain engines and spare parts. The following draws on the DIP must be done from Tranche B until the proportion drawn is equal to the proportion drawn on the other tranches. When the proportions were the same, new draws are done on a pro-rata basis on all tranches.

On November 10, 2021, the Company made a partial transfer for US$200 million from Tranche B and later on December 28, 2021, LATAM made a new transfer for MUS$ 100. After these transfers, LATAM still It had US$1,250 million of line available for future transfers.

On March 14, 2022, LATAM made a transfer for MUS$ 38.6 from Tranche A, US$227.3 million from Tranche B and US$34.1 million from Tranche C.

The DIP had an expiration date of April 8, 2022, subject to a potential extension, at LATAM's decision, for an additional 60 days in the event that LATAM's reorganization plan has been confirmed by a United States Court order. for the Southern District of New York, but the plan is not yet effective. Finally, it should be noted that this extension was not carried out and that this DIP financing was paid in full on April 8, 2022, being replaced by a new consolidated and modified DIP Credit Agreement.

On February 17, 2022, LATAM submitted an initial proposal (the “Consolidated and Modified Initial DIP Financing Proposal”) of a consolidated and modified text of the contract called Super-Priority Debtor-In-Possession Term Loan Agreement before the Court of Bankruptcies of the Southern District of New York.

On March 14, 2022, the Board of Directors of the Company, unanimously, approved the Amended and Restated DIP Financing Proposal, subject to the approval of the Court. On March 14, 2022, a new consolidated and modified contract of the Existing DIP Credit Agreement (the “Amended and Restated DIP Credit Agreement”) was submitted to the Court for its approval. The NewDIP Credit Agreement (i) refinances and fully replaces the existing Tranches A, B and C in the Existing DIP Credit Agreement; (ii) contemplates a maturity date in accordance with the calendar that the Debtors foresee to emerge from the Chapter 11 Procedure; and (iii) includes certain reductions in fees and interest compared to the Existing DIP Credit Agreement and the Recast and Amended DIP Initial Financing Proposal. Obligations under the DIP were secured by assets owned by LATAM and certain of its subsidiaries, including, but not limited to, shares, certain engines and spare parts.

On April 8, 2022, a consolidated and modified text was signed (the "Amended and restated DIP Credit Agreement") of the Original DIP Credit Agreement, which modifies and recasts said agreement and repays the obligations pending payment under it. (that is, under its Tranches A, B and C). The total amount of the Consolidated and Modified DIP Credit Agreement is US$3.700 million. The Consolidated and Amended DIP Credit Agreement (i) includes certain reductions in fees and interest compared to the Existing DIP Credit Agreement; and (ii) contemplates an expiration date in accordance with the calendar that LATAM foresees to emerge from the Chapter 11 Procedure. Regarding the latter, the scheduled expiration date of the initial DIP Credit Agreement was August 8, 2022, subject to to possible extensions that, in certain cases, had a deadline of November 30, 2022.

Likewise, on April 8, 2022, the initial disbursement took place under the Amended and Restated DIP Credit Agreement for the amount of US$2,750 million. On April 28, 2022, an amendment to this contract was signed, extending the expiration date from August 8, 2022 to October 14, 2022.

On October 12, 2022, this Amended and Restated DIP Credit Agreement was fully repaid with the DIP-to-Exit financing, which contemplated US$750 million of a bridge financing for senior secured notes maturing in 2027, US$750 million of another bridge financing for senior secured notes due 2029, US$750 Mn of a Term Financing, US$1,146 million of a Junior DIP financing, and US$ 500 million of an undrawn Revolving Credit Facility. The DIP-to-exit financing was collateralized by assets owned by LATAM and by certain of its subsidiaries. The Junior DIP contemplated a subordinate priority to the rest of the credits.

On October 18, 2022, the Bridge Loans were partially repaid by; (i) a Note issued from registration under U.S. Securities Act of 1933, as amended (“the “Securities Act”), pursuant to Rule 144A and Regulation S, both under the Securities Act, due in 2027 (the “5 Year Note”), with a total principal amount of US$ 450 million, and (ii) a Note issued from registration under the Securities Act pursuant to Rule 144A and Regulation A, both under the Securities Act, due in 2029 (the “7 Year Note”), with a total principal amount of US$ 700 million.

In the context of the Company's exit from the Chapter 11 proceedings on November 3, 2022, the DIP-to-Exit financing was fully repaid with the funds from the exit financing issued by the Company, which included US$350 million corresponding to an incremental loan Term B; US$450 million in senior secured notes due 2027, US$700 million in senior secured notes due 2029 and a Term Financing of US$1,1 billion, with part of the proceeds from the capital increase implemented in the context of the reorganization process for a total of approximately US$10,3 billion, through the issuance of new payment shares and convertible notes.

On March 31, 2021, the United States Court for the Southern District of New York approved and, subsequently, on April 13, 2021, issued an order approving the motion presented by the Company to extend certain leases of 3 aircraft.

(4) On June 17, 2021, the United States Court for the Southern District of New York approved the motion presented by the Company to reject the lease of an aircraft financed under a financial lease in the amount of US$130.7 million.

(5) On June 30, 2021, the United States Court for the Southern District of New York approved the motion filed by the Company to reject the lease contract for 3 aircraft financed under a financial lease in the amount of US$ 307.4 million.

(6) On November 1, 2021, the United States Court for the Southern District of New York approved the motion filed by the Company to reject the lease contract for 1 engine financed under a financial lease in the amount of US$ 19.5 million.

Balances by currency of interest bearing loans are as follows:

	As of December 31, 2022	As of December 31, 2021
Currency	ThUS$	ThUS$
Brazilian real	314,322	338,953
Chilean peso (U.F.)	157,288	639,710
US Dollar	4,093,816	6,457,181
Total	4,565,426	7,435,844

Interest-bearing loans due in installments to December 31, 2022

Debtor: LATAM Airlines Group S.A. and Subsidiaries, Tax No. 89.862.200-2, Chile.

				Nominal values						Accounting values							Annual	
Tax No.	Creditor	Creditor country	Currency	Up to 90 days	More than 90 days to one year	More than one to three years	More than three to five years	More than five years	Total nominal value	Up to 90 days	More than 90 days to one year	More than one to three years	More than three to five years	More than five years	Total accounting value	Amortization	Effective rate	Nominal rate
				ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$		%	%
Bank loans																		
0-E	SANTANDER	Spain	US$	-	-	70,951	-	-	70,951	173	-	70,951	-	-	71,124	Quaterly	7,26	7,26
0-E	GOLDMAN SACHS	U.S.A.	US$	2,750	8,250	22,000	1,067,000	-	1,100,000	30,539	8,250	22,000	939,760	-	1,000,549	Quaterly	18.46	13.38
Obligations with the public																		
97.036.000-K	SANTANDER	Chile	UF	-	-	-	-	156,783	156,783	505	-	-	-	156,783	157,288	At Expiration	2.00	2.00
97.036.000-K	SANTANDER	U.S.A.	US$	-	-	-	-	3	3	-	-	-	-	3	3	At Expiration	1,00	1,00
0-E	WILMINGTON TRUST COMPANY	U.S.A.	US$	-	-	-	450,000	700,000	1,150,000	-	32,878	-	430,290	669,340	1,132,508	At Expiration	15.00	13,38
Guaranteed obligations																		
0-E	BNP PARIBAS	U.S.A.	US$	1,761	6,907	22,890	26,035	126,605	184,198	2,637	6,907	22,212	25,627	126,048	183,431	Quaterly	5,76	5,76
0-E	WILMINGTON TRUST COMPANY	U.S.A.	US$	2,208	6,110	32,620	33,210	67,457	141,605	2,233	6,110	32,620	33,210	67,457	141,630	Quaterly/Monthly	8.20	8.20
-	SWAP Received aircraft	-	US$	-	-	-	-	-	-	-	-	-	-	-	-	Quaterly	-	-
Other guaranteed obligations																		
0-E	CREDIT AGRICOLE	France	US$	-	14,667	29,333	231,000	-	275,000	3,837	14,667	26,153	228,880	-	273,537	Quaterly	8,24	8,24
0-E	MUFG	U.S.A.	US$	11,345	34,624	66,419	-	-	112,388	11,404	34,624	66,419	-	-	112,447	Quaterly	6.23	6.23
0-E	CITIBANK	U.S.A.	US$	-	-	-	-	-	-	1470			-	-	1,470	At Expiration	1,00	1,00
0-E	EXIM BANK	U.S.A.	US$	-	-	17,737	36,431	32,444	86,612	237	-	17,738	36,431	32,444	86,850	Quaterly	2.01	1.78
Financial leases																		
0-E	CITIBANK	U.S.A.	US$	6,825	5,689	-	-	-	12,514	6,888	5,689	-	-	-	12,577	Quaterly	6.19	5.47
0-E	BNP PARIBAS	U.S.A.	US$	6,596	20,048	1,521	-	-	28,165	6,776	20,048	1,516	-	-	28,340	Quaterly	5.99	5.39
0-E	NATIXIS	France	US$	6,419	19,341	53,207	55,696	104,475	239,138	8,545	19,341	52,881	55,478	103,905	240,150	Quaterly	6.44	6.44
0-E	US BANK	U.S.A.	US$	16,984	51,532	84,177	-	-	152,693	17,831	51,532	79,805	-	-	149,168	Quaterly	4.06	2.85
0-E	PK AIRFINANCE	U.S.A.	US$	1,533	4,664	6,393	-	-	12,590	1,579	4,664	6,393	-	-	12,636	Quaterly	5.97	5.97
0-E	EXIM BANK	U.S.A.	US$	-	-	113,668	180,260	152,581	446,509	1,923	-	112,666	178,672	151,236	444,497	Quaterly	3.58	2.79
0-E	BANK OF UTAH	U.S.A.	US$	2321	6568	20990	30557	121801	182,237	2321	6568	20990	30557	121801	182,237	Monthly	10,45	10,45
Others loans																		
0-E	Various (*)		US$	2,028	-	-	-	-	2,028	2,028	-	-	-	-	2,028	At Expiration	-	-
	Total			60,770	178,400	541,906	2,110,189	1,462,149	4,353,414	100,926	211,278	532,344	1,958,905	1,429,017	4,232,470			

(*) Obligation to creditors for executed letters of credit.

Interest-bearing loans due in installments to December 31, 2022
Debtor: TAM S.A. and Subsidiaries, Tax No. 02.012.862/0001-60, Brazil

				Nominal values						Accounting values							Annual	
Tax No.		Creditor Country	Currency	Up to 90 days	More than 90 days to one year	More than one to three years	More than three to five years	More than five years	Total nominal value	Up to 90 days	More than 90 days to one year	More than one to three years	More than three to five years	More than five years	Total accounting value	Amortization	Effective rate	Nominal rate
				ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$		%	%
Bank loans																		
0-E	Merril Lynch Credit Products LLC	U.S.A.	BRL	304,549	-	-	-	-	304,549	314,322	-	-	-	-	314,322	Monthly	3,95	3,95
Financial lease																		
0-E	NATIXIS	France	US$	510	1,530	4,080	4,080	7,846	18,046	1,050	1,530	4,080	4,080	7,894	18,634	Semiannual/Quaterly	7.23	7.23
	Total			305,059	1,530	4,080	4,080	7,846	322,595	315,372	1,530	4,080	4,080	7,894	332,956			
	Total consolidated			365,829	179,930	545,986	2,114,269	1,469,995	4,676,009	416,298	212,808	536,424	1,962,985	1,436,911	4,565,426			

Interest-bearing loans due in installments to December 31, 2021

Debtor: LATAM Airlines Group S.A. and Subsidiaries, Tax No. 89.862.200-2, Chile.

				Nominal values						Accounting values							Annual	
Tax No.	Creditor	Creditor country	Currency	Up to 90 days	More than 90 days to one year	More than one to three years	More than three to five years	More than five years	Total nominal value	Up to 90 days	More than 90 days to one year	More than one to three years	More than three to five years	More than five years	Total accounting value	Amortization	Effective rate	Nominal rate
				ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$		%	%
Loans to exporters																		
0-E	CITIBANK	U.S.A.	US$	114,000	-	-	-	-	114,000	123,366	-	-	-	-	123,366	At Expiration	2.96	2.96
76.645.030-K	ITAU	Chile	US$	20,000	-	-	-	-	20,000	22,742	-	-	-	-	22,742	At Expiration	4.20	4.20
0-E	HSBC	England	US$	12,000	-	-	-	-	12,000	13,053	-	-	-	-	13,053	At Expiration	4.15	4.15
Bank loans																		
97.023.000-9	CORPBANCA	Chile	UF	10,106	-	-	-	-	10,106	11,040	-	-	-	-	11,040	Quaterly	3.35	3.35
0-E	SANTANDER	Spain	US$	-	-	106,427	-	-	106,427	135	-	106,427	-	-	106,562	Quaterly	2.80	2.80
0-E	CITIBANK	U.S.A.	UF	60,935	-	-	-	-	60,935	64,293	-	-	-	-	64,293	At Expiration	3.10	3.10
Obligations with the public																		
97.030.000-7	BANCOESTADO	Chile	UF	-	159,679	-	-	343,218	502,897	49,584	159,679	-	-	355,114	564,377	At Expiration	4.81	4.81
0-E	BANK OF NEW YORK	U.S.A.	US$	-	-	700,000	800,000	-	1,500,000	187,082	-	698,450	803,289	-	1,688,821	At Expiration	7.16	6.94
Guaranteed obligations																		
0-E	BNP PARIBAS	U.S.A.	US$	16,079	12,412	34,958	37,891	97,135	198,475	17,926	12,412	34,044	37,466	96,379	198,227	Quaterly	1.48	1.48
0-E	MUFG	U.S.A.	US$	29,054	11,661	32,639	34,970	58,388	166,712	31,375	11,661	32,188	34,733	57,983	167,940	Quaterly	1.64	1.64
0-E	WILMINGTON TRUST COMPANY	U.S.A.	US$	-	2,209	24,703	32,327	85,119	144,358	-	2,209	24,703	32,327	85,119	144,358	Quaterly/Mensual	3.17	1.60
-	SWAP Received aircraft	-	US$	10	-	-	-	-	10	10	-	-	-	-	10	Quaterly	-	-
Other guaranteed obligations																		
0-E	CREDIT AGRICOLE	France	US$	273,199	-	-	-	-	273,199	274,403	-	-	-	-	274,403	At Expiration	1.82	1.82
0-E	MUFG	U.S.A.	US$	7,551	33,131	91,435	24,816	-	156,933	8,259	33,131	91,255	24,816	-	157,461	Quaterly	1.72	1.72
0-E	CITIBANK	U.S.A.	US$	-	600,000	-	-	-	600,000	95	600,000	-	-	-	600,095	At Expiration	2.00	2.00
0-E	BANK OF UTAH	U.S.A.	US$	-	1,644,876	-	-	-	1,644,876	-	1,630,390	-	-	-	1,630,390	At Expiration	22.71	12.97
0-E	EXIM BANK	U.S.A.	US$	-	-	-	25,876	37,014	62,890	183	-	-	25,876	37,014	63,073	Quaterly	1.84	1.84
Financial leases																		
0-E	CREDIT AGRICOLE	France	US$	682	1,370	-	-	-	2,052	694	1,370	-	-	-	2,064	Quaterly	3.68	3.23
0-E	CITIBANK	U.S.A.	US$	19,101	52,371	12,513	-	-	83,985	19,198	52,371	12,359	-	-	83,928	Quaterly	1.37	0.79
0-E	BNP PARIBAS	U.S.A.	US$	7,216	19,537	28,165	-	-	54,918	7,313	19,537	27,905	-	-	54,755	Quaterly	1.56	0.96
0-E	NATIXIS	France	US$	1,335	15,612	52,010	54,443	138,058	261,458	4,472	15,612	51,647	54,064	137,430	263,225	Quaterly	2.09	2.09
0-E	US BANK	U.S.A.	US$	16,601	50,373	135,201	17,492	-	219,667	17,755	50,373	127,721	17,188	-	213,037	Quaterly	4.03	2.84
0-E	PK AIRFINANCE	U.S.A.	US$	800	3,842	11,562	647	-	16,851	903	3,842	11,562	647	-	16,954	Quaterly	1.88	1.88
0-E	EXIM BANK	U.S.A.	US$	-	-	-	248,354	284,773	533,127	1,771	-	-	244,490	280,341	526,602	Quaterly	2.88	2.03
Others loans																		
0-E	Various (*)		US$	55,819	-	-	-	-	55,819	55,819	-	-	-	-	55,819	At Expiration	-	-
	Total			644,488	2,607,073	1,229,613	1,276,816	1,043,705	6,801,695	911,471	2,592,587	1,218,261	1,274,896	1,049,380	7,046,595			

Interest-bearing loans due in installments to December 31, 2021
Debtor: TAM S.A. and Subsidiaries, Tax No. 02.012.862/0001-60, Brazil

				Nominal values						Accounting values								
Tax No.		Creditor Country	Currency	Up to 90 days	More than 90 days to one year	More than one to three years	More than three to five years	More than five years	Total nominal value	Up to 90 days	More than 90 days to one year	More than one to three years	More than three to five years	More than five years	Total accounting value	Amortization	Annual Effective rate	Annual Nominal rate
				ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$		%	%
Bank loans																		
0-E	NCM	Netherlands	US$	619	-	324	-	-	943	666	-	324	-	-	990	Monthly	6.01	6.01
0-E	BANCO BRADESCO	Brazil	BRL	74,661	-	-	-	-	74,661	98,864	-	-	-	-	98,864	Monthly	4.33	4.33
0-E	Merril Lynch Credit Products LLC	U.S.A.	BRL	185,833	-	-	-	-	185,833	240,089	-	-	-	-	240,089	Monthly	3.95	3.95
Financial lease																		
0-E	NATIXIS	France	US$	433	2,482	2,872	11,539	-	17,326	637	2,481	2,872	11,539	-	17,529	Quaterly	2.74	2.74
0-E	GA Telessis LLC	U.S.A.	US$	320	1,147	2,695	2,850	3,987	10,999	409	1,147	2,695	2,850	3,987	11,088	Monthly	14.72	14.72
Others loans																		
0-E	DEUTCHEBANK (*)	Brazil	US$	20,689	-	-	-	-	20,689	20,689	-	-	-	-	20,689	At Expiration	-	-
	Total			282,555	3,629	5,891	14,389	3,987	310,451	361,354	3,628	5,891	14,389	3,987	389,249			
	Total consolidated			927,043	2,610,702	1,235,504	1,291,205	1,047,692	7,112,146	1,272,825	2,596,215	1,224,152	1,289,285	1,053,367	7,435,844			

(*) Obligation to creditors for executed letters of credit

(b) Lease Liability:

The movement of the lease liabilities corresponding to the years reported are as follow:

	Aircraft	Others	Lease Liability total
	ThUS$	ThUS$	ThUS$
Opening balance as January 1, 2021	3,026,573	94,433	3,121,006
New contracts	518,478	875	519,353
Lease termination (*)	(724,193)	(5,300)	(729,493)
Renegotiations	101,486	5,717	107,203
Payments	(95,831)	(24,192)	(120,023)
Accrued interest	88,245	8,334	96,579
Exchange differences	-	3,356	3,356
Cumulative translation adjustment	-	(2,332)	(2,332)
Other increases (decreases)	(31,097)	(3,914)	(35,011)
Changes	(142,912)	(17,456)	(160,368)
Closing balance as of December 31,2021	2,883,661	76,977	2,960,638
Opening balance as January 1, 2022	2,883,661	76,977	2,960,638
New contracts	354,924	13,019	367,943
Lease termination (*)	(19,606)	-	(19,606)
Renegotiations	(76,233)	(4,198)	(80,431)
Exit effect of chapter 11 (**)	(995,888)	-	(995,888)
Payments	(154,823)	(26,172)	(180,995)
accrued interest	142,939	9,194	152,133
Exchange differences	-	2,279	2,279
Subsidiaries conversion difference	(2)	7,463	7,461
other variations	-	2,920	2,920
Changes	(748,689)	4,505	(744,184)
Closing balance as of December 31,2022	2,134,972	81,482	2,216,454

(*) As of December 31, 2022 these correspond to anticipated lease terminations. For December 31, 2021 these correspond to fleet rejections.
(**) Corresponds to the effect of emergence from Chapter 11 ThUS$679,273 associated with claims (Derecognition of assets for right of use for ThUS$639,728 (See Note 24 (4)) and conversion of Notes for ThUS$39,545) and ThUS$316,615 due to IBR rate change.

The company recognizes the interest payments related to the lease liabilities in the consolidated result under Financial expenses (See Note 26 (c)).

(c) Hedge derivatives

	Current liabilities		Non-current liabilities		Total hedge derivatives	
	As of December 31, 2022	As of December 31, 2021	As of December 31, 2022	As of December 31, 2021	As of December 31, 2022	As of December 31, 2021
	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$
Fair value of interest rate derivatives	-	2,734	-	-	-	2,734
Total hedge derivatives	-	2,734	-	-	-	2,734

(d) Derivatives that do not qualify for hedge accounting

	Current liabilities		Non-current liabilities		Total derivatives of no coverage	
	As of December 31, 2022	As of December 31, 2021	As of December 31, 2022	As of December 31, 2021	As of December 31, 2022	As of December 31, 2021
	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$
Derivative of foreign currency not registered as hedge	-	2,937	-	-	-	2,937
Total derived not qualify as hedge accounting	-	2,937	-	-	-	2,937

The foreign currency derivatives correspond to options, forwards and swaps.

Hedging operation

The fair values of net assets/ (liabilities), by type of derivative, of the contracts held as hedging instruments are presented below:

	As of December 31, 2022	As of December 31, 2021
	ThUS$	ThUS$
Interest rate swaps (1)	8,816	(2,734)
Fuel options (2)	12,594	17,641
Foreign currency derivative R$/US$ (3)	191	-

(1) They cover the significant variations in the cash flows associated with the market risk implicit in the increases in the 3-month LIBOR interest rate, SOFR, among others, for long-term loans originated by the acquisition or rental of aircraft and Bank credits. These contracts are recorded as cash flow hedge contracts.

(2) Hedge significant variations in cash flows associated with market risk implicit in the changes in the price of future fuel purchases. These contracts are recorded as cash flow hedges.

(3) Hedge significant variations in expected cash flows associated with the market risk implicit in changes in exchange rates, particularly the BRL/R$. These contracts are recorded as cash flow hedge contracts.

The Company only maintains cash flow hedges. In the case of fuel hedges, the cash flows subject to such hedges will occur and will impact results in the next 12 months from the date of the consolidated statement of financial position.

All hedging operations have been performed for highly probable transactions, except for fuel hedge. See Note 3.

See Note 24 (h) for reclassification to profit or loss for each hedging operation and Note 17 (b) for deferred taxes related.

NOTE 19 - TRADE AND OTHER ACCOUNTS PAYABLES

The composition of Trade and other accounts payables is as follows:

	As of December 31, 2022	As of December 31, 2021
	ThUS$	ThUS$
Current		
(a) Trade and other accounts payables	1,248,790	1,945,731
(b) Accrued liabilities	379,202	2,893,520
Total trade and other accounts payables	1,627,992	4,839,251

(a) Trade and other accounts payable:

	As of December 31 2022	As of December 31, 2021
	ThUS$	ThUS$
Trade creditors	967,468	1,439,929
Other accounts payable	281,322	505,802
Total	1,248,790	1,945,731

The details of Trade and other accounts payables are as follows:

	As of December 31, 2022	As of December 31, 2021
	ThUS$	ThUS$
Maintenance	108,402	375,144
Suppliers technical purchases	136,594	328,811
Professional services and advisory	131,991	129,682
Boarding Fees	209,370	171,128
Leases, maintenance and IT services	81,119	143,586
Handling and ground handling	126,464	176,142
Aircraft Fuel	52,606	77,171
Other personnel expenses	124,000	90,410
Airport charges and overflight	90,386	104,241
Marketing	37,351	49,865
Services on board	43,349	56,072
Air companies	14,496	11,250
Crew	11,428	12,007
Bonus Payable	9,450	11,144
Land services	3,049	6,553
Jol Fleet	-	9,891
Others	68,735	192,634
Total trade and other accounts payables	1,248,790	1,945,731

(b) Liabilities accrued:

	As of December 31, 2022	As of December 31, 2021
	ThUS$	ThUS$
Aircraft and engine maintenance (1)	184,753	1,166,181
Accrued personnel expenses	81,857	59,327
Accounts payable to personnel (2)	74,802	58,153
Other agreed claims (3)	-	1,575,005
Others accrued liabilities	37,790	34,854
Total accrued liabilities	379,202	2,893,520

(1) As of December 31, 2021, these amounts include some claims agreed with aircraft lessors related to maintenance in addition to agreed fleet claims, both associated with the negotiations resulting from the Chapter 11 procedure.The balances of commercial accounts and other accounts payable for 2021, include the amounts that were part of the reorganization agreement, as a result of the entry into the Chapter 11 Procedure on May 26, 2020, and on July 9 for the subsidiaries of LATAM in Brazil. These balances were paid upon exit from Chapter 11, from November to December 2022.

(2) Participation in profits and bonuses (Note 22 letter b).

(3) For the other agreed claims, ThUS$ 26,145 were compensated with Convert G and ThUS$ 1,548,860 with Convert I.

NOTE 20 - OTHER PROVISIONS

	Current liabilities		Non-current liabilities		Total Liabilities	
	As of December 31, 2022	As of December 31, 2021	As of December 31, 2022	As of December 31, 2021	As of December 31, 2022	As of December 31, 2021
	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$
Provision for contingencies (1)						
Tax contingencies	8,733	24,330	617,692	490,217	626,425	514,547
Civil contingencies	5,490	3,154	119,483	92,955	124,973	96,109
Labor contingencies	350	388	175,212	98,254	175,562	98,642
Other	-	-	13,180	21,855	13,180	21,855
Provision for European Commission investigation (2)	-	-	2,397	9,300	2,397	9,300
Total other provisions (3)	14,573	27,872	927,964	712,581	942,537	740,453

(1) Provisions for contingencies:

The tax contingencies correspond to litigation and tax criteria related to the tax treatment applicable to direct and indirect taxes, which are found in both administrative and judicial stage.

The civil contingencies correspond to different demands of civil order filed against the Company.

The labor contingencies correspond to different demands of labor order filed against the Company.

The Provisions are recognized in the consolidated income statement in administrative expenses or tax expenses, as appropriate.

(2) Provision made for proceedings brought by the European Commission for possible breaches of free competition in the freight market.

(3) Total other provision as of December 31, 2022, and December 31, 2021, include the fair value of the contingencies arising at the time of the business combination with TAM S.A and subsidiaries, with a probability of loss under 50%, which wold not be provided for except in the context of a business combination in accordance with IFRS 3.

Movement of provisions:

	Legal claims (1)	European Commission Investigation (2)	Onerous Contracts	Total
	ThUS$	ThUS$	ThUS$	ThUS$
Opening balance as of January 1, 2021	558,036	10,097	44,000	612,133
Increase in provisions	403,229	-	-	403,229
Provision used	(84,497)	-	-	(84,497)
Difference by subsidiaries conversion	(25,531)	-	-	(25,531)
Reversal of provision	(119,029)	-	(44,000)	(163,029)
Exchange difference	(1,055)	(797)	-	(1,852)
Closing balance as of December 31, 2021	731,153	9,300	-	740,453
Opening balance as of January 1, 2022	731,153	9,300	-	740,453
Increase in provisions	687,558	-	-	687,558
Provision used	(63,087)	-	-	(63,087)
Difference by subsidiaries conversion	28,655	-	-	28,655
Reversal of provision	(427,979)	(6,630)	-	(434,609)
Exchange difference	(16,160)	(273)	-	(16,433)
Closing balance as of December 31, 2022	940,140	2,397	-	942,537

(1) Accumulated balances include a judicial deposit delivered in guarantee, with respect to the "Fundo Aeroviario" (FA), for MUS$ 74, made in order to suspend the collection and the application of a fine. The Company is discussing in Court the constitutionality of the requirement made by FA calculated at the ratio of 2.5% on the payroll in a legal claim. Initially the payment of said contribution was suspended by a preliminary judicial decision and about 10 years later, this same decision was reversed. As the decision is not final, the Company has deposited the amounts until that date, in order to avoid collection processing and the application of the fine.

Finally, if the final decision is favorable to the Company, the deposit made and payments made later will return to TAM. On the other hand, if the court confirms the first decision, said deposit will become a final payment in favor of the Government of Brazil. The procedural stage as of December 31, 2022 is described in Note 30 under in the Role of the case 2001.51.01.012530-0.

(2) European Commission Provision

Provision constituted on the occasion of the process initiated in December 2007 by the General Competition Directorate of the European Commission against more than 25 cargo airlines, among which is Lan Cargo SA, which forms part of the global investigation initiated in 2006 for possible infractions of free competition in the air cargo market, which was carried out jointly by the European and United States authorities.

With respect to Europe, the General Directorate of Competition imposed fines totaling € 799,445,000 (seven hundred and ninety-nine million four hundred and forty-five thousand Euros) for infractions of European Union regulations on free competition against eleven (11) airlines, among which are LATAM Airlines Group SA and its subsidiary Lan Cargo S.A .,For its part, LATAM Airlines Group S.A. and Lan Cargo S.A., jointly and severally, have been fined for the amount of € 8,220,000 (eight million two hundred twenty thousand euros), for these infractions, an amount that was provisioned in the financial statements of LATAM. On January 24, 2011, LATAM Airlines Group S.A. and Lan Cargo S.A. They appealed the decision before the Court of Justice of the European Union. On December 16, 2015, the European Court resolved the appeal and annulled the Commission's Decision. The European Commission did not appeal the judgment, but on March 17, 2017, the European Commission again adopted its original decision to impose on the eleven lines original areas, the same fine previously imposed, amounting to a total of € 776,465,000 Euros. In the case of LAN Cargo and its parent, LATAM Airlines Group S.A. imposed the same fine mentioned above. On May 31, 2017 Lan Cargo S.A. and LATAM Airlines Group S.A. requested the annulment of this Decision to the General Court of the European Union. We presented our defense in December 2017. On July 12, 2019, we participated in a hearing before the European Court of Justice in which we confirmed our request for annulment of the decision or a reduction in the amount of the fine instead. On March 30, 2022, the European Court issued its ruling and reduced the amount of our fine from € 8,220,000 Euros to € 2,240,000 Euros. This ruling can be appealed by both parties before June 15, 2022. Likewise, on December 17, 2020, the European Commission had presented a proof of claim for the total amount of the fine of € 8,220,000 Euros before the Court of New York dealing with the financial reorganization procedure requested by LATAM Airlines Group, S.A. and LAN Cargo, S.A. (Chapter 11) in May 2020. The amount of this claim could be modified subject to the eventual appeal of the ruling of the European Court. The procedural stage as of December 31, 2022 is described in Note 30 in section 2 lawsuits received by LATAM Airlines Group S.A. and Subsidiaries.

NOTE 21 - OTHER NON-FINANCIAL LIABILITIES

	Current liabilities		Non-current liabilities		Total Liabilities	
	As of December 31, 2022	As of December 31, 2021	As of December 31, 2022	As of December 31, 2021	As of December 31, 2022	As of December 31, 2021
	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$
Deferred revenues (1)(2)	2,533,081	2,273,137	420,208	512,056	2,953,289	2,785,193
Sales tax	7,194	3,870	-	-	7,194	3,870
Retentions	40,810	31,509	-	-	40,810	31,509
Other taxes	12,045	4,916	-	-	12,045	4,916
Other sundry liabilities	49,121	19,144	-	-	49,121	19,144
Total other non-financial liabilities	2,642,251	2,332,576	420,208	512,056	3,062,459	2,844,632

Deferred Income Movement

		Deferred income						
	Initial balance	(1) Recognition	Use	Loyalty program (Award and redeem)	Expiration of tickets	Translation Difference	Others provisions	Final balance
	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$
From January 1to December 31, 2021	2,738,888	4,221,168	(4,053,345)	(12,091)	(114,227)	-	4,800	2,785,193
From 1de January to December 31, 2022	2,785,193	9,772,469	(9,077,188)	(241,201)	(314,027)	4,585	23,458	2,953,289

(1) The balance includes mainly, deferred income for services not provided as of December 31, 2022 and December 31, 2021 and for the frequent flyer LATAM Pass program.

LATAM Pass is LATAM's frequent flyer program that allows rewarding the preference and loyalty of its customers with multiple benefits and privileges, through the accumulation of miles or points that can be exchanged for tickets or for a varied range of products and services. Clients accumulate miles or LATAM Pass points every time they fly in LATAM and other airlines associated with the program, as well as by buying in stores or use the services of a vast network of companies that have agreements with the program around the world.

(2) As of December 31, 2022, Deferred Income includes ThUS$ 41,318 related to the compensation from Delta Air Lines, Inc., which is recognized in the income statement based on the estimation of income differentials until the implementation of the strategic alliance. During the period, the Company has recognized ThUS $ 30,408 within the income statement related with this compensation.

Additionally, as of December 31, 2021, the Company maintains a balance of ThUS $ 29,507 in Trade accounts payable of the Statement of Financial Position, corresponding to the compensation of costs to be incurred.

NOTE 22 - EMPLOYEE BENEFITS

	As of December, 31, 2022	As of December 31, 2021
	ThUS$	ThUS$
Retirements payments	45,076	35,075
Resignation payments	6,365	5,817
Other obligations	42,047	15,341
Total liability for employee benefits	93,488	56,233

(a) The movement in retirements, resignations and other obligations:

	Opening balance	Increase (decrease) current service provision	Benefits paid	Actuarial (gains) losses	Currency translation	Closing balance
	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$
From January 1 to December 31, 2021	74,116	(11,391)	(5,136)	10,018	(11,374)	56,233
From January 1 to December 31, 2022	56,233	53,254	(4,375)	(9,935)	(1,689)	93,488

The main assumptions used in the calculation of the provision in Chile are presented below:

	For the period ended December 31,	
Assumptions	2022	2021
Discount rate	5.37%	5.81%
Expected rate of salary increase	5.23%	3.00%
Rate of turnover	5.14%	5.14%
Mortality rate	RV-2014	RV-2014
Inflation rate	3.61%	3.44%
Retirement age of women	60	60
Retirement age of men	65	65

The discount rate is based on the bonds issued by the Central Bank of Chile with a maturity of 20 years. The RV-2014 mortality tables correspond to those established by the Commission for the Financial Market of Chile. The inflation rates are based on the yield curves of the long term nominal and inflation adjusted bonds issued by the Central Bank of Chile.

The calculation of the present value of the defined benefit obligation is sensitive to the variation of some actuarial assumptions such as discount rate, salary increase, rotation and inflation.

The sensitivity analysis for these variables is presented below:

	Effect on the liability	
	As of December 31, 2022	As of December 31, 2021
	ThUS$	ThUS$
Discount rate		
Change in the accrued liability an closing for increase in 100 p.b.	(3,308)	(2,642)
Change in the accrued liability an closing for decrease of 100 p.b.	3,724	2,959
Rate of wage growth		
Change in the accrued liability an closing for increase in 100 p.b.	3,520	2,849
Change in the accrued liability an closing for decrease of 100 p.b.	(3,216)	(2,613)

(b) The liability for short-term:

	As of December 31, 2022	As of December 31, 2021
	ThUS$	ThUS$
Profit-sharing and bonuses (*)	74,802	58,153

(*) Accounts payables to employees (Note 19 letter b)

The participation in profits and bonuses related to an annual incentive plan for achievement of certain objectives.

(c) Employment expenses are detailed below:

	For the period ended December 31,	
	2022	2021
	ThUS$	ThUS$
Salaries and wages	(1,024,304)	(825,792)
Short-term employee benefits	(121,882)	(122,650)
Other personnel expenses	(120,150)	(93,457)
Total	(1,266,336)	(1,041,899)

NOTE 23 - ACCOUNTS PAYABLE, NON-CURRENT

	As of December 31, 2022	As of December 31, 2021
	ThUS$	ThUS$
Aircraft and engine maintenance	249,710	276,816
Fleet (JOL)	40,000	124,387
Airport and Overflight Taxes	19,866	26,321
Provision for vacations and bonuses	16,539	14,545
Other sundry liabilities	169	30,357
Total accounts payable, non-current	326,284	472,426

NOTE 24 - EQUITY

(a) Capital

The Company’s objective is to maintain an appropriate level of capitalization that enables it to ensure access to the financial markets for carrying out its medium and long-term objectives, optimizing the return for its shareholders and maintaining a solid financial position.

The paid capital of the Company at December 31, 2022 amounts to ThUS$ 13,298,486 divided into 605,231,854,725 common stock of a same series (ThUS$ 3,146,265 divided into 606,407,693 shares as of December 31, 2021), a single series nominative, ordinary character with no par value. The total number of authorized shares of the Company December, 31, 2022, corresponds to 606.407.693.000 shares. There are no special series of shares and no privileges. The form of its stock certificates and their issuance, exchange, disablement, loss, replacement and other similar circumstances, as well as the transfer of the shares, is governed by the provisions of the Corporate Law and its regulations.

At the Company's Extraordinary Shareholders' Meeting held on July 5, 2022, it was agreed to increase the Company's capital by US$ 10,293,269,524 through the issuance of 73,809,875,794 paid shares and 531,991,409,513 backup shares, all ordinary, of the same and single series, without par value, of which: (a) US$ 9,493,269,524 represented by 531,991,409,513 new shares, to be used to respond to the conversion of the Convertible Notes, according to this term is defined below (the “Support Shares”); and (b) US$800,000,000 represented by 73,809,875,794 new paid shares (the “New Paid Shares”), to be offered preferentially to shareholders. On September 12, 2022, the preferential placement of the convertible notes and, in turn, of the new paid shares began, ending on the following dates, as explained below:

1. On October 12, 2022 expired the 30-day preemptive rights offering period (the “POP”) of (i) the 73,809,875,794 new paid shares, issued and registered in the Securities Registry of the Comisión para el Mercado Financiero (“CMF”) (the “ERO”); and (ii) US$1,257,002,540 notes convertible into shares Serie G, the US$1,372,839,695 notes convertible into shares Serie H, and the US$6,863,427,289 notes convertible into shares Serie I, all registered in the Securities Registry of the CMF (jointly, the “Convertible Notes”).

2. On October 13, 2022, the second round (the "Second Round") of subscription of the ERO has taken place, in which had the right to participate, the shareholders (or their assignees) that subscribed ERO in the POP and expressed to LATAM, at the time of the subscription, their intention to participate in the Second Round.

3. As previously reported, the Remainder will be placed, in compliance with the applicable laws and regulations, according to the rules governing the offering of the ERO and the Convertible Notes, as provided in Article 10 of the Regulations of the Corporations Law. Such placement includes, among other things, the placement of a portion of the Remainder with (i) a group of unsecured creditors of LATAM represented by Evercore and certain holders of Chilean notes issued by LATAM (collectively, the "Backstop Creditors"); and (ii) Delta Air Lines, Inc., Qatar Airways Investments (UK) Ltd. and the Cueto group (collectively, the "Backstop Shareholders";and them jointly with the Backstop Creditors, the "Backstop Parties") according to the rules of their respective backstop commitment agreements (the "Backstop Agreements").

4. For purposes of the above, the Company will exercise its rights under the Backstop Agreements and will therefore require the Backstop Parties to subscribe and pay their respective portion of the Remainder, as provided in such agreements. Given the funding period contemplated in the Backstop Agreements, the Company managed to exit the Chapter 11on November 3, 2022. Consequently, on this same date the Company, together with its various subsidiaries that were part of the Chapter 11 Procedure, have emerged from bankruptcy. (See Note 2, c).

5. As part of the implementation of its Reorganization Plan within the framework of the exit from Chapter 11, LATAM issued US$800 million in new paid shares and US$9,493 million through the issue of three classes of notes convertible into Company shares, equivalent to a total of 605,801,285,307 paid shares. As of December 31, 2022, from the aforementioned capital increase, 604,625,447,032 shares were subscribed and paid, equivalent to ThUS$ 10,152,221 and issuance and placement costs of ThUS$ 810,279 were incurred, which are currently presented under other reserve and will be reclassified to "share capital" upon approval for such transfer during the next Extraordinary Shareholders' Meeting.

(b) Movement of authorized shares

The following table shows the movement of the authorized, fully paid shares and back-up shares to be delivered in the event that the respective conversion option is exercised under the convertible notes currently issued by the Company:

	as of December 31, 2022				as of December 31, 2021		
	N° of authorized shares	N° of Subscribed of shares and paid or delivered pursuant to the exercise of the conversion option	N° of convertible notes back-up shares pending to place	N° of shares to subscribe or not used	N° of authorized shares	N° of subscribed shares and paid	N° of shares to subscribe or not used
Opening Balance	606,407,693	606,407,693	-	-	606,407,693	606,407,693	-
New shares issued	73,809,875,794	73,809,875,794	-	-	-	-	-
Convertible Notes G	19,992,142,087	18,820,511,197	960,098	1,170,670,792	-	-	-
Convertible Notes H	126,661,409,136	126,657,203,849	4,205,287	-	-	-	-
Convertible Notes I	385,337,858,290	385,337,856,192	-	2,098	-	-	-
Subtotal	605,801,285,307	604,625,447,032	5,165,385	1,170,672,890	-	-	-
Closing Balance	606,407,693,000	605,231,854,725	5,165,385	1,170,672,890	606,407,693	606,407,693	-

(c) Share capital

The following table shows the movement of share capital:

Movement fully paid shares

	Paid- in Capital ThUS$
Initial balance as of January 1, 2021	3,146,265
There are no movements of shares paid during the 2021 period	-
Ending balance as of December 31, 2021	3,146,265
Initial balance as of January 1, 2022	3,146,265
New shares issued (ERO)	800,000
Conversion options of convertible notes exercised during the year - Convertible Notes G (1)	1,115,996
Conversion options of convertible notes exercised during the year - Convertible Notes H	1,372,798
Conversion options of convertible notes exercised during the year - Convertible Notes I (2)	6,863,427
Subtotal	10,152,221
Ending balance as of December 31, 2022	13,298,486

(1) It only includes Convertible Notes issued in exchange for the settlement of Chapter 11 claims.
(2) Part of the Convertible Notes received in cash and the rest in exchange for the settlement of Chapter 11 claims.

(d) Treasury stock

At December 31, 2022, the Company held no treasury stock. The remaining of ThUS$ (178) corresponds to the difference between the amount paid for the shares and their book value, at the time of the full right decrease of the shares which held in its portfolio.

(e) Other equity- Value of conversion right - Convertible Notes

(e.1) Notes subscription

The Convertible Notes were issued to be place in exchange for a cash contribution, in exchange for settlement of Chapter 11 Proceeding or a combination of both. Convertible Notes issued in exchange for cash were valued at fair value (the cash received). Notes issued in exchange for settlement of Chapter 11 claims were valued considering the discount that each group of liabilities settled on at the emergence date. The table below shows the 3 Convertible Notes at their nominal values, the adjustment, if any, to arrive at their fair values and the amount of transaction costs. The conversion option classified as equity is determined by deducting the amount of the liability component from the fair value of the compound instrument as a whole. The equity portion is recognized under Other equity at the time the Convertible Notes are issued.

Concepts	Convertible Notes G	Convertible Notes H	Convertible Notes I	Total Convertible Notes
	THUS$	THUS$	THUS$	THUS$
Face Value	1,115,996	1,372,837	6,863,427	9,352,260
Adjustment to fair value				
Convertible Notes at the date of issue	(923,616)	-	(2,686,854)	(3,610,470)
Issuance cost	-	(24,812)	(705,467)	(730,279)
Subtotal	(923,616)	(24,812)	(3,392,321)	(4,340,749)
Fair Value of Notes	192,380	1,348,025	3,471,106	5,011,511
Debt component at the date of issue		(102,031)	-	(102,031)
Equity component at the date of issue	192,380	1,245,994	3,471,106	4,909,480

(e.2) Conversion of notes into shares

As of December 31, 2022, the following notes have been converted into shares:

Concepts	Convertible Notes G	Convertible Notes H	Convertible Notes I	Total Convertible Notes
	ThUS$	ThUS$	ThUS$	ThUS$
Conversion percentage	100.000%	99.997%	100.000%	
Conversion option of convertible notes exercised	1,115,996	1,270,767	6,863,427	9,250,190
Converted debt component	-	102,031	-	102,031
Total Converted Notes	1,115,996	1,372,798	6,863,427	9,352,221

The conversion option from the issuance of convertible notes classified as equity is determined by deducting the amount of the liability component from the fair value of the compound instrument (i.e. convertible notes) as a whole. This is recognized and included in equity, net of income tax effects, and is not subsequently remeasured. In addition, the conversion option classified as equity will remain in equity until the conversion option is exercised, in which case, the balance recognized

in equity will be transferred to share capital. As of December 31, 2022, the portion not converted into equity corresponds to ThUS$39.

(e.3) The Convertible Notes

The contractual conditions of the G, H and I Convertible Notes consider the delivery of a fixed number of shares of LATAM Airlines Group S.A. at the time of settlement of the conversion option of each of them. The foregoing determined the classification of convertible notes as equity instruments, with the exception of Bond H, which considers, in addition to the delivery of a fixed number of shares, the payment of 1% annual interest with certain conditions for its payment and its accrual from 60 days after the exit Date. The payment of this interest gives rise to the recognition of a liability component for the class H convertible notes.

At the date of issue, the fair value of the liability component in the amount of ThUS$ 102,031 was estimated using the prevailing market interest rate for similar non-convertible instruments.

Transaction costs relating to the liability component are included in the carrying amount of the liability portion and amortized over the period of the convertible notes using the effective interest method. At December 31, 2022, the debt portion was converted into equity. Transaction costs relating to the equity component are recognised as part of Other reserves within Equity.

(f) Reserve of share- based payments

Movement of Reserves of share- based payments:

Periods	Opening balance	Stock option plan	Closing balance
	ThUS$	ThUS$	ThUS$
From January 1 to December 31, 2021	37,235	-	37,235
From January 1 to December 31, 2022	37,235	-	37,235

These reserves are related to the “Share-based payments” explained in Note 33.

(g) Other sundry reserves

Movement of Other sundry reserves:

Periods	Opening balance	Transactions with non-controlling interest	Legal reserves	Other sundry reserves	Closing balance
	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$
From January 1 to December 31, 2021	2,452,019	(3,383)	(538)	-	2,448,098
From January 1 to December 31, 2022	2,448,098	-	-	(4,420,749)	(1,972,651)

Balance of Other sundry reserves comprise the following:

	As of December 31, 2022	As of December 31, 2021
	ThUS$	ThUS$
Higher value for TAM S.A. share exchange (1)	2,665,692	2,665,692
Reserve for the adjustment to the value of fixed assets (2)	2,620	2,620
Transactions with non-controlling interest (3)	(216,656)	(216,656)
Adjustment to the fair value of the New Convertible Notes (4)	(3,610,470)	-
Cost of issuing shares and New Convertible Notes (5)	(810,279)	-
Others	(3,558)	(3,558)
Total	(1,972,651)	2,448,098

(1) Corresponds to the difference between the value of the shares of TAM S.A., acquired by Sister Holdco S.A. (under the Subscriptions) and by Holdco II S.A. (by virtue of the Exchange Offer), which is recorded in the declaration of completion of the merger by absorption, and the fair value of the shares exchanged by LATAM Airlines Group S.A. as of June 22, 2012.

(2) Corresponds to the technical revaluation of the fixed assets authorized by the Commission for the Financial Market in the year 1979, in Circular No. 1529. The revaluation was optional and could be made only once; the originated reserve is not distributable and can only be capitalized.

(3) The balance as of December 31, 2022 corresponds to the loss generated by: Lan Pax Group S.A. e Inversiones Lan S.A. in the acquisition of shares of Aerovías de Integración Regional Aires S.A. for ThUS $ (3,480) and ThUS $ (20), respectively; the acquisition of TAM S.A. of the minority interest in Aerolinhas Brasileiras S.A. for ThUS $ (885), the acquisition of Inversiones Lan S.A. of the minority participation in Aires Integra Regional Airlines S.A. for an amount of ThUS $ (2) and the acquisition of a minority stake in Aerolane S.A. by Lan Pax Group S.A. for an amount of ThUS $ (21,526) through Holdco Ecuador S.A. (3) The loss due to the acquisition of the minority interest of Multiplus S.A. for ThUS $ (184,135) (see Note 1), (4) and the acquisition of a minority interest in LATAM Airlines Perú S.A through LATAM Airlines Group S.A for an amount of ThUS $ (3,225) and acquisition of the minority stake in LAN Argentina S.A. and Inversora Cordillera through Transportes Aéreos del Mercosur S.A. for an amount of ThUS $ (3,383).

(4) The adjustment to the fair value of the Convertible Notes issued in exchange for settlement of Chapter 11 claims was valued considering the discount that each group of liabilities settled on at the emergence date. These relate to: gain on the haircut for the accounts payable and other accounts payable for ThUS$2,550,306 (see note 26d), gain on the haircut for the financial liabilities for ThUS$420,436 (see note 26e) and gain on the haircut of lease liabilities which is booked against the right of use asset for THUS$639,728.

(5) Corresponds to 20% of the sum of the commitment of new funds of the Backstop Parties under the Series I Convertible Bonds and the New Paid Shares, plus additional costs for extension of the Backstop agreement.

(h) Reserves with effect in other comprehensive income.

Movement of Reserves with effect in other comprehensive income:

	Currency translation reserve	Cash flow hedging reserve	Gains (Losses) on change on value of time value of options	Actuarial gain or loss on defined benefit	Total
	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$
Opening balance as of January 1, 2021	(3,790,513)	(60,561)	(380)	(25,985)	(3,877,439)
Change in fair value of hedging instrument recognised in OCI	-	39,602	(23,692)	-	15,910
Reclassified from OCI to profit or loss	-	(16,641)	6,509	-	(10,132)
Deferred tax	-	(58)	-	-	(58)
Actuarial reserves					
by employee benefit plans	-	-	-	10,017	10,017
Deferred tax actuarial IAS					
by employee benefit plans	-	-	-	(2,782)	(2,782)
Translation difference subsidiaries	18,354	(732)	-	-	17,622
Closing balance as of December 31, 2021	(3,772,159)	(38,390)	(17,563)	(18,750)	(3,846,862)
Opening balance as of January 1, 2022	(3,772,159)	(38,390)	(17,563)	(18,750)	(3,846,862)
Change in fair value of hedging instrument recognised in OCI	-	51,323	(23,845)	-	27,478
Reclassified from OCI to profit or loss	-	31,293	19,946	-	51,239
Reclassified from OCI to the value of the hedged asset	-	(8,143)	-	-	(8,143)
Deferred tax	-	(235)	-	-	(235)
Actuarial reserves					
by employee benefit plans	-	-	-	(9,933)	(9,933)
Deferred tax actuarial IAS					
by employee benefit plans	-	-	-	566	566
Translation difference subsidiaries	(33,401)	694	(160)	-	(32,867)
Closing balance as of December 31, 2022	(3,805,560)	36,542	(21,622)	(28,117)	(3,818,757)

(h.1) Cumulative translate difference

These are originated from exchange differences arising from the translation of any investment in foreign entities (or Chilean investments with a functional currency different to that of the parent), and from loans and other instruments in foreign currency designated as hedges for such investments. When the investment (all or part) is sold or disposed and a loss of control occurs, these reserves are shown in the consolidated statement of income as part of the loss or gain on the sale or disposal. If the sale does not involve loss of control, these reserves are transferred to non-controlling interests (h.2) Cash flow hedging reserve

These are originated from the fair value valuation at the end of each period of the outstanding derivative contracts that have been defined as cash flow hedges. When these contracts expire, these reserves should be adjusted, and the corresponding results recognized.

(h.3) Reserves of actuarial gains or losses on defined benefit plans

Correspond to the increase or decrease in the present value obligation for defined benefit plans due to changes in actuarial assumptions, and experience adjustments, which are the effects of differences between the previous actuarial assumptions and the actual events that have occurred.

(i) Retained earnings/(losses)

Movement of Retained earnings/(losses):

Periods	Opening balance	Result for the period	Dividends	Closing balance
	ThUS$	ThUS$	ThUS$	ThUS$
From January 1 to December 31, 2021	(4,193,615)	(4,647,491)	-	(8,841,106)
From January 1 to December 31, 2022	(8,841,106)	1,339,210	-	(7,501,896)

(j) Dividends per share

During the years 2022 and 2021 no dividends have been paid.

NOTE 25 - REVENUE

The detail of revenues is as follows:

	For the year ended December 31,	
	2022	2021
	ThUS$	ThUS$
Passengers	7,636,429	3,342,381
Cargo	1,726,092	1,541,634
Total	9,362,521	4,884,015

NOTE 26 - COSTS AND EXPENSES BY NATURE

(a) Costs and operating expenses

The main operating costs and administrative expenses are detailed below:

	For the year. ended December 31,	
	2022	2021
	ThUS$	ThUS$
Aircraft fuel	(3,882,505)	(1,487,776)
Other rentals and landing fees	(1,036,158)	(755,188)
Aircraft Maintenance	(582,848)	(533,738)
Aircraft rental (*)	(202,845)	(120,630)
Comisions	(167,035)	(89,208)
Passenger services	(184,357)	(77,363)
Other operating expenses	(1,136,490)	(959,427)
Total	(7,192,238)	(4,023,330)

(*) During 2021, the Company amended its Aircraft Lease Contracts to include lease payments based on Power by the Hour (PBH) at the beginning of the contract and fixed-rent payments later on. For these contracts that contain an initial period based on PBH and then a fixed amount, a right of use asset and a lease liability was recognized at the date of modification of the contract. These amounts continue to be amortized over the contract term on a straight-line basis starting from the modification date of the contract. Therefore, as a result of the application of the lease accounting policy, the expenses for the year include both the lease expense for variable payments (Aircraft Rentals) as well as the expenses resulting from the amortization of the right of use assets (included in the Depreciation line included in b) below) and interest from the lease liability (included in Lease Liabilities letter c) below)

	For the year ended December 31,	
	2022	2021
	ThUS$	ThUS$
Payments for leases of low-value assets	(17,959)	(19,793)
Rent concessions recognized directly in profit or	-	-
Total	(17,959)	(19,793)

(b) Depreciation and amortization

Depreciation and amortization are detailed below:

	For the year ended December 31,	
	2022	2021
	ThUS$	ThUS$
Depreciation (*)	(1,125,154)	(1,114,232)
Amortization	(54,358)	(51,162)
Total	(1,179,512)	(1,165,394)

(*) Included within this amount is the depreciation of the Property, plant and equipment (See Note 16 (a)) and the maintenance of the aircraft recognized as right of use assets. The maintenance cost amount included in the depreciation line for the period ended December 31, 2022 is ThUS$ 463,306 (ThUS $ 351,701 for the same period in 2021).

(c) Financial costs

The detail of financial costs is as follows:

	For the year ended December 31,	
	2022	2021
	ThUS$	ThUS$
Bank loan interests	(714,310)	(580,193)
Financial leases	(45,384)	(46,679)
Lease liabilities	(152,132)	(121,147)
Other financial instruments	(30,577)	(57,525)
Total	(942,403)	(805,544)

Costs and expenses by nature presented in this note plus the Employee expenses disclosed in Note 22, are equivalent to the sum of cost of sales, distribution costs, administrative expenses, other expenses and financing costs presented in the consolidated statement of income by function.

(d) Gain (losses) from restructuring activities

Gains (losses) from restructuring activities are detailed below:

	For the year ended December 31,	
	2022	2021
	ThUS$	ThUS$
Renegotiation of fleet contracts	(483,068)	(516,559)
Legal advice	(323,204)	(91,870)
Employee reestructuring plan (*)	(80,407)	(46,938)
Rejection of fleet contracts	-	(1,564,973)
Rejection of IT contracts	(2,586)	(26,368)
Adjustment net realizable value fleet available for sale	-	(73,595)
Gains resulting from the settlement of Chapter 11 claims (**)	2,550,306	-
Others	18,893	(16,879)
Total	1,679,934	(2,337,182)

(*) See note 2.1, c.

(**) See Note 24 (g)

(e) Financial income

Financial income is detailed below:

	For the year ended December 31,	
	2022	2021
	ThUS$	ThUS$
Financial claims (*)	491,326	-
Gains resulting from the settlement of Chapter 11 claims (**)	420,436	-
Finance lease rate change effect	49,824	-
Other miscellaneous income	90,709	21,107
Total	1,052,295	21,107

(*) See Note 34 (a.4.)
(**) See Note 24 (g)

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(f) Other (gains) losses

Other (gains) losses are detailed below:

	For the year ended December 31, 2022 ThUS$	2021 ThUS$
Provision for onerous contract related to purchase commitment	-	44,000
Adjustment net realizable value fleet available for sale	(345,410)	-
Other	(1,667)	(13,326)
Total	(347,077)	30,674

NOTE 27 - OTHER INCOME, BY FUNCTION

Other income, by function is as follows:

	For the year ended December 31, 2022 ThUS$	2021 ThUS$
Tours	24,068	11,209
Aircraft leasing	18,164	6,852
Customs and warehousing	30,323	27,089
Maintenance	7,995	15,602
Income from non-airlines products latam pass	23,954	40,481
Other miscellaneous income (*)	49,782	126,098
Total	154,286	227,331

(*) Included within this amount are ThUS$30,408 in December 2022 and ThUS$118,188 in December 2021 related to the compensation of Delta Air Lines Inc. for the JBA signed in 2019.

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NOTE 28 - FOREIGN CURRENCY AND EXCHANGE RATE DIFFERENCES

The functional currency of LATAM Airlines Group S.A. is the US dollar, LATAM has subsidiaries whose functional currency is different to the US dollar, such as the chilean peso, argentine peso, colombian peso, brazilian real and guaraní.

The functional currency is defined as the currency of the primary economic environment in which an entity operates. For each entity and all othercurrencies are defined as a foreign currency.

Considering the above, the balances by currency mentioned in this note correspond to the sum of foreign currency of each of the entities that are part of the LATAM Airlines Group S.A. and Subsidiaries.

Following are the current exchange rates for the US dollar, on the dates indicated:

	As of December 31, 2022	2021
Argentine peso	177.12	102.75
Brazilian real	5.29	5.57
Chilean peso	855.86	844.69
Colombian peso	4,845.35	4,002.52
Euro	0.93	0.88
Australian dollar	1.47	1.38
Boliviano	6.86	6.86
Mexican peso	19.50	20.53
New Zealand dollar	1.58	1.46
Peruvian Sol	3.81	3.98
Paraguayan Guarani	7,332.2	6,866.4
Uruguayan peso	39.71	44.43

Foreign currency

The foreign currency detail of balances of monetary items in current and non-current assets is as follows:

Current assets	As of December 31, 2022 ThUS$	As of December 31, 2021 ThUS$
Cash and cash equivalents	265,371	262,886
Argentine peso	6,712	6,440
Brazilian real	3,355	9,073
Chilean peso	17,591	9,759
Colombian peso	8,415	4,745
Euro	19,361	7,099
U.S. dollar	168,139	195,264
Other currency	41,798	30,506
Other financial assets, current	14,530	12,728
Argentine peso	3	4
Brazilian real	24	4
Chilean peso	5,778	4,440
Colombian peso	93	111
Euro	2,483	1,720
U.S. dollar	5,709	5,242
Other currency	440	1,207

Current assets	As of December 31, 2022 ThUS$	As of December 31, 2021 ThUS$
Other non - financial assets, current	19,425	34,613
Argentine peso	381	5,715
Brazilian real	2,303	1,488
Chilean peso	3,341	20,074
Colombian peso	544	121
Euro	622	1,936
U.S. dollar	4,369	1,106
Other currency	7,865	4,173
Trade and other accounts receivable, current	127,666	144,367
Argentine peso	25,035	6,850
Brazilian real	10,669	53
Chilean peso	31,258	47,392
Colombian peso	176	455
Euro	12,506	24,548
U.S. dollar	9,584	43,418
Other currency	38,438	21,651
Accounts receivable from related entities, current	138	502
Chilean peso	31	19
U.S. dollar	107	483
Tax current assets	15,623	8,674
Argentine peso	186	322
Brazilian real	669	47
Chilean peso	1,569	681
Colombian peso	1,921	1,618
Euro	68	70
U.S. dollar	2	406
Peruvian sun	10,300	4,450
Other currency	908	1,080
Total current assets	442,753	463,770
Argentine peso	32,317	19,331
Brazilian real	17,020	10,665
Chilean peso	59,568	82,365
Colombian peso	11,149	7,050
Euro	35,040	35,373
U.S. Dollar	187,910	245,919
Other currency	99,749	63,067

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Non-current assets	As of December 31, 2022 ThUS$	As of December 31, 2021 ThUS$
Other financial assets, non-current	13,366	10,700
Brazilian real	3,495	3,326
Chilean peso	69	62
Colombian peso	1,344	231
Euro	4,308	2,384
U.S. dollar	2,050	2,524
Other currency	2,100	2,173
Other non - financial assets, non-current	11,909	12,197
Argentine peso	12	32
Brazilian real	8,082	6,924
U.S. dollar	3,815	5,241
Other currency	-	-
Accounts receivable, non-current	4,526	3,985
Chilean peso	4,526	3,985
Deferred tax assets	2,948	6,720
Colombian peso	2,567	4,717
U.S. dollar	20	10
Other currency	361	1,993
Total non-current assets	32,749	33,602
Argentine peso	12	32
Brazilian real	11,577	10,250
Chilean peso	4,595	4,047
Colombian peso	3,911	4,948
Euro	4,308	2,384
U.S. dollar	5,885	7,775
Other currency	2,461	4,166

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The foreign currency detail of balances of monetary items in current liabilities and non-current is as follows:

	Up to 90 days		91 days to 1 year	
Current liabilities	As of December 31, 2022 ThUS$	As of December 31, 2021 ThUS$	As of December 31, 2022 ThUS$	As of December 31, 2021 ThUS$
Other financial liabilities, current	17,062	179,777	602	177,471
Argentine peso	1	1	-	-
Brazilian real	-	31	-	210
Chilean peso	10,697	135,431	602	159,541
Euro	621	259	-	184
U.S. dollar	5,558	43,919	-	17,460
Other currency	185	136	-	76
Trade and other accounts payables, current	720,688	772,216	20,995	50,319
Argentine peso	45,345	26,523	3,446	2,335
Brazilian real	48,511	31,013	651	653
Chilean peso	146,395	75,860	1,231	44,438
Colombian peso	2,330	1,579	31	1,134
Euro	29,502	45,047	11	887
U.S. dollar	328,540	474,285	2,883	80
Peruvian sol	7,426	2,487	10,886	310
Mexican peso	12,969	11,297	75	29
Pound sterling	37,788	45,473	19	86
Uruguayan peso	1,199	775	1,110	58
Other currency	60,683	57,877	652	309
Accounts payable to related entities, current	-	57	-	-
Chilean peso	-	6	-	-
U.S. dollar	-	51	-	-
Other provisions, current	29	-	11,655	4,980
Chilean peso	-	-	29	25
Other currency	29	-	11,626	4,955

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Current liabilities	Up to 90 days		91 days to 1 year	
	As of December 31, 2022	As of December 31, 2021	As of December 31, 2022	As of December 31, 2021
	ThUS$	ThUS$	ThUS$	ThUS$
Other non-financial liabilities, current	16,315	29,057	9,071	-
Argentine peso	87	1,604	6,563	-
Brazilian real	220	859	11	-
Chilean peso	1,568	1,332	178	-
Colombian peso	294	941	798	-
Euro	546	1,375	173	-
U.S. dollar	12,975	21,174	1,063	-
Other currency	625	1,772	285	-
Total current liabilities	754,095	981,129	42,323	232,770
Argentine peso	45,433	28,128	10,009	2,335
Brazilian real	48,731	31,903	662	863
Chilean peso	158,660	212,629	2,040	204,004
Colombian peso	2,624	2,520	829	1,134
Euro	30,669	46,681	184	1,071
U.S. dollar	347,073	539,429	3,946	17,540
Other currency	120,905	119,839	24,653	5,823

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Non-current liabilities	More than 1 to 3 years		More than 3 to 5 years		More than 5 years	
	As of December 31, 2022	As of December 31, 2021	As of December 31, 2022	As of December 31, 2021	As of December 31, 2022	As of December 31, 2021
	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$
Other financial liabilities, non-current	32,036	33,205	774	15,375	170,437	359,623
Chilean peso	11,544	1,512	774	896	170,437	355,636
Brazillian real	16	86	-	-	-	-
Euro	1,409	135	-	90	-	-
U.S. dollar	18,354	31,413	-	14,389	-	3,987
Other currency	713	59	-	-	-	-
Accounts payable, non-current	58,449	114,097	-	1,451	-	342
Chilean peso	17,259	41,456	-	1,451	-	342
U.S. dollar	39,717	71,339	-	-	-	-
Other currency	1,473	1,302	-	-	-	-
Other provisions, non-current	43,301	49,420	-	-	-	-
Argentine peso	1,917	1,074	-	-	-	-
Brazillian real	37,982	27,532	-	-	-	-
Chilean peso	-	-	-	-	-	-
Colombian peso	202	255	-	-	-	-
Euro	2,944	10,820	-	-	-	-
U.S. dollar	256	9,739	-	-	-	-
Provisions for employees benefits, non-current	55,454	44,816	-	-	-	-
Chilean peso	55,454	44,816	-	-	-	-
Total non-current liabilities	189,240	241,538	774	16,826	170,437	359,965
Argentine peso	1,917	1,074	-	-	-	-
Brazilian real	37,998	27,618	-	-	-	-
Chilean peso	84,257	87,784	774	2,347	170,437	355,978
Colombian peso	202	255	-	-	-	-
Euro	4,353	10,955	-	90	-	-
U.S. dollar	58,327	112,491	-	14,389	-	3,987
Other currency	2,186	1,361	-	-	-	-

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General summary of foreign currency:	As of December 31, 2022 ThUS$	As of December 31, 2021 ThUS$
Total assets	475,502	497,372
Argentine peso	32,329	19,363
Brazilian real	28,597	20,915
Chilean peso	64,163	86,412
Colombian peso	15,060	11,998
Euro	39,348	37,757
U.S. dollar	193,795	253,694
Other currency	102,210	67,233
Total liabilities	1,156,869	1,832,228
Argentine peso	57,359	31,537
Brazilian real	87,391	60,384
Chilean peso	416,168	862,742
Colombian peso	3,655	3,909
Euro	35,206	58,797
U.S. dollar	409,346	687,836
Other currency	147,744	127,023
Net position		
Argentine peso	(25,030)	(12,174)
Brazilian real	(58,794)	(39,469)
Chilean peso	(352,005)	(776,330)
Colombian peso	11,405	8,089
Euro	4,142	(21,040)
U.S. dollar	(215,551)	(434,142)
Other currency	(45,534)	(59,790)

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NOTE 29 – EARNINGS (LOSS) PER SHARE

Basic earnings (loss) per share	For the year ended December 31, 2022		2021
Income (Loss) attributable to owners of the parent (ThUS$)	1,339,210		(4,647,491)
Weighted average number of shares, basic	96,614,464,231	(*)	606,407,693
Basic earnings (loss) per share (US$)	0.013861		(7.66397)

Diluted earnings (loss) per share	For the year ended December 31, 2022		2021
Income (Loss) attributable to owners of the parent (ThUS$)	1,339,210	(***)	(4,647,491)
Weighted average number of shares, diluted	98,530,451,071	(**)	606,407,693
Weighted average number of shares, diluted (2)	98,530,451,071		606,407,693
Diluted earnings (loss) per share (US$)	0.013592		(7.66397)

(*) As of December 31, 2022, the weighted average number of shares considers 606,407,693 shares outstanding from January 1, 2022 until November 2, 2022. From November 3, 2022 until December 31, 2022 the number of shares outstanding increases due to the equity rights offering and then increases daily as the holders of the convertible notes convert them into shares (See movement of shares in Note 24).

(**) As of December 31, 2022, the weighted average number of fully diluted shares considers 606,407,693 shares outstanding from January 1, 2022 until November 2, 2022, and 605,801,285,307 shares outstanding from November 3, 2022 until December 31, 2022 which includes the equity rights offering and assumes the conversion of all convertible notes that were issued upon emergence from Chapter 11 (See movement of shares in Note 24).

(***) Profit (Loss) attributable to holders of equity instruments of the parent company is unchanged when calculating diluted EPS because only Convertible Note H accrued interest. However, this Note was converted into shares immediately after issuance and therefore did not accrue interest during the year.

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NOTE 30 – CONTINGENCIES

I. Lawsuits

1) Lawsuits filed by LATAM Airlines Group S.A. and Subsidiaries

Company	Court	Case Number	Origin	Stage of trial	Amounts Committed (*) ThUS$
LATAM Airlines Group S.A., Aerovías de Integración Regional S.A., LATAM Airlines Perú S.A., Latam-Airlines Ecuador S.A., LAN Cargo S.A., TAM Linhas Aereas S.A. and 32 affiliates	United States Bankruptcy Court for the Southern District of New York	Case No. 20-11254	LATAM Airlines Group S.A., Aerovías de Integración Regional S.A., LATAM Airlines Peru S.A., LATAM Airlines Ecuador S.A., LAN Cargo S.A., TAM Linhas Aereas S.A. and 32 subsidiaries began a reorganization in the United States of America according to Chapter 11 of Title 11 of the U.S. Code. They filed a voluntary petition for Chapter 11 protection (the “Chapter 11 Procedure”) that granted an automatic foreclosure suspension for at least 180 days.	On May 26, 2020, LATAM Airlines Group S.A. and 28 subsidiaries (the “Initial Debtors”) individually filed a voluntary reorganization petition with U.S. Bankruptcy Court for the Southern District of New York according to Chapter 11 of the U.S. Bankruptcy Code. On July 7 and 9, 2020, 9 additional affiliated debtors (the “Subsequent Debtors,” and together with the Initial Debtors, the “Debtors”), including TAM Linhas Aereas S.A., filed a voluntary reorganization petition with the Court according to Chapter 11 of the U.S. Bankruptcy Code. On November 26, 2021, the Debtors submitted a joint reorganization plan together with an informational statement. On May 11, 2022, the Debtors submitted a revised version of the Plan. On June 18, 2022, the Bankruptcy Court issued an order confirming the Reorganization Plan filed by the Debtors (the “Confirmation Order”). On July 5, 2022, a Special Shareholders Meeting of LATAM approved implementing the Restructuring Plan and issuing the required instruments to be able to exit the Chapter 11 Procedure. On November 3, 2022, LATAM Airlines Group S.A. and its various subsidiaries (the “Debtors”) that were parties to the Chapter 11 Procedure exited that Procedure. The effective date of the exit (the “Effective Date”) of LATAM’s reorganization and financing plan (the “Reorganization Plan”) was approved and confirmed in the U.S. reorganization procedure (the “Chapter 11 Procedure”) according to the rules of Chapter 11 in Title 11 of the U.S. Code. On November 17, 2022, the 37 subsidiaries of LATAM Airlines Group S.A. filed a petition to close the Chapter 11 Proceeding. On December 14, 2022, the Bankruptcy Court approved the petition. The process remains open with respect to LATAM Airlines Group S.A. Limited claims pending in the Chapter 11 proceedings continue to be reconciled.	-0-

Company	Court	Case Number	Origin	Stage of trial	Amounts Committed (*) ThUS$
LATAM Airlines Group S.A.	2° Juzgado Civil de Santiago	C-8553-2020	Request for recognition of the foreign reorganization proceeding.	On June 1, 2020, LATAM Airlines Group SA, in its capacity as foreign representative of the reorganization procedure under the rules of Chapter 11 of Title 11 of the United States Code, filed the request for recognition of the foreign reorganization proceeding as the main proceeding, pursuant to Law 20,720. On June 4, 2020, the Court issued the ruling recognizing in Chile the bankruptcy proceeding for the foreign reorganization of the company LATAM Airlines Group S.A. All remedies filed against the decision have been dismissed, so the decision is final. Considering that November 3, 2022 was the Effective Date of the reorganization plan approved and confirmed in the main proceeding, on November 10, 2022, the representative of the foreign proceeding submitted to the court his last monthly report in accordance with the Communications Protocol Cross-border.	-0-
Aerovías de Integración Regional S.A.	Superintendencia de Sociedades	-	Request for recognition of the foreign reorganization proceeding.	On June 4, 2020, LATAM Airlines Group and the companies that were admitted to the Chapter 11 reorganization procedure (the “Borrower”) before the U.S. District Court for the Southern District of New York (the “U.S. Bankruptcy Court”) filed a petition with the Colombian Companies Commission (the “Companies Commission”) for recognition of the Chapter 11 reorganization procedure in Colombia based on Colombian cross-border insolvency regulations (Title III of Law 1116 of 2006). On June 12, 2020, the Superintendency of Companies recognized in Colombia the reorganization proceeding filed before the Bankruptcy Court of the United States of America for the Southern District of New York as a main process, under the terms of Title III of Law 1116 of 2006. On August 26, 2022, the Companies Commission (i) recognized the Bankruptcy Court’s June 24, 2022 order approving 8 exit financing strategies presented by LATAM Airlines Group S.A. and its subsidiary, Aerovías de Integración Regional S.A., and (ii) authorized the termination of the guarantees granted in the DIP loan and the establishment of the new guarantees. On November 3, 2022, the Borrowers notified the U.S. Bankruptcy Court, lenders and stakeholders of the Reorganization Plan effective date.	-0-

Company	Court	Case Number	Origin	Stage of trial	Amounts Committed (*) ThUS$
LATAM Finance Limited	Grand Court of the Cayman Islands	-	Request for a provisional bankruptcy process.	On May 26, 2020, LATAM Finance Limited submitted a request for a provisional liquidation in the Grand Court of the Cayman Islands, covered in the reorganization proceeding filed before the Bankruptcy Court of the United States of America, which was accepted on May 27, 2020 by the Grand Court of the Cayman Islands. On September 28, 2020, LATAM Finance Limited filed a petition to suspend the liquidation. On October 9, 2020, the Grand Court of Cayman Islands accepted the petition and extended the status of temporary liquidation for a period of 6 months. The lawsuit continues to be active. On May 13, 2021, LATAM Finance Limited filed a petition to suspend the liquidation. On May 18, 2021, the Grand Court of Cayman Islands accepted the petition and extended the status of temporary liquidation until October 9, 2021. The lawsuit continues to be active. On December 1, 2021, LATAM Finance Limited filed a petition to suspend the liquidation, which was accepted by the Grand Court of Cayman Islands. This extended the status of the provisional liquidation through April 9, 2022. The procedure continues. On August 22, 2022, LATAM Finance Limited petitioned for a suspension of the liquidation, which was granted by the Grand Court of the Cayman Islands. The provisional liquidation was extended to October 9, 2022 and the process continues in effect. That petition was sustained by the Grand Court of the Cayman Islands on October 4, 2022. On September 30, 2022, LATAM Finance Limited filed an application for validation of security obligations arising in connection with the DIP to Exit and new DIP facilities. On October 04, 2022, the Grand Court made an Order validating such application. Currently the proceeding remains open.	-0-
Peuco Finance Limited	Grand Court of the Cayman Islands	-	Request for a provisional bankruptcy process.	Peuco Finance Limited submitted a request for a provisional liquidation in Grand Court of the Cayman Islands, covered in the reorganization proceeding filed before the Bankruptcy Court of the United States of America, which was accepted on May 27, 2020 by the Grand Court of the Cayman Islands. On September 28, 2020, Peuco Finance Limited filed a petition to suspend the liquidation. On October 9, 2020, the Grand Court of Cayman Islands accepted the petition and extended the status of temporary liquidation for a period of 6 months. The lawsuit continues to be active. On May 13, 2021, Peuco Finance Limited filed a petition to suspend the liquidation. On May 18, 2021, the Grand Court of Cayman Islands accepted the petition and extended the status of temporary liquidation until October 9, 2021. The lawsuit continues to be active. On December 1, 2021, Peuco Finance Limited filed a petition to suspend the liquidation, which was accepted by the Grand Court of Cayman Islands. This extended the status of the provisional liquidation through April 9, 2022. The procedure continues. On August 22, 2022, Peuco Finance Limited petitioned for a suspension of the liquidation, which was granted by the Grand Court of the Cayman Islands. The provisional liquidation was extended to October 9, 2022 and the process continues in effect. That petition was sustained by the Grand Court of the Cayman Islands on October 4, 2022. On September 30, 2022, Peuco Finance Limited filed an application for validation of security obligations arising in connection with the DIP to Exit and new DIP facilities. On October 04, 2022, the Grand Court made an Order validating such application. Currently the proceeding remains open.	-0-

Company	Court	Case Number	Origin	Stage of trial	Amounts Committed (*) ThUS$
Piquero Leasing Limited	Grand Court of the Cayman Islands	-	Request for a provisional bankruptcy process.	On July 07, 2020, Piquero Leasing Limited submitted a request for a provisional liquidation in Grand Court of the Cayman Islands, covered in the reorganization proceeding filed before the Bankruptcy Court of the United States of America, which was accepted on July 10, 2020, by the Grand Court of the Cayman Islands. Piquero Leasing Limited entered a motion to suspend the liquidation on September 28, 2020. The Grand Court of the Cayman Islands granted the motion and extended the provisional liquidation status for 6 months. The procedure continues. On May 13, 2021, Piquero Leasing Limited filed a petition to suspend the liquidation. On May 18, 2021, the Grand Court of Cayman Islands accepted the petition and extended the status of temporary liquidation until October 9, 2021. The lawsuit continues to be active. On December 1, 2021, Piquero Leasing Limited filed a petition to suspend the liquidation, which was accepted by the Grand Court of Cayman Islands. This extended the status of the provisional liquidation through April 9, 2022. The procedure continues. On August 22, 2022, Piquero Leasing Limited petitioned for a suspension of the liquidation, which was granted by the Grand Court of the Cayman Islands. The provisional liquidation was extended to October 9, 2022 and the process continues in effect. Currently the proceeding remains open.	-0-

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2) Lawsuits received by LATAM Airlines Group S.A. and Subsidiaries.

Company	Court	Case Number	Origin	Stage of trial	Amounts Committed (*) ThUS$
LATAM Airlines Group S.A. y Lan Cargo S.A.	European Commission.		Investigation of alleged infringements to free competition of cargo airlines, especially fuel surcharge. On December 26th, 2007, the General Directorate for Competition of the European Commission notified Lan Cargo S.A. and LATAM Airlines Group S.A. the instruction process against twenty five cargo airlines, including Lan Cargo S.A., for alleged breaches of competition in the air cargo market in Europe, especially the alleged fixed fuel surcharge and freight.	On April 14th, 2008, the notification of the European Commission was replied. The appeal was filed on January 24, 2011. On May 11, 2015, we attended a hearing at which we petitioned for the vacation of the Decision based on discrepancies in the Decision between the operating section, which mentions four infringements (depending on the routes involved) but refers to Lan in only one of those four routes; and the ruling section (which mentions one single conjoint infraction). On November 9th, 2010, the General Directorate for Competition of the European Commission notified Lan Cargo S.A. and LATAM Airlines Group S.A. the imposition of a fine in the amount of THUS$8,797 (8.220.000 Euros) This fine is being appealed by Lan Cargo S.A. and LATAM Airlines Group S.A. On December 16, 2015, the European Court of Justice revoked the Commission's decision because of discrepancies. The European Commission did not appeal the decision, but presented a new one on March 17, 2017 reiterating the imposition of the same fine on the eleven original airlines. The fine totals 776,465,000 Euros. It imposed the same fine as before on Lan Cargo and its parent, LATAM Airlines Group S.A., totaling 8.2 million Euros. On May 31, 2017 Lan Cargo S.A. and LATAM Airlines Group S.A. filed a petition with the General Court of the European Union seeking vacation of this decision. We presented our defense in December 2017. On July 12, 2019, we attended a hearing before the European Court of Justice to confirm our petition for vacation of judgment or otherwise, a reduction in the amount of the fine. On March 30, 2022, the European Court issued its ruling and lowered the amount of our fine from KUS$8,797 (8,220,000 Euros) to KUS$2,397 (2,240,000 Euros). This ruling was appealed by LAN Cargo S.A. and LATAM on June 9, 2022. The other eleven airlines also appealed the ruling affecting them. The European Commission responded to our appeal of September 7, 2022. Lan Cargo S.A. and LATAM answered the Commission's arguments on November 11, 2022. The European Commission has until January 24, 2023 to reply to our defense. On December 17, 2020, the European Commission had presentaded proof of claim for the total amount of the fine (ThUS$8,797 (€8,220,000)) to the New York Court hearing the Chapter 11 procedure petitioned by LATAM Airlines Group, S.A. and LAN Cargo, S.A. in May 2020. The amount of this claim has been modified subject to the possible appeal of the ruling of the European Court.	2,397

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Company	Court	Case Number	Origin	Stage of trial	Amounts Committed (*) ThUS$
Lan Cargo S.A. y LATAM Airlines Group S.A.	In the Ovre Romerike District Court (Norway) y Directie Juridische Zaken Afdeling Ceveil Recht (Netherlands)		Lawsuits filed against European airlines by users of freight services in private lawsuits as a result of the investigation into alleged breaches of competition of cargo airlines, especially fuel surcharge. Lan Cargo S.A. and LATAM Airlines Group S.A., have been sued in court proceedings directly and/or in third party, based in England, Norway, the Netherlands and Germany, these claims were filed in England, Norway, the Netherlands and Germany, but are only ongoing in Norway and the Netherlands.	The two proceedings still pending in Norway and the Netherlands are in the evidentiary stages. There has been no activity in Norway since January 2014 and in the Netherlands, since February 2021. The amounts are indeterminate.	-0-
Aerolinhas Brasileiras S.A.	Federal Justice.	0008285-53.2015.403.6105	An action seeking to quash a decision and petioning for early protection in order to obgain a revocation of the penalty imposed by the Brazilian Competition Authority (CADE) in the investigation of cargo airlines alleged fair trade violations, in particular the fuel surcharge.	This action was filed by presenting a guaranty – policy – in order to suspend the effects of the CADE's decision regarding the payment of the following fines: (i) ABSA: ThUS$10,438; (ii) Norberto Jochmann: ThUS$201; (iii) Hernan Merino: ThUS$ 102; (iv) Felipe Meyer:ThUS$ 102. The action also deals with the affirmative obligation required by the CADE consisting of the duty to publish the condemnation in a widely circulating newspaper. This obligation had also been stayed by the court of federal justice in this process. Awaiting CADE's statement. ABSA began a judicial review in search of an additional reduction in the fine amount. The Judge's decision was published on March 12, 2019, and we filed an appeal against it on March 13, 2019	9,847
Aerolinhas Brasileiras S.A.	Federal Justice.	0001872-58.2014.4.03.6105	An annulment action with a motion for preliminary injunction, was filed on 28/02/2014, in order to cancel tax debts of PIS, CONFINS, IPI and II, connected with the administrative process 10831.005704/2006.43	We have been waiting since August 21, 2015 for a statement by Serasa on TAM's letter of indemnity and a statement by the Union. The statement was authenticated on January 29, 2016. A new insurance policy was submitted on March 30, 2016 with the change to the guarantee requested by PGFN. On 05/20/2016 the process was sent to PGFN, which was manifested on 06/03/2016. The Decision denied the company's request in the lawsuit. The court (TRF3) made a decision to eliminate part of the debt and keep the other part (already owed by the Company, but which it has to pay only at the end of the process: KUS$3,478– R$18.148.281,61- probable). We must await a decision on the Treasury appeal.	7,822

Company	Court	Case Number	Origin	Stage of trial	Amounts Committed (*) ThUS$
Tam Linhas Aéreas S.A.	Court of the Second Region.	2001.51.01.012530-0 (linked to the procces 19515.721154/2014-71, 19515.002963/2009-12)	Ordinary judicial action brought for the purpose of declaring the nonexistence of legal relationship obligating the company to collect the Air Fund.	Unfavorable court decision in first instance. Currently expecting the ruling on the appeal filed by the company. In order to suspend chargeability of Tax Credit a Guaranty Deposit to the Court was delivered for R$ 260.223.373,10-original amount in 2012/2013, which currently equals THUS$73,986. The court decision requesting that the Expert make all clarifications requested by the parties in a period of 30 days was published on March 29, 2016. The plaintiffs' submitted a petition on June 21, 2016 requesting acceptance of the opinion of their consultant and an urgent ruling on the dispute. No amount additional to the deposit that has already been made is required if this case is lost.	73,986
Tam Linhas Aéreas S.A.	Internal Revenue Service of Brazil.	10880.725950/2011-05	Compensation credits of the Social Integration Program (PIS) and Contribution for Social Security Financing (COFINS) Declared on DCOMPs.	The objection (manifestação de inconformidade) filed by the company was rejected, which is why the voluntary appeal was filed. The case was assigned to the 1st Ordinary Group of Brazil's Administrative Council of Tax Appeals (CARF) on June 8, 2015. TAM's appeal was included in the CARF session held August 25, 2016. An agreement that converted the proceedings into a formal case was published on October 7, 2016. The amount has been reduced after some set-offs were approved by the Department of Federal Revenue of Brazil. We must wait until the due diligence is complete.	32,989

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Company	Court	Case Number	Origin	Stage of trial	Amounts Committed (*) ThUS$
Aerovías de Integración Regional, AIRES S.A.	United States Court of Appeals for the Eleventh Circuit, Florida, U.S.A. 45th Civil Court of the Bogota Circuit in Colombia.	2013-20319 CA 01	The July 30th, 2012 Aerovías de Integración Regional, Aires S.A. (LATAM AIRLINES COLOMBIA) initiated a legal process in Colombia against Regional One INC and Volvo Aero Services LLC, to declare that these companies are civilly liable for moral and material damages caused to LATAM AIRLINES COLOMBIA arising from breach of contractual obligations of the aircraft HK-4107. The June 20th, 2013 AIRES SA And / Or LATAM AIRLINES COLOMBIA was notified of the lawsuit filed in U.S. for Regional One INC and Dash 224 LLC for damages caused by the aircraft HK-4107 arguing failure of LATAM AIRLINES GROUP S.A. customs duty to obtain import declaration when the aircraft in April 2010 entered Colombia for maintenance required by Regional One.	Colombia. This case is being heard by the 45th Civil Court of the Bogota Circuit in Colombia. Statements were taken from witnesses presented by REGIONAL ONE and VAS on February 12, 2018. The court received the expert opinions requested by REGIONAL ONE and VAS and given their petition, it asked the experts to expand upon their opinions. It also changed the experts requested by LATAM AIRLINES COLOMBIA. The case was brought before the Court on September 10, 2018 and these rulings are pending processing so that a new hearing can be scheduled. On October 31, 2018, the judge postponed the deadline for the parties to answer the objection because of a serious error brought to light by VAS regarding the translation submitted by the expert. The process has been in the judge's chambers since March 11, 2019 to decide on replacing the damage estimation expert as requested by LATAM AIRLINES COLOMBIA. The one previously appointed did not take office. A petition has also been made by VAS objecting to the translation of the documents in English into Spanish due to serious mistakes, which was served to the parties in October 2018. The 45th Civil Circuit Court issued an order on August 13, 2019 that did not decide on the pending matters but rather voided all actions since September 14, 2018 and ordered the case to be referred to the 46th Civil Circuit Court according to article 121 of the General Code of Procedure. Said article says that court decisions must be rendered in no more than one (1) year as from the service of the court order admitting the claim. If that period expires without any ruling being issued, the Judge will automatically forfeit competence over the proceedings and must give the Administrative Room of the Superior Council of the Judiciary notice of that fact the next day, in addition to referring the case file to the next sitting judge in line, who will have competence and will issue a ruling in no more than 6 months. The case was sent to the 46th Civil Circuit Court on September 4, 2019, which claims that there was a competence conflict and then sent the case to the Superior Court of Bogotá to decide which court, the 45th or 46th, had to continue with the case. The Court decided that 45th Civil Circuit Court should continue with the case, so this Court on 01/15/2020 has reactivated the procedural process ordering the transfer to the parties of the objection presented by VAS for serious error of the translation to Spanish of documents provided in English. On 02/24/2020 it declares that the parties did not rule on the objection presented by VAS and requires the plaintiff to submit an expert opinion of damages corresponding to the claims of the lawsuit through its channel. Since 03/16/20 a suspension of terms is filed in Courts due to the pandemic. Judicial terms were reactivated on July 1, 2020. On September 18, 2020, an expert opinion on damages was submitted that had been requested by the Court. The Court ordered service of the ruling to the parties on December 14, 2020. The defendants, REGIONAL ONE and VAS, filed a motion for reconsideration of this decision, petitioning that the evidence of the expert opinion be eliminated because it was presented late. The motion was denied by the Court. On April 30, 2021, they petitioned for a clarification and supplement to the opinion, to which the Court agreed in a decision on May 19, 2021, giving the expert 10 business days to respond. The brief of clarification was filed June 2, 2021 and the docket was presented to the Judge on June 3, 2021. The parties were given notice of the objection on July 21, 2021 based on a serious mistake in the opinion presented by Regional One. The case entered the judgment phase on August 5, 2021. On October 7, 2021, the Court set a date for the instruction and judgment hearing, which will be February 3, 2022. Regional One, the defendant, filed a petition for reconsideration on October 13, 2021 that had not been decided on the date of this report. The claim was withdrawn on January 11, 2022 because the matter had been settled before the Bankruptcy Court hearing the Chapter 11 claim. The Court decreed the end of the proceedings because the claims were withdrawn in a ruling issued January 19, 2022. On January 21, 2022, VAS submitted a remedy of reconsideration and, alternatively, an appeal against the interim decision because it did not order costs to be paid to it. The parties were given notice to present a response between February 2 and 4, 2022. The proceedings continue with the judge while they decide on costs. These costs will not be	-0-

Florida. On June 4, 2019, the State Court of Florida allowed REGIONAL ONE to add a new claim against LATAM AIRLINES COLOMBIA for default on a verbal contract. Given the new claim, LATAM AIRLINES COLOMBIA petitioned that the Court postpone the trial to August 2019 to have the time to investigate the facts alleged by REGIONAL ONE to prove a verbal contract. The facts discovery phase continued, including the verbal statements of the experts of both sides, which have been taking place since March 2020. Given the Covid-19 pandemic and the suspension of trials in the County of Miami-Dade, the Court canceled the trial scheduled for June 2020. In addition, the claims against Aires have been suspended given the request for reorganization filed by LATAM AIRLINES GROUP SA and some of its subsidiaries, including Aires, on May 26, 2020, under Chapter 11 of the United States Bankruptcy Code. Dash, Regional One and VAS filed unsecured claims with the U.S. Bankruptcy Court by the deadline that creditors have according to Chapter 11. On October 18, 2021, Regional One, Dash and LATAM AIRLINES COLOMBIA participated in a third mediation where they agreed on the terms of a global settlement. On December 16, 2021, the Bankruptcy Court for the Southern District of New York approved the global agreement and release. Therefore, Dash and Regional withdrew their claims against Aires in Florida on December 21, 2021. VAS and Regional One informed the Court of a settlement agreement between them. VAS has informally presented a modified Chapter 11 claim to LATAM AIRLINES COLOMBIA in the intent to claim an indemnity of USD$1,197,539. LATAM AIRLINES COLOMBIA has not yet responded. VAS withdrew the damage indemnity claim against LATAM Airlines Colombia.

Company	Court	Case Number	Origin	Stage of trial	Amounts Committed (*) ThUS$
Tam Linhas Aéreas S.A.	Internal Revenue Service of Brazil	10880.722.355/2014-52	On August 19th, 2014 the Federal Tax Service issued a notice of violation stating that compensation credits Program (PIS) and the Contribution for the Financing of Social Security COFINS by TAM are not directly related to the activity of air transport.	An administrative objection was filed on September 17th, 2014. A first-instance ruling was rendered on June 1, 2016 that was partially favorable. The separate fine was revoked. A voluntary appeal was filed on June 30, 2016, which is pending a decision by CARF. On September 9, 2016, the case was referred to the Second Division, Fourth Chamber, of the Third Section of the Administrative Council of Tax Appeals (CARF). In September 2019, the Court rejected the appeal of the Hacienda Nacional. Hacienda Nacional filed a complaint that was denied by the Court. The final calculations of the Federal Income Tax Bureau are pending.	10,095
LATAM Airlines Group S.A.	22° Civil Court of Santiago	C-29.945-2016	The Company received notice of a civil liability claim by Inversiones Ranco Tres S.A. on January 18, 2017. It is represented by Mr. Jorge Enrique Said Yarur. It was filed against LATAM Airlines Group S.A. for an alleged contractual default by the Company and against Ramon Eblen Kadiz, Jorge Awad Mehech, Juan Jose Cueto Plaza, Enrique Cueto Plaza and Ignacio Cueto Plaza, directors and officers, for alleged breaches of their duties. In the case of Juan Jose Cueto Plaza, Enrique Cueto Plaza and Ignacio Cueto Plaza, it alleges a breach, as controllers of the Company, of their duties under the incorporation agreement. LATAM has retained legal counsel specializing in this area to defend it.	The claim was answered on March 22, 2017 and the plaintiff filed its replication on April 4, 2017. LATAM filed its rejoinder on April 13, 2017, which concluded the argument stage of the lawsuit. A reconciliation hearing was held on May 2, 2017, but the parties did not reach an agreement. The Court issued the evidentiary decree on May 12, 2017. We filed a petition for reconsideration because we disagreed with certain points of evidence. That petition was partially sustained by the Court on June 27, 2017. The evidentiary stage commenced and then concluded on July 20, 2017. Observations to the evidence must now be presented. That period expires August 1, 2017. We filed our observations to the evidence on August 1, 2017. We were served the decision on December 13, 2017 that dismissed the claim since LATAM was in no way liable. The plaintiff filed an appeal on December 26, 2017. Arguments were pled before the Santiago Court of Appeals on April 23, 2019, and on April 30, 2019, this Court confirmed the ruling of the trial court absolving LATAM. The losing party was ordered to pay costs in both cases. On May 18, 2019, Inversiones Ranco Tres S.A. filed a remedy of vacation of judgment based on technicalities and on substance against the Appellate Court decision. The Appellate Court admitted both appeals on May 29, 2019 and the appeals are pending a hearing by the Supreme Court. On August 11, 2021 Inversiones Ranco Tres S.A. requested the suspension of the hearing of the Appeal, after the recognition by the 2nd Civil Court of Santiago of the foreign reorganization procedure in accordance with Law No. 20,720, for the entire period that said procedure lasts, a request that was accepted by the Supreme Court. In December 2022 LATAM requested the end of the suspension.	15,488

Company	Court	Case Number	Origin	Stage of trial	Amounts Committed (*) ThUS$
TAM Linhas Aéreas S.A.	10th Jurisdiction of Federal Tax Enforcement of Sao Paulo	0061196-68.2016.4.03.6182	Tax Enforcement Lien No. 0020869-47.2017.4.03.6182 on Profit-Based Social Contributions from 2004 to 2007.	This tax enforcement was referred to the 10th Federal Jurisdiction on February 16, 2017. A petition reporting our request to submit collateral was recorded on April 18, 2017. At this time, the period is pending for the plaintiff to respond to our petition. The bond was replaced. The evidentiary stage has begun.	30,811
TAM Linhas Aéreas S.A.	Department of Federal Revenue of Brazil	5002912.29.2019.4.03.6100	A lawsuit disputing the debit in the administrative proceeding 16643.000085/2009-47, reported in previous notes, consisting of a notice demanding recovery of the Income and Social Assessment Tax on the net profit (SCL) resulting from the itemization of royalties and use of the TAM trademark	The lawsuit was assigned on February 28, 2019. A decision was rendered on March 1, 2019 stating that no guarantee was required. Actualmente, debemos esperar la decisión final. On 04/06/2020 TAM Linhas Aéreas S.A. had a favorable decision (sentence). The National Treasury can appeal. Today, we await the final decision.	9,071
TAM Linhas Aéreas S.A	Delegacía de Receita Federal	10611.720630/2017-16	This is an administrative claim about a fine for the incorrectness of an import declaration.	The administrative defensive arguments were presented September 28, 2017. The Court dismissed the Company's appeal in August 2019. Then on September 17, 2019, Company filed a special appeal (CRSF (Higher Tax Appeals Chamber)) that is pending a decision. A hearing will be held on October 19, 2022. A new decision was rendered against the company and the discussion at the administrative level ended. The debt will be disputed in a claim to be filed in January 2023.	18,307
TAM Linhas Aéreas S.A	Delegacía de Receita Federal	10611.720852/2016-58	An improper charge of the Contribution for the Financing of Social Security (COFINS) on an import	We are currently awaiting a decision. There is no predictable decision date because it depends on the court of the government agency.	13,023
TAM Linhas Aéreas S.A	Delegacía de Receita Federal	16692.721.933/2017-80	The Internal Revenue Service of Brazil issued a notice of violation because TAM applied for credits offsetting the contributions for the Social Integration Program (PIS) and the Social Security Funding Contribution (COFINS) that do not bear a direct relationship to air transport (Referring to 2012).	An administrative defense was presented on May 29, 2018. The process has become a judicial proceeding.	26,580
SNEA (Sindicato Nacional das empresas aeroviárias)	União Federal	0012177-54.2016.4.01.3400	A claim against the 72% increase in airport control fees (TAT-ADR) and approach control fees (TAT-APP) charged by the Airspace Control Department ("DECEA").	A decision is now pending on the appeal presented by SNEA.	83,636
TAM Linhas Aéreas S/A	União Federal	2001.51.01.020420-0	TAM and other airlines filed a recourse claim seeking a finding that there is no legal or tax basis to be released from collecting the Additional Airport Fee ("ATAERO").	A decision by the superior court is pending. The amount is indeterminate because even though TAM is the plaintiff, if the ruling is against it, it could be ordered to pay a fee.	-0-
TAM Linhas Aéreas S/A	Delegacia da Receita Federal	10880-900.424/2018-07	This is a claim for a negative Legal Entity Income Tax (IRPJ) balance for the 2014 calendar year (2015 fiscal year) because set-offs were not allowed.	The administrative defensive arguments were presented March 19, 2018. A decision in favor of the company was rendered on October 22, 2022. The process was archived in favor of the company.	13,661
TAM Linhas Aéreas S/A	Department of Federal Revenue of Brazil	19515-720.823/2018-11	An administrative claim to collect alleged differences in SAT payments for the periods 11/2013 to 12/2017.	A defense was presented on November 28, 2018. The Court dismissed the Company's appeal in August 2019. Then on September 17, 2019, Company filed a voluntary appeal (CRSF (Administrative Tax Appeals Board)) that is pending a decision.	106,331

Company	Court	Case Number	Origin	Stage of trial	Amounts Committed (*) ThUS$
TAM Linhas Aéreas S/A	Department of Federal Revenue of Brazil	10880.938832/2013-19	The decision denied the reallocation petition and did not equate the Social Security Tax (COFINS) credit declarations for the second quarter of 2011, which were determined to be in the non-cumulative system	An administrative defense was argued on March 19, 2019. The Court dismissed the Company's defense in December 2020. The Company filed a voluntary appeal to the Brazilian Administrative Council of Tax Appeals (CARF) that is pending a decision.	19,632
TAM Linhas Aéreas S/A	Department of Federal Revenue of Brazil	10880.938834/2013-16	The decision denied the reallocation petition and did not equate the Social Security Tax (COFINS) credit declarations for the third quarter of 2011, which were determined to be in the non-cumulative system.	An administrative defense was argued on March 19, 2019. The Court dismissed the Company's defense in December 2020. The Company filed a voluntary appeal to the Brazilian Administrative Council of Tax Appeals (CARF) that is pending a decision.	14,586
TAM Linhas Aéreas S/A	Department of Federal Revenue of Brazil	10880.938837/2013-41	The decision denied the reallocation petition and did not equate the Social Security Tax (COFINS) credit declarations for the fourth quarter of 2011, which were determined to be in the non-cumulative system.	An administrative defense was argued on March 19, 2019. The Court dismissed the Company's defense in December 2020. The Company filed a voluntary appeal to the Brazilian Administrative Council of Tax Appeals (CARF) that is pending a decision.	18,989
TAM Linhas Aéreas S/A	Department of Federal Revenue of Brazil	10880.938838/2013-96	The decision denied the reallocation petition and did not equate the Social Security Tax (COFINS) credit declarations for the first quarter of 2012, which were determined to be in the non-cumulative system.	We presented our administrative defense. The Court dismissed the Company's defense in December 2020. The Company filed a voluntary appeal to the Brazilian Administrative Council of Tax Appeals (CARF) that is pending a decision.	12,162
LATAM Airlines Group Argentina, Brasil, Perú, Ecuador, y TAM Mercosur.	Commercial and Civil Trial Court No. 11 of Buenos Aires.	1408/2017	Consumidores Libres Coop. Ltda. filed this claim on March 14, 2017 regarding a provision of services. It petitioned for the reimbursement of certain fees or the difference in fees charged for passengers who purchased a ticket in the last 10 years but did not use it.	Federal Commercial and Civil Trial Court No. 11 in the city of Buenos Aires. After two years of arguments on jurisdiction and competence, the claim was assigned to this court and an answer was filed on March 19, 2019. The Court ruled in favor of the defendants on March 26, 2021, denying the precautionary measure petitioned by the plaintiff. The evidentiary stage has not yet begun in this case.	-0-
TAM Linhas Aéreas S.A	Department of Federal Revenue of Brazil	10.880.938842/2013-54	The decision denied the petition for reassignment and did not equate the COFINS credit statements for the third quarter of 2012 that had been determined to be in the non-accumulative system.	We presented our administrative defense._The Court dismissed the Company's defense in December 2020. The Company filed a voluntary appeal to the Brazilian Administrative Council of Tax Appeals (CARF) that is pending a decision.	14,047
TAM Linhas Aéreas S.A	Department of Federal Revenue of Brazil	10.880.93844/2013-43	The decision denied the petition for reassignment and did not equate the COFINS credit statements for the third quarter of 2012 that had been determined to be in the non-accumulative system.	We presented our administrative defense._The Court dismissed the Company's defense in December 2020. The Company filed a voluntary appeal (CARF) that is pending a decision.	12,838
TAM Linhas Aéreas S.A	Department of Federal Revenue of Brazil	10880.938841/2013-18	The decision denied the petition for reassignment and did not equate the COFINS credit statements for the second quarter of 2012 that had been determined to be in the non-accumulative system.	We presented our administrative defense. The Court dismissed the Company's defense in December 2020. The Company filed a voluntary appeal (CARF) that is pending a decision.	12,690

Company	Court	Case Number	Origin	Stage of trial	Amounts Committed (*) ThUS$
TAM Linhas Aéreas S.A	Receita Federal de Brasil	10840.727719/2019-71	Collection of PIS / COFINS tax for the period of 2014.	We presented our administrative defense on January 11, 2020. The Court dismissed the Company's defense in December 2020. The Company filed a voluntary appeal (CARF) that is pending a decision.	37,062
Latam-Airlines Ecuador S.A.	Tribunal Distrital de lo Fiscal	17509-2014-0088	An audit of the 2006 Income Tax Return that disallowed fuel expenses, fees and other items because the necessary support was not provided, according to Management.	On August 6, 2018, the District Tax Claims Court rendered a decision denying the request for a refund of a mistaken payment. An appeal seeking vacation of this judgment by the Court was filed on September 5th and we are awaiting a decision by the Appellate judges. As of December 31, 2018, the attorneys believed that the probability of recovering this sum had fallen to 30%-40% because of the pressure being put by the Executive Branch on the National Court of Justice and the Judiciary in general for rulings not to affect government revenues and because the case involves differences that are based on insufficient documentation supporting the expense. Given the percentage loss (above 50%), the accounting write-off of this recovery has been carried out.	12,505
Latam Airlines Group S.A.	Southern District of Florida. United States District Court	19cv23965	A lawsuit filed by Jose Ramon Lopez Regueiro against American Airlines Inc. and Latam Airlines Group S.A. seeking an indemnity for damages caused by the commercial use of the Jose Marti International Airport in Cuba that he says were repaired and reconditioned by his family before the change in government in 1959.	Latam Airlines Group S.A. was served this claim on September 27, 2019. LATAM Airlines Group filed a motion to dismiss on November 26, 2019. In response, a motion to suspend discovery was filed on December 23, 2019 while the Court was deciding on the motion to dismiss. The process was under a temporary Suspension Order from April 6, 2020 to September 2021 because of the inability to proceed regularly as a result of the indefinite duration and restrictions imposed by the world pandemic. Jose Ramon Lopez Regueiro filed a Second Amendment to the Claim on September 27, 2021 of undetermined amount. This case was dismissed by the Court on June 30, 2022 because the property was not confiscated by a U.S. national and the plaintiff was not a U.S. citizen when they acquired the alleged claim to the property or at least not before the enactment of the Helms-Burton Act (March 12, 1996). The suspension of claims against LATAM remained in effect until the Chapter 11 proceedings concluded. Since the plaintiff did not present a proof of claim against LATAM as part of the Chapter 11 proceedings, they could not file any claim against LATAM. Consequently, the plaintiff agreed to withdraw their claim. A status report was presented to the Court that confirmed this. The provision is undetermined.	-0-
TAM Linhas Aéreas S.A.	Receita Federal de Brasil	10880.910559/2017-91	Compensation non equate by Cofins	It is about the non-approved compensation of Cofins. Administrative defense submitted (Manifestação de Inconformidade). The Court dismissed the Company's defense in December 2020. The Company filed a voluntary appeal (CARF) that is pending a decision.	10,979
TAM Linhas Aéreas S.A.	Receita Federal de Brasil	10880.910547/2017-67	Compensation non equate by Cofins	We presented our administrative defense (Manifestação de Inconformidade). The Court dismissed the Company's defense in December 2020. The Company filed a voluntary appeal (CARF) that is pending a decision.	12,710
TAM Linhas Aéreas S.A.	Receita Federal de Brasil	10880.910553/2017-14	Compensation non equate by Cofins	We presented our administrative defense (Manifestação de Inconformidade). The Court dismissed the Company's defense in December 2020. The Company filed a voluntary appeal (CARF) that is pending a decision.	12,221

Company	Court	Case Number	Origin	Stage of trial	Amounts Committed (*) ThUS$
TAM Linhas Aéreas S.A.	Receita Federal de Brasil	10880.910555/2017-11	Compensation non equate by Cofins	We presented our administrative defense (Manifestação de Inconformidade). The Court dismissed the Company's defense in December 2020. The Company filed a voluntary appeal (CARF) that is pending a decision.	12,893
TAM Linhas Aéreas S.A.	Receita Federal de Brasil	10880.910560/2017-16	Compensation non equate by Cofins	We presented our administrative defense (Manifestação de Inconformidade). The Court dismissed the Company's defense in December 2020. The Company filed a voluntary appeal (CARF) that is pending a decision.	11,226
TAM Linhas Aéreas S.A.	Receita Federal de Brasil	10880.910550/2017-81	Compensation non equate by Cofins	We presented our administrative defense (Manifestação de Inconformidade). The Court dismissed the Company's defense in December 2020. The Company filed a voluntary appeal (CARF) that is pending a decision.	13,051

Company	Court	Case Number	Origin	Stage of trial	Amounts Committed (*) ThUS$
TAM Linhas Aéreas S.A.	Receita Federal de Brasil	10880.910549/2017-56	Compensation non equate by Cofins	We presented our administrative defense (Manifestação de Inconformidade)._The Court dismissed the Company's defense in December 2020. The Company filed a voluntary appeal (CARF) that is pending a decision.	10,927
TAM Linhas Aéreas S.A.	Receita Federal de Brasil	10880.910557/2017-01	Compensation non equate by Cofins	We presented our administrative defense (Manifestação de Inconformidade)._The Court dismissed the Company's defense in December 2020. The Company filed a voluntary appeal (CARF) that is pending a decision.	10,346
TAM Linhas Aéreas S.A.	Receita Federal de Brasil	10840.722712/2020-05	Administrative trial that deals with the collection of PIS/Cofins proportionality (fiscal year 2015).	We presented our administrative defense (Manifestação de Inconformidade). A decision is pending. The Company filed a voluntary appeal (CARF) that is pending a decision.	29,474
TAM Linhas Aéreas S.A.	Receita Federal de Brasil	10880.978948/2019-86	It is about the non-approved compensation/reimbursement of Cofins for the 4th Quarter of 2015.	TAM filed its administrative defense on July 14, 2020. A decision is pending. The Company filed a voluntary appeal (CARF) that is pending a decision.	16,551
TAM Linhas Aéreas S.A.	Receita Federal de Brasil	10880.978946/2019-97	It is about the non-approved compensation/reimbursement of Cofins for the 3th Quarter of 2015	TAM filed its administrative defense on July 14, 2020. A decision is pending. The Company filed a voluntary appeal (CARF) that is pending a decision.	10,022
TAM Linhas Aéreas S.A.	Receita Federal de Brasil	10880.978944/2019-06	It is about the non-approved compensation/reimbursement of Cofins for the 2th Quarter of 2015	TAM filed its administrative defense on July 14, 2020. A decision is pending. The Company filed a voluntary appeal (CARF) that is pending a decision.	10,628

Company	Court	Case Number	Origin	Stage of trial	Amounts Committed (*) ThUS$
Latam Airlines Group S.A	23° Juzgado Civil de Santiago	C-8498-2020	Class Action Lawsuit filed by the National Corporation of Consumers and Users (CONADECUS) against LATAM Airlines Group S.A. for alleged breaches of the Law on Protection of Consumer Rights due to flight cancellations caused by the COVID-19 Pandemic, requesting the nullity of possible abusive clauses, the imposition of fines and compensation for damages in defense of the collective interest of consumers. LATAM has hired specialist lawyers to undertake its defense.	On 06/25/2020 we were notified of the lawsuit. On 04/07/2020 we filed a motion for reversal against the ruling that declared the action filed by CONADECUS admissible, the decision is pending to date. On 07/11/2020 we requested the Court to comply with the suspension of this case, ruled by the 2nd Civil Court of Santiago, in recognition of the foreign reorganization procedure pursuant to Law No. 20,720, for the entire period that said proceeding lasts, a request that was accepted by the Court. CONADECUS filed a remedy of reconsideration and an appeal against this resolution should the remedy of reconsideration be dismissed. The Court dismissed the reconsideration on August 3, 2020, but admitted the appeal. On March 1, 2023, the Court of Appeals resolved to omit the hearing of the case and pronouncement regarding the appeal, in view of the fact that in January 2023 LATAM's request the end of the suspension of the process that was decreed by resolution of July 17, 2020 in case file C-8498-2020 of the 23rd Civil Court of Santiago, for which the file is expected to return to the first instance to continue the processing. The amount at the moment is undetermined.	-0-

Company	Court	Case Number	Origin	Stage of trial	Amounts Committed (*) ThUS$
Latam Airlines Group S.A	25° Juzgado Civil de Santiago	C-8903-2020	Class Action Lawsuit filed by AGRECU against LATAM Airlines Group S.A. for alleged breaches of the Law on Protection of Consumer Rights due to flight cancellations caused by the COVID-19 Pandemic, requesting the nullity of possible abusive clauses, the imposition of fines and compensation for damages in defense of the collective interest of consumers. LATAM has hired specialist lawyers to undertake its defense.	On July 7, 2020 we were notified of the lawsuit. We filed our answer to the claim on August 21, 2020. A settlement was reached with AGRECU at that hearing that was approved by the Court on October 5, 2020. On October 7, 2020, the 25th Civil Court confirmed that the decision approving the settlement was final and binding. CONADECUS filed a brief on October 4, 2020 to become a party and oppose the agreement, which was dismissed on October 5, 2020. It petitioned for an official correction on October 8, 2020 and the annulment of all proceedings on October 22, 2020, which were dismissed, costs payable by CONADECUS, on November 16, 2020 and November 20, 2020, respectively. LATAM presented reports on the implementation of the agreement on May 19, 2021, November 19, 2021 and May 19, 2022, which concluded its obligation to report on that implementation. On 12/28/22 the Civil Court ordered the filing of the file. CONADECUS still has appeals pending against these decisions before the Court of Appeals of Santiago under entry number 14.213-2020. The amount at the moment is undetermined.	-0-
TAM Linhas Aéreas S.A	Receita Federal de Brasil	13074.726429/2021-41	It is about the non-approved compensation/reimbursement of Cofins for the periods 07/2016 to 06/2017.	TAM filed its administrative defense. (Manifestação de Inconformidade). A decision is pending	16,738
TAM Linhas Aéreas S.A	Receita Federal de Brasil	2007.34.00.009919-3(0009850-54.2007.4.01.3400)	A lawsuit seeking to review the incidence of the Social Security Contribution taxed on 1/3 of vacations, maternity payments and medical leave for accident.	A decision is pending	64,998
Tam Linhas Aéreas S/A.	Justicia Cível do Rio de Janeiro/RJ	0117185-03.2013.8.19.0001	MAIS Linhas Aéreas filed a claim seeking an indemnity for alleged loss of profit during the period when one of its aircraft was being repaired at the LATAM Technology Center in Sao Carlos, Sao Paulo.	TAM was ordered to pay an indemnity to Mais Linhas for loss of profit and moral damage, estimated to be R$48 million. Both parties appealed the decision, but the Rio de Janeiro Court has not issued a ruling on the appeals. Before any appeals decision is rendered, Mais filed a provisional enforcement petition for R$48 million. TAM appealed that petition on September 21, 2021, and presented guarantee insurance on the record to keep its accounts from being frozen.	8,909
TAM Linhas Aéreas S.A.	Delegacía da Receita Federal	13896.720385/2017-96	It is about the refund request regarding the negative balance of IRPJ, corresponding to the calendar year 2011.	Presented the defense, which was denied by RFB. TAM resource partially accepted. The Federal Revenue Service of Brazil issued a decision granting the request for a refund. The process was closed with a decision favorable to the company.	28,174
TAM Linhas Aéreas S.A.	Tribunal del Trabajo de Brasília/DF	0000038-25.2021.5.10.0017	This civil suit was filed by the National Pilots Union seeking that the company be ordered to pay for meals daily when pilots are on alert status.	The hearing is scheduled for March 06, 2023.	11,572
TAM Linhas Aéreas S.A.	Receita Federal de Brasil	13896.720386/2017-31	This claim is seeking reimbursement of the negative balance of the social tax on net profits (CSLL) from the 2011 calendar year.	The defensive arguments were presented, but the claim was denied by the Brazilian Federal Revenue Agency (RFB). TAM's appeal was sustained in part. The Federal Revenue Service of Brazil issued a decision granting the request for a refund. The process was closed with a decision favorable to the company.	10,142

Company	Court	Case Number	Origin	Stage of trial	Amounts Committed (*) ThUS$
TAM Linhas Aéreas S.A.	UNIÃO FEDERAL	0052711-85.1998.4.01.0000	An indemnity claim to collect a differentiated price from the Federal Union because of the disruption of the economic equilibrium in the concession agreements between 1988 and 1992. The indemnity, should the action prosper, cannot be estimated (Price Freeze).	The lawsuit began in 1993. In 1998, there was a decision favorable to TAM. The process reached the Court, and in 2019, the decision was against TAM. The company has appealed and a decision is pending.	-0-
TAM Linhas Aéreas S.A	UNIÃO FEDERAL	1012674-80.2018.4.01.3400	Legal actions for members to have the right to collect contributions in the payroll collectible on the basis of gross sales.	This claim was filed in 2018. In January 2020, a decision favorable to the Company was rendered so that contributions would be collected on the basis of gross income. The company recently learned that the Superior Courts are rendering decisions unfavorable to contributors. They have ruled against the contributor in a recent decision (jointly with the legal team and prosecutor). A provision has been made in the accounting for KUS$17.137 (R$ 89.417.472,87).	-0- 13,141
TAM Linhas Aéreas S.A	Tribunal do Trabajo de São Paulo	1000115-90.2022.5.02.0312	A class action whereby the Air Transport Union is petitioning for payment of additional hazardous and unhealthy work retroactively and in the future for maintenance/CML employees.	The instruction hearing is pending in this case, scheduled for 12:02 p.m. on March 24, 2023.	10.013
TAM Linhas Aéreas S.A	Fazenda do Estado de Sao Paulo	4.037.054-9	The Finance Department of the State of São Paulo filed a claim of a violation because the tax on the circulation of merchandise and services (ICMS) was not paid for telecommunications services. It is being heard by the Office of the Secretary of Finance of the State of São Paulo. We were served the claim on September 20, 2014.	Presentada la defensa. Dictada sentencia de primera instancia que mantuvo la Notificación de Infracción en su totalidad. Presentamos un Recurso Ordinario, que aguarda sentencia del TIT / SP. En noviembre de 2021 tuvimos un juicio que anuló la decisión anterior y determinó un nuevo juicio. A defense has been presented. The first-instance decision maintained all of the Violation Notice. We filed an ordinary remedy that is pending a decision by the Taxes and Imposts Court of Sao Paulo. There was a lawsuit in November 2021 that voided the previous decision and ordered a new lawsuit. In November 2022, we received a decision ordering payment of part of the debt. The remaining part of the debt will be disputed before the courts.	15.904
TAM Linhas Aéreas S.A	Receita Federal	15746.728063/2022-00	This is an administrative claim regarding alleged irregularities in the payment of Technical Assistance (SAT) in 2018.	We will be presenting a defense.	

- In order to cover any financial obligations arising from legal proceedings in effect at December 31, 2022 whether civil, tax, or labor, LATAM Airlines Group S.A. and Subsidiaries, has made provisions, which are included in Other non-current provisions that are disclosed in Note 20.

- The Company has not disclosed the individual probability of success for each contingency in order to not negatively affect its outcome.

(*) The Company has reported the amounts involved only for the lawsuits for which a reliable estimation can be made of the financial impacts and of the possibility of any recovery, pursuant to Paragraph 86 of IAS 37 Provisions, Contingent Liabilities and Contingent Assets.

II. Governmental Investigations.

1) On April 6, 2019, LATAM Airlines Group S.A. received the resolution issued by the National Economic Prosecutor's Office (FNE), which begins an investigation Role No. 2530-19 into the LATAM Pass frequent passenger program. The last activity in this investigation corresponds to request for information received in May 2019.

2) On July 9, 2019, LATAM Airlines Group S.A. received the resolution issued by the National Economic Prosecutor's Office (FNE) which begins an investigation Role No. 2565-19 into the Alliance Agreement between LATAM Airlines Group S.A. and American Airlines INC. The National Economic Prosecutor's Office archived the investigation on November 29, 2022.

3) On July 26, 2019, the National Consumer Service of Chile (SERNAC) issued the Ordinary Resolution No. 12,711 which proposed to initiate a collective voluntary mediation procedure on effectively informing passengers of their rights in cases of cancellation of flights or no show to boarding, as well as the obligation to return the respective boarding fees as provided by art. 133 C of the Aeronautical Code. The Company has voluntarily decided to participate in this proceeding, in which an agreement was reached on March 18, 2020, which implies the return of shipping fees from September 1, 2021, with an initial amount of ThUS$ 5,165, plus ThUS$ 565, as well as information to each passenger who has not flown since March 18, 2020, that their boarding fees are available. On January 18, 2021, the 14th Civil Court of Santiago approved the aforesaid agreement. LATAM published an abstract of the decision in nationwide newspapers in compliance with the law. LATAM began performance of the agreement on September 3, 2021. In April and October 2022, the external auditors presented preliminary reports agreed upon with the National Consumer Service (SERNAC).

4) On October 15, 2019, LATAM Airlines Group S.A. received the resolution issued by the National Economic Prosecuting Authority (FNE) which begins an investigation Role N°2585-19 into the agreement between LATAM Airlines Group S.A. and Delta Airlines, Inc. On August 13, 2021 FNE, Delta and LATAM reached an out-of-court agreement that put an end to this investigation. On August 25, 2022, the Tribunal de Defensa de la Libre Competencia approved the out-of-court agreement reached by LATAM and Delta Air Lines with the National Economic Prosecuting Authority.

5) LATAM Airlines Group S.A. received a resolution by the National Economic Prosecutor (FNE) on February 1, 2018 beginning Investigation 2484-18 on air cargo carriage. On August 25, 2022,

LATAM sent a letter to the FNE accompanying information related to the LATAM Cargo website, complying with the request of the National Economic Prosecutor. The last activity in this investigation corresponds to an official letter from the FNE received on 10/24/2022 that must be answered on 11/08/2022.

6) LATAM Airlines Group S.A. received a resolution by the National Economic Prosecutor (FNE) on August 12, 2021 beginning Investigation N° 2669-21 on compliance with condition VII Res. N° 37/2011 H. TDLC related to restrictions as to certain codeshare agreements. The most recent activity in this investigation was an official letter received in June of this year, which was answered on July 21, 2022.

7) On September 16, 2021, the National Consumer Service of Chile (SERNAC) issued the Ordinary Resolution No. 721 which proposed to LATAM Airlines Group S.A. a collective voluntary mediation procedure regarding the execution of solutions offered by the Company to customers during the COVID-19 pandemic. The Company decided to voluntary participate in the mediation procedure, which resulted an agreement on April 20, 2022. Pursuant the agreement, an external auditor will review the fulfillment, by the Company, of the solutions offered to customers between July 17, 2020, and September 16, 2021. Additionally, the external auditor must report to SERNAC any measure aiming to enhance customer service and implemented by the Company between the July 17, 2020, and October 13, 2022, timeframe. The implementation of the agreement begun on May 13, 2022. The external auditors presented the preliminary report agreed upon with the National Consumer Service (SERNAC) on August 19, 2022. On December 27, 2022 SERNAC issued the resolution that concluded the procedures related to this agreement, terminating it.

8) On May 21, 2022, Agunsa filed a petition for a preliminary preparatory measure of exhibition of documents in respect of Aerosan, Depocargo, Sociedad Concesionaria Nuevo Pudahuel and Fast Air in which Agunsa claimed that it was impacted by alleged anti-competition practices on the import cargo warehousing market at the Arturo Merino Benitez International Airport. Fast Air was served on June 9, 2022 and on June 13, 2022, it lodged opposition against this petition, which was partially sustained by the Antitrust Court (TDLC) on July 19, 2022, in which the new exhibition date was set as August 22nd (the original date set by the court was July 1, 2022). On July 25, 2022, Fast Air requested a reconsideration of this latter court decision and petitioned that the temporary scope of the exhibition be reduced. Fast Air's petition was sustained and the scope of the documents to be revealed was limited even further. On August 12th, Fast Air petitioned that a new date and time be set for the exhibition hearing. The court granted this latter request on August 17th and set the exhibition date as August 31st. Fast Air appeared with 368 files and asked for confidentiality and/or secrecy of all of the information presented.

9) On October 27, 2021, LATAM Airlines Group S.A. received an official letter from the Office of Aviation Consumer Protection of the U.S. Department of Transportation (DOT) asking about the delay in making and/or refusal to make reimbursements to passengers potentially impacted by flight cancellations during the pandemic (March 20, 2020 to July 31, 2021), a potential violation of requirements under 14 CFR Part 259 and 49 U.S.C. § 41712. The most recent activity in this investigation is a response sent by LATAM Airlines Group on July 19, 2022 to a request by the DOT to explain related information provided by LATAM Airlines Group S.A. in December 2021 and March 2022.

NOTE 31 - COMMITMENTS

(a) Commitments arising from loans

In relation to certain contracts committed by the Company for the financing of the Boeing 777 aircraft, which are guaranteed by the Export – Import Bank of the United States of America, commencing on January 1, 2023, limits have been established for some financial indicators of LATAM Airlines Group S.A. on a consolidated basis. Under no circumstance does non-compliance with these limits generate loan acceleration.

The Company and its subsidiaries do not have credit agreements that impose limits on financial indicators of the Company or its subsidiaries, with the exception of those detailed below:

On October 12, 2022, LATAM Airlines Group S.A., acting through its subsidiary Professional Airline Services Inc, closed a new four-year revolving credit facility ("Exit RCF") of US$ 500 million with a consortium of five banks led by Goldman Sachs. As of December 31, 2022, this credit facility is undrawn and fully available. In addition, on October 18, 2022, LATAM Airlines Group S.A., together with Professional Airline Services, Inc., a Florida corporation and a wholly owned subsidiary of LATAM Airlines Group S.A., issued (i) a five-year term loan facility ("Term Loan B Facility") of US$ 1,100 million (US$1,100 million outstanding as of December 31, 2022), (ii) 13.375% senior secured notes due 2027 ("2027 Notes") for an aggregate principal amount of US$ 450 million and (iii) 13.375% senior secured notes due 2029 ("2029 Notes", together with the 2027 Notes, the "Notes") for and aggregate principal amount of US$ 700 million. The Exit RCF, the Term Loan B Facility and the Notes (together, the "Exit Financing") share the same intangible collateral composed mainly of the FFP (LATAM Pass loyalty program) business receivables, Cargo business receivables, certain slots, gates and routes and LATAM's intellectual property and brands. The Exit Financing contains certain covenants limiting us and our restricted subsidiaries' ability to, among other things, make certain types of restricted payments, incur debt or liens, merge or consolidate with others, dispose of assets, enter into certain transactions with affiliates, engage in certain business activities or make certain investments. In addition, the agreements include a minimum liquidity restriction, requiring us to maintain a minimum liquidity, measured at the consolidated Company (LATAM Airlines Group S.A.) level, of US$ 750 million.

On November 3, 2022, LATAM Airlines Group S.A., acting through its subsidiary Professional Airline Services Inc, amended and extended the 2016 revolving credit facility ("RCF") with a consortium of thirteen financial institutions led by Citibank, N.A., guaranteed by aircraft, engines and spare parts for a total committed amount of US$ 600 million. The RCF includes restrictions of minimum liquidity measured at the consolidated Company level (with a minimum level of US$ 750 million) and measured individually for LATAM Airlines Group S.A. and TAM Linhas Aéreas S.A. (with a minimum level of US$ 400 million). Compliance with these restrictions is a prerequisite for drawing under the line; if the line is used, compliance with said restrictions must be reported periodically, and non-compliance with these restrictions may trigger an acceleration of the loan. As of December 31, 2022, this line of credit is undrawn and fully available.

On November 3, 2022, LATAM Airlines Group S.A., acting through subsidiary its Professional Airline Services Inc, executed a five-year credit facility ("Spare Engine Facility") with, among others, Crédit Agricole Corporate and Investment Bank, acting through its New York branch, as facility agent and arranger and guaranteed by spare engines for a principal amount of US$ 275 million. As of December 31, 2022, the outstanding amount under the Spare Engine Facility is US$ 275 million. The facility includes restrictions of minimum liquidity measured at the consolidated

Company level (with a minimum level of US$ 750 million) and measured individually for LATAM Airlines Group S.A. and TAM Linhas Aéreas S.A. (with a minimum level of US $ 400 million).

As of December 31, 2022, the Company complies with the aforementioned minimum liquidity covenants.

b) Other commitments

As of December 31, 2022, the Company maintains valid letters of credit, guarantee notes and guarantee insurance policies, according to the following detail:

Creditor Guarantee	Debtor	Type	Value ThUS$	Release Date
Superintendencia Nacional de Aduanas y de Administración Tributaria	LATAM Airlines Perú S.A.	Forty-four letters of credit	189,708	Jan 5, 2023
Lima Airport Partners S.R.L.	LATAM Airlines Perú S.A.	Two letters of credit	1,620	Nov 30, 2023
Servicio Nacional de Aduana del Ecuador	LATAM Airlines Ecuador S.A.	Four letters of credit	2,130	Aug 5, 2023
Aena Aeropuertos S.A.	LATAM Airlines Group S.A.	Three letters of credit	1,183	Nov 15, 2023
American Alternative Insurance Corporation	LATAM Airlines Group S.A.	Eighteen letters of credit	6,460	Mar 22, 2023
Comisión Europea	LATAM Airlines Group S.A.	One letter of credit	2,586	Mar 29, 2023
Metropolitan Dade County	LATAM Airlines Group S.A.	Five letters of credit	2,281	Mar 13, 2023
JFK International Air Terminal LLC.	LATAM Airlines Group S.A.	One letter of credit	2,300	Jan 27, 2023
Servicio Nacional de Aduanas	LATAM Airlines Group S.A.	Three letters of credit	1,287	Jul 28, 2023
Isoceles	LATAM Airlines Group S.A.	One letter of credit	41,000	Aug 6, 2023
BBVA	LATAM Airlines Group S.A.	One letter of credit	4,126	Jan 17, 2023
Sociedad Concesionaria Nuevo Pudahuel	LATAM Airlines Group S.A.	fifteen letters of credit	1,755	Dec 13, 2023
Procon	TAM Linhas Aéreas S.A.	Two insurance policy guarantee	2,340	Nov 17, 2025
União Federal	TAM Linhas Aéreas S.A.	Five insurance policy guarantee	9,731	Feb 4, 2025
Vara das Execuções Fiscais Estaduais Da Comarca De São Paulo.	TAM Linhas Aéreas S.A.	One insurance policy guarantee	1,485	Apr 24, 2025
Vara das Execuções Fiscais Estaduais Da Comarca De São Paulo.	TAM Linhas Aéreas S.A.	One insurance policy guarantee	1,681	Jul 5, 2023
Vara das Execuções Fiscais Estaduais Da Comarca De São Paulo.	TAM Linhas Aéreas S.A.	One insurance policy guarantee	1,337	Dec 31, 2023
Procon	TAM Linhas Aéreas S.A.	Six insurance policy guarantee	8,389	Jan 4, 2023
17a Vara Cível da Comarca da Capital de João Pessoa/PB.	TAM Linhas Aéreas S.A.	One insurance policy guarantee	2,355	Jun 25, 2023
14ª Vara Federal da Seção Judiciária de Distrito Federal	TAM Linhas Aéreas S.A.	One insurance policy guarantee	1,406	May 29, 2025
Vara Civel Campinas SP.	TAM Linhas Aéreas S.A.	One insurance policy guarantee	1,653	Jun 14, 2024
JFK International Air Terminal LLC.	TAM Linhas Aéreas S.A.	One insurance policy guarantee	1,300	Jan 25, 2023
7ª Turma do Tribunal Regional Federal da 1ª Região.	TAM Linhas Aéreas S.A.	One insurance policy guarantee	43,003	Apr 20, 2023
Bond Safeguard Insurance Company.	TAM Linhas Aéreas S.A.	One insurance policy guarantee	2,700	Jul 20, 2023
Fundacao de Protecao e Defesa do Consumidor Procon.	TAM Linhas Aéreas S.A.	Two insurance policy guarantee	4,276	Sep 20, 2023
Uniao Federal Fazenda Nacional.	TAM Linhas Aéreas S.A.	One insurance policy guarantee	31,860	Jul 30, 2024
Uniao Federal PGFN.	TAM Linhas Aéreas S.A.	Three insurance policy guarantee	18,469	Jan 4, 2024
1° Vara de Execuções Fiscais e de Crimes contra a Ordem Trib da Com de Fortaleza.	TAM Linhas Aéreas S.A.	One insurance policy guarantee	2,355	Dec 31, 2023
Fundacao de Protecao e Defesa do Consumidor Procon.	TAM Linhas Aéreas S.A.	One insurance policy guarantee	2,024	Feb 10, 2026
Fiança TAM Linhas Aéreas x Juiz Federal de uma das varas da Seção Judiciária de Brasília.	TAM Linhas Aéreas S.A.	One insurance policy guarantee	1,687	Dec 31, 2023
Juizo de Direito da Vara da Fazenda Publica Estadual da Comarca Da Capital do Estado do Rio de Janeiro.	TAM Linhas Aéreas S.A.	One insurance policy guarantee	1,127	Dec 31, 2023
Municipio Do Rio De Janeiro.	TAM Linhas Aéreas S.A.	One insurance policy guarantee	1,154	Dec 31, 2023
Vara das Execuções Fiscais Estaduais Da Comarca De São Paulo.	TAM Linhas Aéreas S.A.	One insurance policy guarantee	9,077	Apr 15, 2025
Fundacao de Protecao e Defesa do Consumidor Do Estado De São Paulo.	TAM Linhas Aéreas S.A.	One insurance policy guarantee	1,073	Dec 31, 2023
Tribunal de Justição de São Paulo.	TAM Linhas Aéreas S.A.	Two insurance policy guarantee	1,499	Dec 31, 2023
Uniao Federal Fazenda Nacional	Absa Linhas Aereas Brasileira S.A.	Three insurance policy guarantee	15,215	Feb 4, 2025
Uniao Federal PGFN	Absa Linhas Aereas Brasileira S.A.	Two insurance policy guarantee	20,681	Feb 22, 2025
Tribunal de Justição de São Paulo.	Absa Linhas Aereas Brasileira S.A.	Two insurance policy guarantee	5,836	Dec 31, 2023
3ª Vara Federal da Subseção Judiciária de Campinas SP	Absa Linhas Aereas Brasileira S.A.	One insurance policy guarantee	1,734	Nov 30, 2025
7ª Turma do Tribunal Regional Federal da 1ª Região	Absa Linhas Aereas Brasileira S.A.	One insurance policy guarantee	1,677	May 7, 2023
			453,560	

Letters of credit related to right-of-use assets are included in Note 16 Property, plant and equipment letter (d) Additional information Property, plant and equipment, in numeral (i) Property, plant and equipment delivered as collateral.

NOTE 32 - TRANSACTIONS WITH RELATED PARTIES

(a) Details of transactions with related parties as follows:

Tax No.	Related party	Nature of relationship with related parties	Country of origin	Nature of related parties transactions	Currenc	Transaction amount with related parties As of December 31, 2022	2021
						ThUS$	ThUS$
96.810.370-9	Inversiones Costa Verde Ltda. y CPA.	Related director	Chile	Tickets sales	CLP	87	23
81.062.300-4	Costa Verde Aeronautica S.A.	Common shareholder	Chile	Loans received (*)	US$	(231,714)	(35,412)
				Interest received (*)	US$	(21,329)	(34,694)
				Capital contribution	US$	170,962	-
87.752.000-5	Granja Marina Tornagaleones S.A.	Common shareholder	Chile	Services provided	CLP	36	26
96.989.370-3	Rio Dulce S.A.	Related director	Chile	Tickets sales	CLP	2	9
Foreign	Patagonia Seafarms INC	Related director	U.S.A	Services provided of cargo transport	US$	-	15
Foreign	Inversora Aeronáutica Argentina S.A.	Related director	Argentina	Real estate leases received	ARS	(63)	-
					USD	-	-
Foreign	TAM Aviação Executiva e Taxi Aéreo	Common shareholder	Brazil	Services provided of passenger transport	BRL	4	12
Foreign	Qatar Airways	Indirect shareholder	Qatar	Interlineal received service	US$	(23,110)	(6,387)
				Services provided by aircraft lease	US$	-	-
				Interlineal provided service	US$	37,855	6,283
				Services provided of handling	US$	692	1,493
				Services received miles	US$	(4,974)	-
				Compensation for early return of aircraft	US$	-	-
				Services provided / received others	US$	(434)	(963)
Foreign	Delta Air Lines, Inc.	Shareholder	U.S.A	Interlineal received service	US$	(111,706)	(11,768)
				Interlineal provided service	US$	102,580	7,695
				Loans received (*)	US$	(233,008)	-
				Interest received (*)	US$	(10,374)	-
				Capital contribution	US$	163,979	-
				Services provided of handling	US$	(4,340)	-
				Engine sale	US$	19,405	-
				Services provided maintenance	US$	-	(59)
				Services provided / received others	US$	(1,893)	(318)
Foreign	QA Investments Ltd	Common shareholder	U.K.	Loans received (*)	US$	(240,440)	(44,266)
				Interest received (*)	US$	(26,153)	(43,367)
				Capital contribution	US$	163,979	-
Foreign	QA Investments 2 Ltd	Common shareholder	U.K.	Loans received (*)	US$	(7,414)	(44,266)
				Interest received (*)	US$	(15,780)	(43,367)
Foreign	Lozuy S.A.	Common shareholder	Uruguay	Loans received (*)	US$	(57,928)	(8,853)
				Interest received (*)	US$	(5,332)	(8,673)

(*) Operations corresponding to DIP loans tranche C.

The balances corresponding to Accounts receivable and accounts payable to related entities are disclosed in Note 9.

Transactions between related parties have been carried out under market conditions and duly informed.

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(b) Compensation of key management

The Company has defined for these purposes that key management personnel are the executives who define the Company's policies and macro guidelines and who directly affect the results of the business, considering the levels of Vice-Presidents, Chief Executives and Senior Directors.

	For the year ended December 31, 2022 ThUS$	2021 ThUS$
Remuneration	10,651	9,981
Board compensation	1,109	1,016
Non-monetary benefits	565	501
Short-term benefits	11,814	16,639
Termination benefits (*)	1,157	513
Total	25,296	28,650

(*) Includes termination benefits ThUS $ 1,157 related to the reorganization within the framework of Chapter 11 and classified as expenses of restructuring activities, for the 12 months ended December 31, 2022. (Note 26 d).

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NOTE 33 - SHARE-BASED PAYMENTS

LP3 compensation plans (2020-2023)

The Company implemented a program for a group of executives, which runs from October 2020 and lasts until March 2023, where the percentage that is collected is annual and cumulative. The methodology is based on the allocation of a quantity of units where the goal is the achievement of a specified share price.

The benefit is vested if the target of the share price defined in each year is met. In case the benefit accumulates up to the last year the total benefit is doubled (in case the share price is achieved).

This Compensation Plan has not yet been provisioned due to the fact that the share price required for collection is below the initial target.

NOTE 34 - STATEMENT OF CASH FLOWS

(a) The Company has carried out the following non-monetary transactions mainly related for:

a.1.) Proceeds from the issuance of shares:

Detail	THUS$
Issuance of shares	800,000
Issuance costs	(80,000)
DIP Junior offset	(170,962)
Total cash flow	549,038

From the total capital increase for ThUS$800,000, ThUS$549,038 were cash Inflows presented in Financing Activities. ThUS$170,962 were offset against a portion of the Junior DIP maintained with the shareholder Inversiones Costa Verde Ltda. y CPA Additionally, there were ThUS$80,000 deducted related to equity issuance cost, that are presented within Other sundry reserves of equity.

a.2.) Amount from the issuance of other equity instruments:

Detail	Convertible Notes H ThUS$	Convertible Notes I ThUS$	Total ThUS$
Fair Value (see note 24)	1,372,837	4,097,788	5,470,625
Use for settement of claim	-	(828,581)	(828,581)
Issuance costs	(24,812)	(705,467)	(730,279)
DIP Junior offset	(327,957)	(381,018)	(708,975)
Cash inflow	1,020,068	2,182,722	3,202,790

The payment of DIP Junior offset is related to payment of the Junior Dip through the issues of the Convertible Notes subscribed for the shareholders Delta Air Lines, Inc and QA Investment Ltd. ThUS$327,957 and of the other creditor for Th$381.018.

a.3.) As a result of the exit from Chapter 11, in relation to trade accounts payable and other accounts payable, the conversion into shares for Notes G and I was carried out, for a total of ThUS$3,610,470 and a decrease in said item with effect in result which is included in Earning (Loss) from restructuring activities for ThUS$ 2,550,306 (see note 26d) and with effect in results in financial income for ThUS$ 420,436 (see note 26e).

a.4.) As a result of the exit from Chapter 11, the Other financial liabilities item decreased its balance by ThUS$ 2,673,256, which is detailed in letter, d). The break down of this decrease corresponds mainly to ThUS$ 491,326 (see note 26e), ThUS$ 354,249 (decrease with effect in Property, plant and equipment, mainly related to the effect of rate change), ThUS$ 381,018 related to the compensation of the debt with the effect of increasing Capital, ThUS$1,443,066 associated with the conversion of debt into shares and other minor effects of ThUS$3,596.

(b) Other inflows (outflows) of cash:

	For the year ended December 31, 2022	For the year ended December 31, 2021
	ThUS$	ThUS$
Fuel hedge	35,857	14,269
Hedging margin guarantees	(40,207)	(4,900)
Tax paid on bank transactions	(2,134)	(2,530)
Fuel derivatives premiums	(23,372)	(17,077)
Bank commissions, taxes paid and other	(5,441)	(21,287)
Guarantees	(47,384)	(39,728)
Court deposits	(20,661)	(16,323)
Delta Air Lines Inc. Compensation	-	-
Funds delivered as restricted advances	(26,918)	-
Total Other inflows (outflows) Operation flow	(130,260)	(87,576)
Tax paid on bank transactions	-	(425)
Guarantee deposit received from the sale of aircraft	6,300	18,900
Total Other inflows (outflows) Investment flow	6,300	18,475
Settlement of derivative contracts	-	-
Funds delivered as restricted advances	(313,090)	-
Payments of claims associated with the debt	(21,924)	-
RCF guarantee placement	(7,500)	-
Debt-related legal advice	(87,993)	(11,034)
Debt Issuance Cost - Stamp Tax	(33,259)	-
Total Other inflows (outflows) Financing flow	(463,766)	(11,034)

(c) Dividends:

As of December 31, 2022 and 2021, there were no disbursements associated with this concept.

(d) Reconciliation of liabilities arising from financing activities:

Obligations with financial institutions	As of December 31, 2021	Cash flows: Obtainment Capital (*)	Cash flows: Payment Capital (**)	Cash flows: Payment Interests	Cash flows: Payment Transaction cost	Non cash-Flow Movements: Extinguishment of debt under Chapter 11	Non cash-Flow Movements: Interest accrued and others	Non cash-Flow Movements: Reclassifications	As of December 31, 2022
	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$
Loans to exporters	159,161	-	-	-	-	(161,975)	2,814	-	-
Bank loans	521,838	982,425	(36,466)	(10,420)	-	(196,619)	128,077	(2,840)	1,385,995
Guaranteed obligations	510,535	-	(18,136)	(13,253)	(25)	-	13,882	(167,942)	325,061
Other guaranteed obligations	2,725,422	3,658,690	(5,408,540)	(391,639)	(91,247)	(381,018)	339,475	23,161	474,304
Obligation with the public	2,253,198	1,109,750	(1,501,739)	(17,499)	-	(843,950)	148,703	141,336	1,289,799
Financial leases	1,189,182	-	(270,734)	(34,201)	-	(37,630)	37,211	204,411	1,088,239
Other loans	76,508	1,467,035	(1,523,798)	(5,628)	3,281	(56,176)	40,806	-	2,028
Lease liability	2,960,638	-	(131,917)	(49,076)	(2)	(995,888)	492,592	(59,893)	2,216,454
Total Obligations with financial institutions	10,396,482	7,217,900	(8,891,330)	(521,716)	(87,993)	(2,673,256)	1,203,560	138,233	6,781,880

Obligations with financial institutions	As of December 31, 2020	Cash flows: Obtainment Capital (*)	Cash flows: Payment Capital (**)	Cash flows: Payment Interests	Cash flows: Payment Transaction cost	Non cash-Flow Movements: Interest accrued and others	Non cash-Flow Movements: Reclassifications	As of December 31, 2021
	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$
Loans to exporters	151,701	-	-	-	-	7,460	-	159,161
Bank loans	525,273	-	-	(546)	-	(2,889)	-	521,838
Guaranteed obligations	1,318,856	-	(14,605)	(17,405)	-	(513,276) (***)	(263,035)	510,535
Other guaranteed obligations	1,939,116	661,609	(26,991)	(28,510)	-	135,405	44,793	2,725,422
Obligation with the public	2,183,407	-	-	-	-	69,791	-	2,253,198
Financial leases	1,614,501	-	(421,452)	(40,392)	-	(181,717)	218,242	1,189,182
Other loans	-	-	-	-	-	76,508	-	76,508
Lease liability	3,121,006	-	(103,366)	(17,768)	-	(39,234)	-	2,960,638
Total Obligations with financial institutions	10,853,860	661,609	(566,414)	(104,621)	-	(447,952)	-	10,396,482

During 2022, at the time of the subscription of Note H, the fair value of the liability component amounted to ThUS$102,031. As of December 31, 2022, the liability component was converted into equity (see note 24(e.2)).

(*) As of December 31, 2022, the Company obtained ThUS$2,361,875 amounts from long-term loans and ThUS$4,856,025 (ThUS$661,609 in 2021) amounts from short-term loans, totaling ThUS$7,217,900.

(**) As of December 31, 2022, loan repayments ThUS$8,759,413 and payments of lease liabilities ThUS$131,917 disclosed in flows from financing activities and as of December 31, 2021, loan repayments ThUS$463,048 and liability payments for leases ThUS$103,366 disclosed in flows from financing activities.

(***) As of December 31, 2021, Accrued interest and others, includes ThUS$458,642, associated with the rejection of fleet contracts.

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Below are the details obtained (payments) of flows related to financing:

	For the exercises of December 31					
	2022			2021		
	Capital	Payments		Capital	Payments	
Flow of	raising	Capital	Interest	raising	Capital	Interest
	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$
Aircraft financing	-	(331,292)	(52,088)	-	(463,048)	(63,763)
Lease liability	-	(131,917)	(49,075)	-	(103,366)	(17,768)
Non-aircraft financing	7,217,900	(8,428,121)	(420,553)	661,609	-	(23,090)
Total obligations with Financial institutions	7,217,900	(8,891,330)	(521,716)	661,609	(566,414)	(104,621)

(e) Advances of aircraft

Corresponds to the cash flows associated with aircraft purchases, which are included in the statement of consolidated cash flows, within Purchases of property, plant and equipment.

	For the year ended December 31,	
	2022	2021
	ThUS$	ThUS$
Increases (payments)	(23,118)	(9,858)
Recoveries	43,902	-
Total cash flows	20,784	(9,858)

The Company has revised its consolidated statement of cash flows for the year ended December 31, 2021 to correct the classification of cash flows related to property, plant and equipment additions. This correction resulted in an increase in net cash used in investing activities of ThUS$9,858 and a decrease in cash used in operating activities in the same amount.

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(f) Additions of property, plant and equipment and Intangibles

	For the period ended At December 31,	
	2022	2021
	ThUS$	ThUS$
Net cash flows from		
Purchases of property, plant and equiment	780,538	597,103
Additions associated with maintenance	486,231	302,858
Other additions	294,307	294,245
Purchases of intangible assets	50,116	88,518
Other additions	50,116	88,518

(g) The net effect of the application of hyperinflation in the consolidated cash flow statement corresponds to:

	For the period ended December 31,	
	2022	2021
	ThUS$	ThUS$
Net cash flows from (used in) operating activities	(36,701)	(65,901)
Net cash flows from (used in) investment activities	(146)	17,223
Net cash flows from (used in) financing activities	7,703	-
Effects of variation in the exchange rate on cash and cash equivalents	29,144	48,678
Net increase (decrease) in cash and cash equivalents	-	-

(h) Payments of leased maintenance

Payments to suppliers for the supply of goods and services include the value paid associated with leased maintenance capitalizations for ThUS$149,142 (ThUS$163,717 as of December 31, 2021).

(i) Payments of loans to related entities

	For the period ended December 31,
	2022
	ThUS$
Delta Air Lines, Inc.	(78,947)
Qatar Airways	(78,947)
Costa Verde Aeronautica S.A.	(257,533)
Lozuy S.A.	(107,122)
QA Invesments Ltd	(242,967)
QA Invesments 2 Ltd	(242,967)
Payments of loans to related entities	(1,008,483)

NOTE 35 - THE ENVIRONMENT

LATAM Airlines Group S.A is dedicated to sustainable development, seeking to generate social, economic, and environmental value for the countries where it operates and for all its stakeholders. The company manages socio-environmental issues at a corporate level, centralized in the Corporate Affairs and Sustainability Department. The company is committed to monitoring and mitigating its impact on the environment in all its ground and air operations, being a key element in the solution, and searching for alternatives to the challenges of the company and its environment.

The main functions of Corporate Affairs and Sustainability Department in environmental issues, in conjunction with the various areas of the company, are to ensure that environmental legal compliance is maintained in all the countries where it is present, to implement and maintain corporate environmental management, the efficient use of non-renewable resources such as aircraft fuel, the responsible disposal of its waste, and the development of programs and actions that allow it to reduce its greenhouse gas emissions, seeking to generate environmental benefits, social and economic for the company and the countries where it operates.

LATAM's sustainability strategy launched in 2021 is based on 4 action fronts: Environmental Management System, Climate Change Management, Circular Economy and Shared Value, and from these, it manages different areas related to the environment. With these pillars, the company seeks to generate social, environmental, and economic value for society and business, anticipating the risks inherent in the sustainability challenges posed by the current and future scenarios.

The aspects addressed in from each pillar of the strategy are presented below:

Environmental Management System

The company is working to standardize its environmental management system at a cross-cutting level and under the same structure, it seeks to certify its operation under stage II of the IATA Environmental Assessment Program (IEnvA), which is designed to evaluate and improve, independently, the environmental management of airlines, given that in addition to being based on the ISO 14001 standard, it involves the best practices of the industry.

Climate Change Management

To manage its carbon footprint and contribute to the protection of strategic ecosystems in the region, LATAM has set a goal to offset the equivalent of 50% of domestic emissions by 2030 and be carbon-neutral by 2050, for this it has focused its strategy in:

1. Efficient operation: with the implementation of LATAM Fuel Efficiency, a corporate program for the efficient use of fuel that considers initiatives in all areas of the company that have an impact on fuel consumption.

2. Sustainable Alternative Fuels (SAF): Given the importance of Sustainable Aviation Fuel (SAF) to combat climate change in the long term, LATAM is developing a work plan focused on Brazil and Colombia, which has recognized and long-standing experience in biofuels; and Chile, a country with high development potential in green hydrogen.

3. Emission compensation: LATAM has assumed a total commitment to the environment and has established different alliances that will allow it not only to acquire carbon credits for its compensation needs but also to contribute to the conservation of strategic ecosystems in the region.

Circular Economy

LATAM aims to eliminate single-use plastics by 2023 and be a zero waste to landfill group by 2027. To achieve these goals, it has reviewed the materiality used in its process and its waste management to promote the circular economy within its processes, acting from materiality.

Shared Value

In creating shared value, the Solidarity Plane program stands out, created in 2011 and with which LATAM makes its structure, connectivity, and passenger and cargo transport capacity available to society for free in South America. The program acts in three areas of action: it supports health needs, promotes the conservation of natural resources, and provides support in the event of natural disasters.

Within the framework of the implementation of the strategy, during 2023, the company has been working on the following initiatives:

- Implementation and Certification of all LATAM operations under the IATA Environmental Assessment Program IEnvA in stage 2.
- Support for conservation projects and compensation of emissions.
- Measurement and management of the corporate carbon footprint.
- Neutralization of domestic air operations in Colombia.
- Verification of the company's emissions under the EU-ETS and CORSIA schemes.
- Structuring of the baseline in waste management to advance in the fulfillment of its circular economy goals.
- Implementing processes for the elimination of single-use plastic in the operation and reduction of waste to landfills.
- Strengthening of the Solidarity Plane program.

The group was part of the Dow Jones Sustainability Index for six consecutive years, being classified as one of the most sustainable in the world. Today, LATAM does not participate in the selection because it is in the process of financial reorganization, but it continues to use the analysis as benchmarking and as a guide to implementing improvements in its processes.

In 2023, according to the S&P Corporate Sustainability Assessment, LATAM was recognized as the most sustainable airline in the region and the fourth worldwide, according to this assessment, LATAM was included in the 2022 Yearbook in the Bronze category, maintaining its position as one of the best-performing companies in sustainability in the industry.

NOTE 36 - EVENTS SUBSEQUENT TO THE DATE OF THE FINANCIAL STATEMENTS

A) On February 10, 2023, the airline Fast Colombia S.A.S. ("Viva Air Colombia") announced that it began in Colombia a business recovery process (PRE), an extrajudicial process regulated in Decreto 560 of 2020. Subsequently, on February 14, 2023, LATAM Airlines Colombia, a subsidiary of LATAM Airlines Group S.A., expressed its interest in initiating negotiations to acquire Viva Air Colombia. The transaction is subject to a financial analysis, an eventual agreement between the parties and the corresponding regulatory approvals. To date, LATAM has not submitted any purchase proposal to Viva Air Colombia or its controlling shareholders. On February 27, 2023, Viva Air Colombia announced the suspension of its operations with immediate effect.

B) On March 2, 2023, an agreement was signed to receive under operational lease 4 aircraft of the Boeing 787 family, whose deliveries will be during 2025.

C) After December 31, 2022, and until the date of issuance of these financial statements, there is no knowledge of other events of a financial or other nature, which significantly affect the balances or interpretation thereof.

D) The consolidated financial statements of LATAM Airlines Group S.A. and Subsidiaries as of December 31, 2022, have been approved in the Extraordinary Session of the Board of Directors on March 9, 2023.

Affiliates and subsidiaries

LATAM AIRLINES GROUP S.A.

Name: LATAM Airlines Group S.A.
RUT: 89.862.200-2

Incorporation: It was established as a limited liability company via a public deed dated December 30, 1983, before Notary Eduardo Avello Arellano; an excerpt of this deed is recorded in the Santiago Commerce Registry on page 20,341 item 11,248 of the year 1983, and published in the Official Gazette on December 31, 1983.

Pursuant to the public deed dated August 20, 1985, granted by Notary Miguel Garay Figueroa's office in Santiago, the company became a joint stock corporation known as Línea Aérea Nacional Chile S.A. (nowadays, LATAM Airlines Group S.A.) which, by express provision of Law N° 18,400, has the quality of legal follower of the state-owned company created in the year 1929 under the name Línea Aérea Nacional de Chile, pursuant to the aeronautical and radio communications concessions, traffic rights, and other administrative concessions.

The Extraordinary Shareholders' Meeting of LAN Chile S.A. held on July 23, 2004, agreed to change the name of the company to "LAN Airlines S.A.". An excerpt of the deed to which the Minutes of said Meeting referred was recorded in the Santiago Commerce Registry on page 25,128 item 18,764 of the year 2004, and published in the Official Gazette on August 21, 2004. The effective date for the name change was September 8, 2004.

The Extraordinary Shareholders' Meeting of LAN Chile S.A. held on December 21, 2011, agreed to change the name of the company to "LATAM Airlines Group S.A.". An excerpt of the deed to which the Minutes of said Meeting referred was recorded in the Santiago Commerce Registry on page 4,238 item 2,921 of the year 2012, and published in the Official Gazette on January 14, 2012. The effective date for the name change was June 22, 2004.

LATAM Airlines Group S.A. is governed by the regulation applicable to open stock companies, and registered to this effect under number 0306, dated January 22, 1987, in the Securities Register of the Superintendence of Securities and Insurance (SVS, for its Spanish acronym).

Note: A summary of the subsidiaries' Financial Statements is presented herein. The full information is available to the public in our offices and at the Superintendency of Securities and Insurance.

TAM S.A. AND AFFILIATES

Incorporation: Joint Stock Corporation established in Brazil in May 1997.

Purpose: To participate as a shareholder in other companies, particularly those operating scheduled air transport services on a national and international level, as well as activities connected, related, and complementary to scheduled air transportation.

Paid-in Capital: ThUS$3,661,680
Profit for the period: ThUS$(70,047)
Stake in 2022: 100.00%
Year over Year Variance (YoY): 0.00%
% of Holding's assets: -5.55986%

Chairman of the Board:
Jerome Paul Jacques Cadier

Board Members
Felipe Ignacio Pumarino Mendoza– Financial Director
Jerome Paul Jacques Cadier– Chairman and Commercial Director
Sérgio Fernando Bernardes Novato– COO

AFFILIATE COMPANIES OF TAM S.A.

TAM Linhas Aéreas S.A. and affiliates

Individualization: Joint Stock Corporation established in Brazil.

Purpose: (a) The operation of scheduled air transport services for passengers, cargo, and baggage, pursuant to existing legislation;

(b) The operation of complementary activities of air transport services from the transport of passengers, cargo, and baggage;

(c) The rendering of maintenance, repair services for aircraft, own or third parties', engines, and spare parts;

(d) The rendering of aircraft hangar services;

(e) The rendering of yard and runway care services, provision of the aircraft cleaning staff;

(f) The rendering of engineering services, technical assistance and other activities related to the aviation industry;

(g) The performance of instruction and training related to aeronautical activities;

(h) The analysis and development of programs and systems;

(i) The purchase and sale of aeronautical parts, accessories, and equipment;

(j) The development and implementation of other activities, related to or complementary to aviation, in addition to those expressly listed above;

(k) The import and export of finished lubricating oil; and

(l) The use of bank correspondents' services.

Paid-in Capital: ThUS$903,879
Stake in 2022: 100.00%
YOY variation: 0.00%
% of Holding's assets: -5.45214%

Chairman of the Board:
Jerome Paul Jacques Cadier

Board Members:
Jefferson Cestari– CFO
Sérgio Fernando Bernardes Novato– COO

ABSA: Aerolinhas Brasileiras S.A. and affiliate

Individualization: Joint Stock Corporation established in Brazil.

Purpose: (a) Operate scheduled domestic and international air transport services for passengers, cargo, and postal services, pursuant to existing legislation;

(b) the operation of auxiliary air transport activities, such as handling, cleaning, and towing of aircraft, cargo monitoring, operational flight clearance, check-in and check-out, and other services provided for in the corresponding legislation;

(c) Commercial and operational leasing, as well as the transport of aircraft;

(d) Operation of maintenance and marketing services for aircraft parts and equipment; and

(e) The development and implementation of other activities, related to or complementary to aviation, in addition to those expressly listed above.

Paid-in Capital: ThUS$9,716
Stake in 2022: 100.00%
YOY variation: 0.00%
% of Holding's assets: -0.29393%

Chairman of the Board:
Jerome Paul Jacques Cadier

Board Members:
Diogo Abadio – Commercial Director
Jefferson Cestari– CFO

Transportes Aéreos del Mercosur S.A.

Individualization: Joint Stock Corporation established in Paraguay.

Purpose: It has a broad corporate purpose that includes aeronautical, commercial, tourist, service, financial, representation, and investment activities, with a focus on scheduled and charter, domestic and international, aeronautical transportation activities for people, objects, and/or correspondence, among others, as well as commercial and maintenance and technical assistance services for all types of aircraft, equipment, accessories, and material for air navigation, among others.

Paid-in Capital: ThUS$7,836
Stake in 2022: 94.98%
YOY variation: 0.00%
% of Holding's assets: 0.11893%

Chairman of the Board
Enrique Alcaide Hidalgo

Board Members
Executive: Enrique Alcaide Hidalgo
Permanent Member: Esteban Burt
Permanent Member: Diego Martínez
Permanent Member: Augusto Sanabria

Managers:
Enrique Alcaide Hidalgo
Esteban Burt Artaza
Diego Martinez
Luis Galeano

Fidelidade Viagens e Turismo S.A.

Individualization: Joint Stock Corporation established in Brazil in May 2013.

Purpose: (i) devoted to private and non-private travel agency and tourism activities, provided in the valid tourism legislation; and (ii) management and operation of tourist activities for events and leisure.

Paid-in Capital: ThUS$22,695
Stake in 2022: 100.00%
YOY variation: 0.00%
% of Holding's assets: 0.05476%

Board Members:
Jerome Paul Jacques Cadier- Chairman
Felipe Ignacio Pumarino Mendoza– Financial Director
Jefferson Cestari – Director without specific designation
Euzebio Angelotti Neto – Director without specific designation

Corsair Participações Ltda.

Individualization: Joint Stock Corporation established in Brazil.

Purpose: (i) To participate in other civil or trade companies, as a shareholder or creditor; and (ii) To manage its own assets.

Paid-in Capital: ThUS$37
Stake in 2022: 100.00%
YOY variation: 0.00%
% of Holding's assets: 0.00081%

Chairman of the Board:
None

Board Members:
Claudia Sender Ramirez

TP Franchising Limited

Individualization: Limited Liability Company established in Brazil.

Purpose: (a) to award franchises;

(b) to temporarily award its franchisees, free of charge or for a fee, the right to use its brands, systems, knowledge, methods, patents, actuation technology, and any other rights, stakes, or assets, personal or real estate, tangible or intangible, owned by the Company, as present or future owner or licensee, for the development, implementation, operation, or management of the franchises that it may grant;

(c) to develop any and all necessary activities to ensure, insofar as possible, the ongoing maintenance and perfecting of the actuation patterns of its franchise network;

(d) to develop implementation, operation, and management models for its franchise network and their transfer to the franchisees; and

(e) the distribution, sale, and marketing of airfares and related products, as well as any related or accessory business to its main objective, while also able to participate in other companies as partner or shareholder, either in Brazil or Abroad, or in consortiums, as well as to carry out its own projects, or form partnerships with third parties in their projects, even to obtain tax benefits, pursuant to current legislation.

Paid-in Capital: ThUS$6
Stake in 2022: 100.00%
YOY variation: 0.00%
% of Holding's assets: 0.00823%

Managers:
Claudia Sender Ramirez
Marcelo Eduardo Guzzi Dezem
Daniel Levy

Prisma Fidelidade Ltda.

Individualization: Limited Liability Company established in Brazil.

Purpose: (i) the rendering of various services related to customer loyalty programs and incentive programs for the companies' sales chain including, among others, customer relationship management, technical consulting, and technology consulting;

(ii) the development of customer loyalty/customer relationship programs and sales chain incentive programs for companies, including through points programs or other exchange currencies that can be converted into loyalty program points;

(iii) rendering of commercial representation and brokerage services for the sale of retail products in general, in addition to the rendering of brokerage services for the contracting of insurance and extended warranty products; and

(iv) participation in other companies.

Paid-in Capital: ThUS$8,669
Stake in 2022: 100.00%
YOY variation: 0.00%
% of Holding's assets: 0.17614%

Managers:

Multiplus Corredora de Seguros Ltda.

Individualization: Limited Liability Company established in Brazil.

Purpose: Brokerage of insurance in the basic lines of insurance, property and casualty, life (individuals), capitalization, plans, social security, health and all other lines of insurance provided for in the regulations.

Paid-in Capital: ThUS$1,010
Stake in 2022: 100.00%
YOY variation: 0.00%
% of Holding's assets: -0,00108%

Managers:

LAN CARGO S.A. AND AFFILIATES

Incorporation: Established as a private limited company via the public deed dated May 22, 1970, before Notary Sergio Rodriguez Garces, its incorporation was materialized through the contribution of assets and liabilities from company Linea Aerea del Cobre Limitada (Ladeco Limitada), established on September 3, 1958, before Santiago Notary Jaime Garcia Palazuelos.

Pursuant to the public deed dated November 20, 1998, and an excerpt of which has been recorded on page 30,091 number 24,117 of the Santiago Registry of Commerce and published in the Official Gazette on December 3, 1998, Ladeco S.A. was merged by incorporation into the affiliate of LAN Chile S.A. known as Fast Air Carrier S.A.

By public deed dated October 22, 2001, to which the minutes of the Extraordinary Shareholders' Meeting of Ladeco S.A. of the same date were reduced, the name was changed to "LAN Chile Cargo S.A.". An extract from this deed was recorded in the Register of Commerce of the Santiago Real Estate Records on pages 27,746, number 22,624 corresponding to the year 2001 and was published in the Official Gazette on November 5, 2001. The name change took effect on December 10, 2001.

By public deed dated August 23, 2004, to which the minutes of the Extraordinary Shareholders' Meeting of LAN Chile Cargo S.A. Dated August 17, 2004 were reduced, the name was changed to "LAN Chile Cargo S.A.". An excerpt of this deed was recorded in the Register of Commerce of the Santiago Real Estate Records on page 26,994, number 20,082 corresponding to the year 2004 and was published in the Official Gazette on August 30, 2004.

The company has undergone various reforms, the latest of which is recorded in the public deed dated March 20, 2018 before Notary Patricio Raby Benavente, and recorded on page 28,810, item 15,276 of the Santiago Registry of Commerce for year 2018, and published in the Official Gazette on August 2, 2018, pursuant to which the number of board members was reduced.

Purpose: Perform and provide, either for itself or third parties, the following: general transportation in any form and, specifically, air transport of passengers, cargo, and correspondence, within the country and abroad; tourism, lodging, and other related activities, in any form, within the country and abroad; purchase, sale, manufacture and/or integration, maintenance, leasing, or any other form of use, be it on its own behalf or for third parties, of airplanes, spare parts, and aeronautical equipment, and their operation for any given purpose; provide all sorts of services and counseling related to transportation in general and, specifically, to air transportation in any of its forms, be it ground support, maintenance, technical assistance, or any other type, within the country and abroad, and all sorts of services and activities related to tourism, lodging, and other abovementioned activities and goods, within the country and abroad. In order to meet the abovementioned goals, the Company may perform investments or participate as partner in other companies, either by purchasing stocks or rights or stakes in any other type of corporation, be it an already established one or one created in the future, and overall, perform all acts and enter all contracts necessary and relevant to the purposes described.

Paid-in Capital: ThUS$83,226
Profit for the period: ThUS$(53,459)
Stake in 2022: 99.89804%
YOY variation: 0.00%
% of Holding's assets: 0.79127%

Chairman of the Board:
Andrés del Valle

Board Members:
Andrés Bianchi Urdinola (LATAM executive)
Ramiro Alfonsin Balza (LATAM executive)
Andrés del Valle (LATAM Executive)

General Manager:
Andrés Bianchi Urdinola (LATAM executive)

LAN CARGO S.A. AFFILIATE COMPANIES

Laser Cargo S.R.L.

Individualization: Limited Liability Company established in Argentina.

Purpose: To render services on its own account and/or on behalf of third parties as an agent for air and sea freight forwarding, air and sea container operation, loading and unloading control of conventional aircraft, freighters, conventional ships and container ships, consolidation and deconsolidation, operations and contracts with transportation, distribution, and promotion companies of air, sea, river and land cargo companies, and related activities and services, import and export; such operations shall be carried out in accordance with the manner provided by the laws of the country and regulations governing such professions and activities, the legal provisions of customs and regulations of the Argentine Naval Prefecture (PNA), Argentine Air Force, as well as entrusting to third parties the performance of tasks assigned by the existing legislation for customs brokers; also deposit and transportation on its own account and/or on behalf of third parties, of fruits, products, raw materials, goods in general, and all kinds of documentation: packaging of goods in general, on its own account and/or on behalf of third parties. To perform said activities, the company may register as sea or air agent, importer and exporter, sea and air contractor and supplier before the corresponding authorities. In turn, it will carry out postal activities destined to the admission, classification, transportation, distribution, and delivery of correspondence, letters, postcards, and parcels weighing up to 50 kg, within the Argentine Republic and to or from other countries. This activity includes the tasks carried out by so-called couriers or courier companies, and all other assimilated or assimilable activities pursuant to Art. 4 of Decree 1187/93. The company may also carry out the logistics process consisting in transferring, storing, assembling, fractioning, packaging, and conditioning of general merchandise to be later transported and distributed to the end customer, as well as managing the pertinent information to fulfill this goal; that is: the logistics process consisting in transferring raw material from the supplier to delivering the finished product to the customer, and the information regulation to guarantee the efficiency in this management process.

Paid-in Capital: ThUS$68
Stake in 2022: 96.22%
YOY variation: 0.00%
% of Holding's assets: 0.00002%

Board Members:
Esteban Bojanich

Management:
Esteban Bojanich,
Rosario Altgelt
María Marta Forcada,
Facundo Rocha
Gonzalo Perez Corral
Nicolás Obejero
Norberto Díaz

Fast Air Almacenes de Carga S.A.

Individualization: Joint Stock Corporation established in Chile.

Purpose: To operate or manage the warehouses or storage facilities of customs deposits, where any type of good or merchandise can be stored until its withdrawal, for imports, exports, or other customs destination, pursuant to the terms stated within the Customs Ordinance, its rules, and other corresponding regulation.

Paid-in Capital: ThUS$6,741
Stake in 2022: 99.89%
YOY variation: 0.00%
% of Holding's assets: 0.02669%

Board Members:
Jorge Patricio Marín Muñoz (LATAM executive)
Andrés Bianchi Urdinola (LATAM executive)
Roberto Alvo Milosawiewitsch (LATAM executive)

General Manager:
José Benjamin Paté Moreno (LATAM executive)

Prime Airport Services Inc. and affiliate

Individualization: Corporation established in the United States.

Purpose: To operate or manage the warehouses or storage facilities of customs deposits, where any type of good or merchandise can be stored until its withdrawal, for imports, exports, or other customs destination, pursuant to the terms stated within the Customs Ordinance, its rules, and other corresponding regulation.

Paid-in Capital: ThUS$2
Stake in 2022: 99.971%
YOY variation: 0.00%
% of Holding's assets: 0.0601%

General Manager: Rene Pascua

LAN Cargo Overseas Limited and affiliates

Individualization: Limited Liability Company incorporated in Bahamas.

Purpose: To participate in any act or activity that is not expressly forbidden by any existing law in Bahamas.

Paid-in Capital: ThUS$55
Stake in 2022: 99.98%
YOY variation: 0.00%
% of Holding's assets: 0.15635%

Board Members:
Andrés del Valle (LATAM Executive)

Management:
Andrés del Valle (LATAM Executive)

Transporte Aéreo S.A.

Individualization: Joint Stock Corporation established in Chile.

Purpose: To participate in any act or activity that is not expressly forbidden by any existing law in Bahamas.

Paid-in Capital: ThUS$32,469
Stake in 2022: 87.126%
YOY variation: 0.00%
% of Holding's assets: 0.80279%

Board Members:
Andrés del Valle Eitel (LATAM Executive)
Ramiro Alfonsin Balza (LATAM Executive)
Roberto Alvo Milosawiewitsch (LATAM Executive)

General Manager:
José Tomás Covarrubias Cervero (LATAM Executive)

Consorcio Fast Air Almacenes de Carga S.A. – Laser Cargo S.R.L.

Individualization: Transitory merger of companies established in Argentina.

Purpose: Bidding at National and International Public Tender N° 11/2000 to be awarded the License of Use for the Installation and Operation of a Tax Warehouse at the Rosario International Airport.

Paid-in Capital: ThUS$(7)
Stake in 2022: 100.00%
YOY variation: 0.00%
% of Holding's assets: 0.0%

Board Members:
Esteban Bojanich

Management:
Esteban Bojanich

LAN Cargo Inversiones S.A. and affiliate

Individualization: Joint Stock Corporation established in Chile.

Purpose: a) To market air transportation in any of its forms, be it for passengers, mail, and/or cargo, and anything directly or indirectly related to that activity within or outside the country, on its own behalf or for third parties;

b) To render services related to the maintenance and repair of its own or third parties' aircraft;

c) Trade and development of activities related to travel, tourism, and lodging;

d) the development and/ or participation in all kinds of investments, both in Chile and abroad, in matters directly or indirectly related to aeronautical affairs and/or other purposes; and

e) development and operation of all other activities derived from and/ or related, connected, contributory, or complementary to the company's corporate purpose.

Paid-in Capital: ThUS$88,577
Stake in 2022: 99.00%
YOY variation: 0.00%
% of Holding's assets: 0.42335%

Board Members:
Andrés Bianchi Urdinola Plaza (LATAM executive)
Andrés del Valle Eitel (LATAM Executive)
Roberto Alvo Milosawiewitsch (LATAM executive)

General Manager:
Andrés del Valle Eitel (LATAM Executive)

Connecta Corporation

Individualization: Corporation established in the United States.

Purpose: Ownership, operating leasing, and subleasing of aircraft.

Paid-in Capital: ThUS$1
Stake in 2022: 100.00%
YOY variation: 0.00%
% of Holding's assets: 0.42821%

General Manager:
Andrés Bianchi Urdinola

Línea Aérea Carguera de Colombia S.A.(Subsidiary of LAN Cargo Inversiones)

Individualization: Joint Stock Corporation established in Colombia.

Purpose: To provide public, commercial cargo, and correspondence air transportation within the Republic of Colombia and from and to Colombia. As a secondary corporate purpose, the company can offer maintenance services to itself and to third parties; run its operations school and provide theoretical and practical instruction services, as well as training for its own and third-party aeronautical personnel in the various modes and specialties; import spare parts and replacements related to aeronautical activities, for itself and for third parties; provide airport services to third parties; represent or broker national and foreign air transport companies for passengers or cargo, and in general, companies that provide services to the aeronautical sector.

Paid-in Capital: ThUS$89,226
Stake in 2022: 81.3%
YOY variation: 0.00%
% of Holding's assets: 0.58538%

Board Members:
Jorge Nicolas Cortazar Cardoso (ordinary member)
José Mauricio Rodriguez Munera (ordinary member)
Jaime Antonio Gongora Esguerra (ordinary member)
Andrés Bianchi Urdinola (deputy member)
Santiago Alvarez Matamoros (deputy member)
Helen Victoria Warner Sanchez (deputy member)

Management:
Jaime Antonio Gongora Esguerra (ordinary member)
Erika Zarante Bahamon (deputy member)

Mas Investment Limited (Subsidiary of LAN Overseas Limited)

Individualization: Limited Liability Company incorporated in Bahamas.

Purpose: To perform all activities that are not expressly forbidden by Bahamas law, and specifically, to hold stakes in other LAN affiliates.

Paid-in Capital: ThUS$1,446
Stake in 2022: 100.00%
YOY variation: 0.00%
% of Holding's assets: 0.17409%

Board Members:
J. Richard Evans
Carlton Mortimer
Charlene Y. Wels
Geoffrey D. Andrews

Inversiones Aéreas S.A (Subsidiary of Linea Aerea Carguera de Colombia)

Individualization: Joint Stock Corporation established in Peru.

Purpose: (a) To promote, establish, organize, operate, and participate in the capital and equity of all types of trade companies, civil associations, industrial, commercial, service, or any other type of associations or companies, both national and foreign, as well as to participate in their management or settlement;

(b) The acquisition, disposal and, in general, the trading of all kinds of shares, stakes, and any other security permitted by law; and

(c) The rendering or contracting of technical, advisory and consulting services, as well as the execution of contracts or agreements for these purposes.

Paid-in Capital: ThUS$263,430
Stake in 2022: 66.43%
YOY variation: 0.00%
% of Holding's assets: 0.66613%

Chairman of the Board:
Antonio Olortegui Marky

Board Members:
Andrés Enrique del Valle Eitel
Ramiro Diego Alfonsín Balza

General Manager:
Antonio Olortegui Marky

Americonsul S.A de C.V. (Subsidiary of Mas Investment Limited)

Individualization: Variable Capital Corporation established in Mexico.

Purpose: To provide and receive all manner of technical, administrative, or counseling services for industrial, commercial, and service companies; Promote, organize, manage, supervise, provide, and direct personnel training courses; Perform all types of studies, plans, projects, and research; Engage the necessary professional and technical personnel.

Paid-in Capital: ThUS$5
Stake in 2022: 99.80%
YOY variation: 0.00%
% of Holding's assets: -0.032255%

Management:
Luis Ignacio Sierra Arriola
Hector Ivan Iriarte
Claudio Torres

Americonsult de Guatemala S.A. (Subsidiary of Americonsul S.A de C.V.)

Individualization: Joint Stock Corporation established in Guatemala.

Purpose: Powers to represent, broker, trade, and market; carry out all types of commercial and industrial activities; all manner of trade in general; broad purpose that allows for all manner of operations within the country.

Paid-in Capital: ThUS$76
Stake in 2022: 99.13%
YOY variation: 0.00%
% of Holding's assets: -0.00132%

Chairman of the Board:
Luis Ignacio Sierra Arriola

Board Members:
Carlos Fernando Pellecer Valenzuela

Management:
Carlos Fernando Pellecer Valenzuela

Americonsult de Costa Rica S.A. (Subsidiary of Americonsul S.A. de C.V.)

Incorporation: Joint Stock Corporation established in Costa Rica.

Purpose: General trade; industry, agriculture, and livestock.

Paid-in Capital: ThUS$20
Stake in 2022: 99.80%
YOY variation: 0.00%
% of Holding's assets: 0.00824%

Management:
Luis Ignacio Sierra Arriola
Treasurer: Alejandro Fernández Espinoza
Luis Miguel Renguel López
Tomás Nassar Pérez
Marjorie Hernández Valverde

LATAM AIRLINES PERÚ S.A.

Incorporation: Joint Stock Corporation established in Peru on February 14, 1997.

Purpose: Render air transportation services for passengers, cargo, and correspondence, both nationally and internationally, pursuant to current civil aeronautical legislation.

Paid-in Capital: ThUS$43,445
Profit (loss) for the period: ThUS$(12,725)
Stake in 2022: 99.81%
YOY variation: 0.00%
% of Holding's assets: 0.46818%

Chairman of the Board:
Cesar Emilio Rodríguez Larraín Salinas

Board Members:
César Emilio Rodríguez Larraín Salinas
Ignacio Cueto Plaza (LATAM Executive)
Enrique Cueto Plaza (LATAM Executive)
Jorge Harten Costa
Andrés Rodríguez Larraín Miró Quesada
Emilio Rodríguez Larraín Miró Quesada
Roberto Alejandro Alvo Milosawiewitsch (LATAM Executive)

General Manager:
Manuel Van Oordt

INVERSIONES LAN S.A.

Incorporation: Established as a joint stock company through the Public Deed dated January 23, 1990 before Notary Humberto Quezada M., recorded in the Santiago Commerce Registry on page 3,462 N° 1,833 of 1990, and published in the Official Gazette of February 2, 1990.

Purpose: Perform investments in all manner of goods, be they assets or real estate, tangible or intangible. Moreover, the Company may establish other types of companies of any sort; acquire rights in already existing corporations, manage, modify, and settle them.

Paid-in Capital: ThUS$458
Profit (loss) for the period: ThUS$(14)
Stake in 2022: 100.00%
YOY variation: 0.0%
% of Holding's assets: 0.00927%

Chairman of the Board:
Andrés del Valle (LATAM Executive)
Ramiro Alfonsin Balza (LATAM Executive)
Roberto Alvo Milosawlewitsch (LATAM Executive)

General Manager:
Gregorio Bekes (LATAM Executive)

LATAM TRAVEL CHILE II S.A.

Individualization: Joint Stock Corporation established in Chile.

Purpose: The operation, management, and representation of national or foreign companies or businesses in lodging, shipping, aviation, and tourism activities in general; brokerage of tourist services, such as: (a) booking seats and selling tickets for all types of national and international transportation, (b) booking, acquisition, and sale of lodging and tourist services, and tickets to all types of entertainment, museums, monuments, and protected areas in the country, (c) organization, promotion, and sale of tourist packages, understood as the group of tourist services (food, transportation, lodging, etc.), adjusted or projected at the client's behest, at a preset price, to be operated in national territory, (d) air, land, sea, and river tourist transportation within the national territory and abroad, (e) leasing and charter of planes, ships, buses, trains, and other forms of transportation for the provision of tourist services, (f) marketing of air transportation in any form, whether of passengers, cargo, or mail, and (g) any other activity directly or indirectly related to the rendering of the abovementioned services.

Paid-in Capital: ThUS$10
Stake in 2022: 100.00%
YOY variation: 0.00%
% of Holding's assets: -0.00656%

Board Members:
Andrés del Valle Eitel (LATAM Executive)
Roberto Alvo Milosawlewitsch (LATAM Executive)
Ramiro Alfonsin Balza (LATAM Executive)

General Manager:
Claudia Caceres Araya (LATAM Executive)

LATAM TRAVEL S.R.L.

Incorporation: Limited Liability Company incorporated in Bolivia.

Purpose: Operation, management, and representation of national or foreign companies or businesses in the lodging, shipping, aviation, and tourism activities in general.

Paid-in Capital: ThUS$0
Stake in 2022: 99.00%
YOY variation: 0.00%
% of Holding's assets: 0.00066%

Board Members:
Julio Quintanilla Quiroga
Sergio Antelmo

LAN PAX GROUP S.A.

Incorporation: Established as a joint stock company through the Public Deed dated September 27, 2001 before Santiago Notary Patricio Zaldivar Mackenna, recorded in the Santiago Commerce Registry on page 25,636 n° 20,794 on October 4, 2001, and published in the Official Gazette on October 6, 2001.

Purpose: Perform investments in all manner of goods, be they assets or real estate, tangible or intangible. Within its line of business, the Company may create other types of companies of any sort; acquire rights in already existing corporations, manage, modify, and settle them. Overall, it may acquire and sell all manner of goods and operate them, on its own behalf or for third parties, as well as perform all manner of acts and enter all manner of contracts conducive to its goals. Exercise the development and operation of all other activities derived from and/or related, connected, contributory, or complementary to the company's corporate purpose.

Paid-in Capital: ThUS$16,925
Profit for the period: ThUS$(120,717)
Stake in 2022: 100.00%
YOY variation: 0.00%
% of holding's assets: -10.13001%

Board Members:
Andrés del Valle Eitel (LATAM Executive)
Roberto Alvo Milosawlewitsch (LATAM Executive)
Ramiro Alfonsin Balza (LATAM Executive)

General Manager:
Andrés del Valle Eitel (LATAM Executive)

AFFILIATE COMPANIES OF LAN PAX GROUP S.A. AND STAKES

Inversora Cordillera S.A. and affiliates

Individualization: Joint Stock Corporation established in Argentina.

Purpose: To perform investments on its own behalf or for third parties, or related to third parties, in other stock companies, regardless of corporate purpose, established or to be established, within the Argentine Republic or abroad, via acquisition, incorporation, or sale of stakes, shares, quotas, bonds, options, commercial paper, convertible or otherwise, other transferrable securities, or other forms of investment allowed by the applicable regulation at any given moment, either to hold them in its own portfolio, or to sell them partially or in full, as may be the case. For this purpose, the company may carry out all transactions that are not expressly forbidden by law in compliance with its corporate purpose, and it has full legal capacity to acquire rights, contract obligations, and exercise all acts that are not expressly forbidden by law or statute.

Paid-in Capital: ThUS$671,220
Stake in 2022: 99.95%
YOY variation: 0.00%
% of Holding's assets: 0.02004%

Board Members:
Manuel Maria Benites
Jorge Luis Perez Alati
Rosario Altgelt

Management:
Manuel María Benites
Jorge Luis Perez Alati
Jeronimo Cortes
Javier Norberto Macías
Diego Potenza

Atlantic Aviation Investments LLC

Individualization: Limited Liability Company established in the United States.

Purpose: Any and all lawful business that the company may undertake.

Paid-in Capital: ThUS$1
Stake in 2022: 99.00%
YOY variation: 0.00%
% of Holding's assets: 0.08668%

Board Members:
Andrés del Valle Eitel

Management:
Andrés del Valle (LATAM Executive)

LATAM Airlines Ecuador S.A. (Formerly, Aerolane Líneas Aéreas Nacionales del Ecuador S.A.)

Individualization: Joint Stock Corporation established in Ecuador.

Purpose: Combined air transport of passengers, cargo, and correspondence.

Paid-in Capital: ThUS$31,000
Stake in 2022: 100.00%
YOY variation: 0.00%
% of Holding's assets: 0.12751%

Board Members:
Xavier Rivera
Monica Fistrovic
Professional-Counselor: Mariela Anchundia

General Manager:
Mariela Anchundia

Holdco Ecuador S.A

Individualization: Joint Stock Corporation established in Chile.

Purpose: Carry out all manner of investments for profitable purposes pertaining to tangible or intangible, personal or real estate assets, either in Chile or abroad.

Paid-in Capital: ThUS$491
Stake in 2022: 54.791%
YOY variation: 0.0%
% of Holding's assets: 0.00736%

Board Members:
Antonio Stagg (External)
Manuel Van Oordt (LATAM Executive)
Mariana Villagomez (External)

General Manager:
Ramiro Alfonsin Balza (LATAM Executive)

Aerovias de Integración Regional S.A.– Aires S.A.

Individualization: Joint Stock Corporation established in Colombia.

Purpose: The company's corporate purpose shall be the operation of national or international commercial air transportation services, in any form, and therefore, the establishment and execution of contracts for the transportation of passengers, objects or baggage, correspondence, and cargo in general, pursuant to the operating permits issued to this effect by the Special Administrative Unit of Civil Aeronautics, or the agency that may carry out said functions in future, adhering fully to the provisions of the Code of Commerce, the Colombian Aviation Regulations, and any other rules issued to that effect. Likewise, to provide maintenance and adaptation services for the equipment related to the operation of air transportation services within the country and abroad. In order to fulfill said purpose, the company will be authorized to invest in other national or foreign companies with purposes that are the same, similar, or complementary to the company's. To fulfill its corporate purpose, the company may, among other things: (a) to overhaul, inspect, maintain and/or repair its own aircraft and those of third parties, as well as their spare parts and accessories, through the Company's Aeronautical Repair Shops, providing the necessary training for this purpose; (b) organize, establish and invest in commercial transportation companies in Colombia or abroad, to operate industrially or commercially the economic activity that constitutes its purpose; consequently the company may acquire for any reason the aircraft, spare parts, components and accessories of all kinds, necessary for public and air transportation and to dispose of them, and set up and operate workshops for the repair and maintenance of aircraft; (c) enter into leasing, chartering, code-sharing, rental or any other contract regarding aircraft to fulfill its purpose; (d) operate scheduled air transportation lines for passengers, cargo, correspondence and valuables, as well as the vehicle to coordinate the development of the company's operation; (e) to join the same, similar or complementary companies to perform its activity; (f) to accept national or foreign representations of services of the same or complementary branches; (g) to acquire assets and real estate property for the development of its corporate purposes, to erect these facilities or constructions, such as warehouses, storage facilities, offices etc., sell or encumber them; (h) to perform all imports and exports, as well as all foreign trade operations that may be required; (i) to take money at interest and to offer it as real and bank personal guarantees, either on its own behalf or for third parties; (j) to enter into all kinds of operations with securities, as well as the purchase and sale of debentures acquired by third parties when their effect is the economic or equity benefit of the company, and to obtain loans by means of notes or liability instruments; (k) enter contracts with third parties for the administration and operation of the businesses it organizes for the achievement of its corporate purposes; (l) enter into partnership agreements and acquire shares or stakes in those already established, whether domestic or foreign, and make contributions to one or the other; (m) merge with other companies and enter partnerships with equal entities to seek the development of air transportation or for other trade purposes; (n) promote, technically assist, finance or manage companies or corporations related to the corporate purpose; (o) enter into or execute all types of civil or commercial, industrial or financial contracts that may be necessary or convenient for the achievement of its own purposes; (p) enter into business deals and perform activities that procure customers, and obtain from the competent authorities the necessary authorizations and licenses for the rendering of its services; (q) develop and operate other activities derived from the corporate purpose and/or related, connected, contributory or complementary activities thereto, including the rendering of tourist services under any modality permitted by law, such as travel agencies; (r) engage in any lawful business or activity, whether commercial or not, as long as it is related to its corporate purpose or that allows the most rational operation of the public service to be rendered; and (s) make investments of any kind to use the funds and reserves established in accordance with the law or these bylaws.

Paid-in Capital: ThUS$3,389
Stake in 2022: 99.21764%
YOY variation: 0.00%
% of Holding's assets: -0.76030%

Board Members:
Jorge Nicolas Cortazar Cardoso (ordinary member)
Jaime Antonio Gongora Esguerra (ordinary member)
Jose Mauricio Rodriguez Munera (ordinary member)
Gabriel Vallejo López (deputy member)
Helen Victoria Warner Sanchez (deputy member)
Santiago Alvarez Matamoros (deputy member)

Management:
Erika Zarante Bahamon
Jaime Antonio Gongora Esguerra

LAN Argentina S.A. (Subsidiary of Inversora Cordillera S.A.)

Individualization: Joint Stock Corporation established in Argentina.

Purpose: Perform, on its own behalf or for third parties, independently or in association with third parties in the country or abroad, the following activities: I) AVIATION: Air transportation in all its forms, scheduled and/or chartered (hired charter or air taxi), local or international, of persons and things, correspondence, clearing, works, and air services in general, as a public or private concession; operate public services, pilot school, and personnel training in air navigation, design, engineering, research, assembly-manufacturing, import and/or export of all sorts of aircrafts and their parts, equipment, accessories, and materials for air navigation, as well as render maintenance and technical assistance services to said crafts. II) COMMERCIAL: Through the purchase, sale, exchange, rental in all its forms, leasing, imports, and exports of all types of goods, supply and transfer of aircrafts, parts AND components, accessories, materials, and inputs, brokerage in formalizing insurance to cover the risks of the services contracted, and performance of all types of commercial transactions that normally take place in airports. III) TOURIST: Through the creation, development, and operation of resorts and properties destined to lodge people, as well as tourist activities in every form, including motor vehicle rentals and tourist reservation services. IV) SERVICES: Through the rendering of maintenance and technical assistance services for all types of aircraft, equipment, accessories, and material for air navigation, computer reservation services, transportation services for people and/or cargo and/or correspondence, by land or water, as an accessory to air transportation and/or integrating a combined transportation with the latter, as well as all sorts of assistance for air navigation activities, such as the supply of food and/or elements for use on board. V) COMMISSIONS: Fulfill mandates and commissions. VI) FINANCIAL: Perform any type of financial transaction in general, except for those provided in the Financial Institutions Act and any others requiring a public tender process. VII) REPRESENTATIONS: Of national or foreign persons related to activities pertaining to its corporate purpose. VIII) INVESTING: Establish and participate in companies through shares, fostering their creation, investing in them the necessary capital for those ends, and rendering services to them within the limits established. For said purposes, the Company has full legal capacity to acquire rights, assume obligations, and exercise the acts not expressly forbidden to it by law and by these Bylaws.

Paid-in Capital: ThUS$724,976
Stake in 2022: 94.9953%
YOY variation: 0.00%
% of Holding's assets: 0.02021%

Board Members:
Manuel Maria Benites
Jorge Luis Perez Alati
Rosario Altgelt

Management:
Manuel María Benites
Jorge Luis Perez Alati
Jeronimo Cortes
Diego Potenza

TECHNICAL TRAINING LATAM S.A.

Incorporation: Established as a Joint Stock Corporation per the public deed dated December 23, 1997 in Santiago de Chile, and then recorded in the Santiago Commerce Registry on page 878 item 675 of the year 1998.

Purpose: Its corporate purpose is to provide technical training and other types of related services.

Paid-in Capital: ThUS$625
Profit for the period: ThUS$77
Stake in 2022: 100.00%
YOY variation: 0.00%
% of Holding's assets: 0.00232%

Board Members:
Sebastián Acuto (LATAM Executive)
Ramiro Alfonsin Balza (LATAM Executive)
Hernán Pasman (LATAM Executive)

General Manager:
Guido Opazo Aneotz (LATAM Executive)

JARLETUL S.A.

Incorporation: Joint Stock Corporation established in Brazil in November 2017.

Purpose: Its corporate purpose is operation, management, and representation of national or foreign companies or businesses in lodging, shipping, aviation, and tourism activities in general.

Paid-in Capital: ThUS$0
Profit for the period: ThUS$(2)
Stake in 2022: 100.00%
YOY variation: 0.00%
% of Holding's assets: -0.0827%

Chairman of the Board:
Javier Norberto Macías Raschía

Board Members:
Fernando Augusto Carneiro de Carvalho
Patricia Mendoza Mallo

PROFESIONAL AIRLINE SERVICES INC.

Incorporation: Company established in the United States in February 1994.

Purpose: Its corporate purpose is to provide airport staffing services.

Paid-in Capital: ThUS$63
Profit for the period: ThUS$258
Stake in 2022: 100.00%
YOY variation: 0.00%
% of Holding's assets: 0.02353%

Board Members:
Francisco Arana

LATAM FINANCE LIMITED

Incorporation: Company established in the Caiman Islands in September 2016.

Purpose: Its purpose is to issue securitized bonds

Paid-in Capital: ThUS$0
Profit for the period: ThUS$169,582
Stake in 2022: 100.00%
YOY variation: 0.00%
% of Holding's assets: -1.57827%

Chairman of the Board:
Not applicable

Board Members:
Andrés del Valle Eitel
Ramiro Alfonsin Balza
Joaquín Arias Acuña

PEUCO FINANCE LIMITED

Incorporation: Stock corporation established in the Caiman Islands in November 2015.

Purpose: Its purpose is to participate in financing operations with other companies of LATAM group.

Paid-in Capital: ThUS$0
Profit for the period: ThUS$0
Stake in 2022: 100.00%
YOY variation: 0.00%
% of Holding's assets: 0%

Chairman of the Board:
Not applicable

Board Members:
Andrés del Valle Eitel
Joaquín Arias Acuña

LATAM TRAVEL S.A.

Incorporation: Joint Stock Corporation established in Argentina.

Purpose: To perform on its own behalf or for third parties and/or in partnership with third parties, within the country and/or abroad, the following activities and transactions: (a) COMMERCIAL: Carry out, intervene, develop, or design all manner of operations and activities involving the sale of airfare, land, river, and sea tickets, both nationally and abroad, or any other service related to the tourism industry in general. The aforementioned services may be carried out on its own behalf or upon request from third parties, via mandate, commission, the use of systems or methods deemed convenient for said purpose, be they manual, mechanical, electronic, telephone, or internet methods, or any other type or technology that may suit said purpose. The Company may perform ad hoc or related activities to the purpose described, such as purchase and sales, imports, exports, reexport, licensing, and representation of all manner of goods, services, "know-how," and technology directly or indirectly related to the purpose described; market, by any means the technology created or whose license or patent it has acquired or manages; develop, distribute, promote and market all types of content for mass media of any sort. (b) TOURIST: Via the performance of all activities related to the tourist and lodging industry, as responsible operator or third-party service operator, or as travel agent. Via the creation of exchange, tourism, excursion, and tour programs; the brokerage and booking and rendering of services through any form of transportation within the country or abroad, and ticket sales; brokerage for hiring lodging services in the country or abroad; booking of hotels, motels, tourist apartments, and other tourist facilities; organization of trips and tourism for individuals or groups, excursions, or similar activities within the country or abroad; reception and assistance for tourists during their trip and stay in the country, provision of tour guide services, and forwarding of their baggage; representing other national or foreign travel and tourism agencies, companies, or institutions, in order to render any of these services on their behalf. (c) COMMISSIONER: Via the acceptance, performance, and granting of representations, concessions, commissions, agencies, and mandates in general. (d) CONSULTING: Provide consulting, support, and management services on all matters related to the organization, installation, service, development, support, and promotion of companies related to air transportation activities, but not exclusive to said activity, in the management, industrial, commercial, technical, and advertising areas, to be provided, when the nature of the issue so requires, by certified professionals per the corresponding regulation, and the provision of organization and management, care, maintenance, and surveillance services, and of the suitable personnel, especially prepared to carry out said tasks. (e) FINANCIAL: Via its participation in other companies already created or to be created, either through the acquisition of shares in established companies, or through the establishment of new companies, via the awarding or securing of credits, loans, cash advances secured or unsecured by collateral or personal guarantee; the awarding of guarantees and sureties in favor of third parties for a fee or free of charge; placement of funds in foreign currency, gold or currencies, or bank deposits of any type. To achieve these purposes, the company has full legal capacity to exercise all acts not expressly forbidden by law or statue, including making borrowings publicly or privately via the issuance of debentures and tradable securities, and performing all manner of financial transactions except those comprised under Law 21,526 and any others requiring a public tender process.

Paid-in Capital: ThUS$15,332
Stake in 2022: 100.00%
YOY variation: 0.00%
% of Holding's assets: 0.03473%

Board member:
Jeronimo Cortes
Javier Norberto Macías (deputy member)

Management:
Jeronimo Cortes
Javier Norberto Macías
Diego Potenza

Affiliates and subsidiaries – Financial statements

LAN CARGO S.A. AND AFFILIATES
Financial Statement

ASSETS	At December 31 2022 THUS$	At December 31 2021 THUS$
Total current assets	187,148	695,341
Total non-current assets	415,766	469,437
Total assets	602,914	1,164,778

LIABILITIES AND EQUITY	At December 31 2022 THUS$	At December 31 2021 THUS$
LIABILITIES		
Total current liabilities	283,435	785,977
Total non-current liabilities	275,650	278,667
Total liabilities	559,085	1,064,644
EQUITY		
Net equity attributable to the parent company's owners	104,535	164,653
Non-controlling interest	(60,706)	(64,519)
Total equity	43,829	100,134
Total equity and liabilities	602,914	1,164,778

LAN CARGO S.A. AND AFFILIATES
Consolidated Statement of Earnings by Function

	At December 31 2022 THUS$	At December 31 2021 THUS$
Revenues from ordinary activities	2,136,257	1,132,425
Cost of sales	(2,068,992)	(1,244,086)
Gross profit (loss)	67,265	(111,661)
Gain (Loss) from operational activities	(11,120)	(281,759)
Profit (loss), before tax	(57,858)	(270,123)
Income tax expenses	3,215	22,985
Profit (Loss) for the period	(54,643)	(247,138)
Gain (Loss) attributable to the parent company's owners	(53,459)	(242,249)
Gain(Loss) attributable to non-controlling interests	(1,184)	(4,889)
Profit (Loss) for the period	(54,643)	(247,138)

LAN CARGO S.A. AND AFFILIATES
Consolidated Statement of Comprehensive Income

	At December 31 2022 THUS$	At December 31 2021 THUS$
PROFIT (LOSS) FOR THE PERIOD	(54,643)	(247,148)
Total other comprehensive Income not to be reclassified as Income before tax for the period	(2,274)	1,118
Total other comprehensive income not to be reclassified as Income before tax for the period	(21)	220
Other components of other comprehensive Income, before tax	(2,295)	1,338
Tax on accrued earnings related to components of other comprehensive Income not to be classified as earnings for the period	567	(303)
Other comprehensive income	(1,728)	1,035
Total comprehensive income	(56,371)	(246,113)
Comprehensive income attributable to:		
Comprehensive income attributable to the parent company's owners	(55,187)	(241,214)
Comprehensive income attributable to non-controlling interests	(1,184)	(4,899)
TOTAL COMPREHENSIVE INCOME	(56,371)	(246,113)

LAN CARGO S.A. Y FILIALES
Consolidated Cash Flow Statement - Direct Method

	At December 31 2022 THUS$	At December 31 2021 THUS$
Net cash flows from operating activities	15,354	6,449
Net cash flows used in investment activities	(7,977)	(6,900)
Net cash flows from (used in) financing activities	(8,353)	(7,105)
Net Increase (decrease) In cash and cash equivalents, before effect of changes in F/X rate	(975)	(7,555)
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	45,209	47,052

LAN CARGO S.A. AND AFFILIATES
Statement of Changes in Consolidated Equity

	Equity attributable to owners of the Parent company THUS$	Stake Non-parent company THUS$	Equity total THUS$
Equity			
01/01/22	164,653	(64,519)	100,134
Changes in equity			
Comprehensive income			
Profit (loss)	(53,459)	(1,184)	(54,643)
Other comprehensive income	(1,728)	-	(1,728)
Total comprehensive income	(55,187)	(1,184)	(56,371)
Increase (decrease) from transfers and other changes	(4,931)	4,997	66
Final balance of current period 12/31/22	104,535	(60,706)	43,829

	Equity attributable to owners of the Parent company THUS$	Stake Non-Parent company THUS$	Equity total THUS$
Equity			
01/01/21	578,004	(59,620)	518,384
Changes in equity			
Comprehensive income			
Profit (loss)	(242,249)	(4,899)	(247,148)
Other comprehensive income	1,035	-	1,035
Total comprehensive income	(241,214)	(4,899)	(246,113)
Increase (decrease) from transfers and other changes	(172,137)	-	(172,137)
Final balance of current period 12/31/21	164,653	(64,519)	100,134

LAN CARGO S.A. AND AFFILIATES
Statement of Changes in Consolidated Equity

	Equity attributable to owners of the Parent company THUS$	Stake non-Parent company THUS$	Equity total THUS$
Equity			
01/01/20	349,351	(746)	348,605
Increase (decrease) due to application of new accounting standards	-	-	-
Modified initial balance Restated	349,351	(746)	348,605
Changes in equity			
Comprehensive income			
Profit (loss)	(192,820)	(75,630)	(268,450)
Other comprehensive income	(781)	-	(781)
Total comprehensive income	(193,601)	(75,630)	(269,231)
Increase (decrease) from transfers and other changes	422,254	16,756	439,010
Final balance of current period 12/31/20	578,004	(59,620)	518,384

INVERSIONES LAN S.A.
Financial Statement

ASSETS	At December 31 2022 THUS$	At December 31 2021 THUS$
Total current assets	1,223	1,226
Total non-current assets	58	58
Total assets	1,281	1,284

LIABILITIES AND EQUITY	At December 31 2022 THUS$	At December 31 2021 THUS$
LIABILITIES		
Total current liabilities	11	-
Total non-current liabilities	45	45
Total liabilities	56	45
EQUITY		
Net equity attributable to the parent company's owners	1,225	1,239
Total equity	1,225	1,239
Total equity and liabilities	1,281	1,284

INVERSIONES LAN S.A.
Consolidated Statement of Earnings by Function

	At December 31 2022 THUS$	At December 31 2021 THUS$
Gain (Loss) from operational activities	7	6
Profit (loss), before tax	(1)	(90)
Income tax expenses	(13)	-
Profit (Loss) for the period	(14)	(90)
Gain (Loss) attributable to the parent company's owners	(14)	(90)
Profit (Loss) for the period	(14)	(90)

INVERSIONES LAN S.A.
Consolidated Statement of Comprehensive Income

	At December 31 2022 THUS$	At December 31 2021 THUS$
PROFIT (LOSS) FOR THE PERIOD	(14)	(90)
Total comprehensive income	(14)	(90)
Comprehensive income attributable to:		
Comprehensive income attributable to the parent company's owners	(14)	(90)
TOTAL COMPREHENSIVE INCOME	(14)	(90)

INVERSIONES LAN S.A.
Statement of Changes in Consolidated Equity

	Equity attributable to owners of the Parent company THUS$	Stake non-Parent company THUS$	Equity total THUS$
Equity			
01/01/22	1,239	-	1,239
Total comprehensive income	(14)	-	(14)
Final balance of current period			
12/31/22	1,225	-	1,225

INVERSIONES LAN S.A.
Consolidated Cash Flow Statement - Direct Method

	At December 31 2022 THUS$	At December 31 2021 THUS$
Net cash flows from operating activities	12	-
Effects of F/X variations on cash and cash equivalents	(5)	(77)
Net increase in cash and cash equivalents	7	(77)
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	413	406

INVERSIONES LAN S.A.
Statement of Changes in Consolidated Equity

	Equity attributable to owners of the Parent company THUS$	Stake non-Parent company THUS$	Equity total THUS$
Equity			
01/01/21	1,329	-	1,329
Total comprehensive income	(90)	-	(90)
Final balance of current period			
12/31/21	1,239	-	1,239

LAN PAX GROUP AND AFFILIATES
Financial Statement

ASSETS	At December 31 2022 THUS$	At December 31 2021 THUS$
Total current assets	193,479	232,185
Total non-current assets	198,753	200,085
Total assets	392,232	432,270

LIABILITIES AND EQUITY	At December 31 2022 THUS$	At December 31 2021 THUS$
LIABILITIES		
Total current liabilities	1,462,843	1,412,684
Total non-current liabilities	265,125	236,031
Total liabilities	1,727,968	1,648,715
EQUITY		
Net equity attributable to the parent company's owners	(1,342,687)	(1,219,473)
Non-controlling interest	6,951	3,028
Total equity	(1,335,736)	(1,216,445)
Total equity and liabilities	392,232	432,270

LAN PAX GROUP AND AFFILIATES
Consolidated Statement of Earnings by Function

	At December 31 2022 THUS$	At December 31 2021 THUS$
Revenues from ordinary activities	534,979	310,688
Cost of sales	(529,730)	(281,846)
Gross profit (loss)	5,249	28,842
Gain (Loss) from operational activities	(135,604)	(48,133)
Profit (loss), before tax	(124,022)	(6,624)
Income tax expenses	2,349	(823)
Profit (Loss) for the period	(121,673)	(7,447)
Gain (Loss) attributable to the parent company's owners	(120,717)	(7,289)
Gain(Loss) attributable to non-controlling interests	(956)	(158)
Profit (Loss) for the period	(121,673)	(7,447)

LAN PAX GROUP AND AFFILIATES
Consolidated Statement of Comprehensive Income

	At December 31 2022 THUS$	At December 31 2021 THUS$
PROFIT (LOSS) FOR THE PERIOD	(121,673)	(7,447)
Gains (losses) by conversion exchange difference, before taxes	(15,021)	(193,037)
Total comprehensive income	(136,694)	(200,484)
Comprehensive income attributable to:		
Comprehensive income attributable to the parent company's owners	(126,301)	(213,711)
Comprehensive income attributable to non-controlling interests	(10,393)	13,227
TOTAL COMPREHENSIVE INCOME	(136,694)	(200,484)

LAN PAX GROUP AND AFFILIATES
Consolidated Cash Flow Statement - Direct Method

	At December 31 2022 THUS$	At December 31 2021 THUS$
Net cash flows from operating activities	24,595	2,596
Net cash flows used in investment activities	(1,762)	11,587
Net cash flows from (used in) financing activities	(33)	(115)
Net Increase (decrease) In cash and cash equivalents, before effect of changes in F/X rate	22,800	14,068
Effects of F/X variations on cash and cash equivalents	(2,653)	(3,838)
Net increase (decrease) in cash and cash equivalents	20,150	10,230
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	91,687	71,537

LAN PAX GROUP AND AFFILIATES
Statement of Changes in Consolidated Equity

	Equity attributable to owners of the Parent company THUS$	Stake non-Parent company THUS$	Equity total THUS$
Equity 01/01/22	(1,219,473)	3,028	(1,216,445)
Total comprehensive income	(126,301)	(10,393)	(136,694)
Increase (decrease) from transfers and other changes	3,087	14,316	17,403
Final balance of current period 12/31/22	(1,342,687)	6,951	(1,335,736)

	Equity attributable to owners of the Parent company THUS$	Stake non-Parent company THUS$	Equity total THUS$
Equity 01/01/21	(1,220,319)	319	(1,220,000)
Total comprehensive income	(213,711)	13,227	(200,484)
Increase (decrease) from transfers and other changes	214,557	(10,518)	204,039
Final balance of current period 12/31/21	(1,219,473)	3,028	(1,216,445)

LAN PAX GROUP AND AFFILIATES
Statement of Changes in Consolidated Equity

	Equity attributable to owners of the Parent company	Stake non-Parent company	Equity total
	THUS$	THUS$	THUS$
Equity			
01/01/20	(856,611)	2,036	(854,575)
Total comprehensive income	(367,922)	(1,717)	(369,639)
Increase (decrease)			
from transfers and other changes	4,214	-	4,214
Final balance of current period			
12/31/20	(1,220,319)	319	(1,220,000)

LATAM FINANCE LIMITED
Financial Statement

	2022	2021
	THUS$	THUS$
Total current assets	115	1,310,734
Total assets	115	1,310,734

LIABILITIES AND EQUITY	At December 31 2022	At December 31 2021
	THUS$	THUS$
LIABILITIES		
Total current liabilities	208,621	187,083
Total non-current liabilities	-	1,501,739
Total liabilities	208,621	1,688,822
EQUITY		
Net equity attributable to the parent company's owners	(208,506)	(378,088)
Total equity	(208,506)	(378,088)
Total equity and liabilities	115	1,310,734

LATAM FINANCE LIMITED
Consolidated Statement of Earnings by Function

	At December 31 2022	At December 31 2021
	THUS$	THUS$
Revenues from ordinary activities	-	-
Cost of sales	-	(104,511)
Gross profit (loss)	-	(104,511)
Gain (Loss) from operational activities	(1)	(104,512)
Profit (loss), before tax	169,582	(104,512)
Profit (Loss) for the period	169,582	(104,512)

LATAM FINANCE LIMITED
Consolidated Statement of Comprehensive Income

	At December 31 2022	At December 31 2021
	THUS$	THUS$
PROFIT (LOSS) FOR THE PERIOD	169,582	(104,512)
Total comprehensive income	169,582	(104,512)

LATAM FINANCE LIMITED
Consolidated Cash Flow Statement - Direct Method

	At December 31 2022 THUS$	At December 31 2021 THUS$
Net cash flows from operating activities	-	-
Net cash flows used in investment activities	(1)	(1)
Net cash flows from (used in) financing activities	-	-
Net increase (decrease) in cash and cash equivalents	(1)	(1)
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	115	116

LATAM FINANCE LIMITED
Statement of Changes in Consolidated Equity

	Equity attributable to owners of the Parent company THUS$	Stake non-Parent company THUS$	Equity total THUS$
Equity			
01/01/22	(378,088)	-	(378,088)
Total comprehensive income	169,582	-	169,582
Final balance of current period			
12/31/22	(208,506)	-	(208,506)

LATAM FINANCE LIMITED
Statement of Changes in Consolidated Equity

	Equity attributable to owners of the Parent company THUS$	Stake non-Parent company THUS$	Equity total THUS$
Equity			
01/01/21	(273,576)	-	(273,576)
Total comprehensive income	(104,512)	-	(104,512)
Final balance of current period			
12/31/21	(378,088)	-	(378,088)

LATAM FINANCE LIMITED
Statement of Changes in Consolidated Equity

	Equity attributable to owners of the Parent company THUS$	Stake non-Parent company THUS$	Equity total THUS$
Equity			
01/01/20	(168,476)	-	(168,476)
Total comprehensive income	(105,100)	-	(105,100)
Final balance of current period			
12/31/20	(273,576)	-	(273,576)

PROFESSIONAL AIRLINE SERVICES INC.
Financial Statement

ASSETS	At December 31 2022 THUS$	At December 31 2021 THUS$
Total current assets	56,896	33,766
Total assets	56,896	33,766

LIABILITIES AND EQUITY	At December 31 2022 THUS$	At December 31 2021 THUS$
LIABILITIES		
Total current liabilities	53,787	30,915
Total liabilities	53,787	30,915
EQUITY		
Net equity attributable to the parent company's owners	3,109	2,851
Total equity	3,109	2,851
Total equity and liabilities	56,896	33,766

PROFESSIONAL AIRLINE SERVICES INC.
Consolidated Statement of Earnings by Function

	At December 31 2022 THUS$	At December 31 2021 THUS$
Revenues from ordinary activities	64,079	61,572
Cost of sales	(38,208)	(33,765)
Gross profit (loss)	25,871	27,807
Gain (Loss) from operational activities	286	478
Profit (loss), before tax	286	478
Income tax expenses	(28)	(200)
Profit (Loss) for the period	258	278

PROFESSIONAL AIRLINE SERVICES INC.
Consolidated Statement of Comprehensive Income

	At December 31 2022 THUS$	At December 31 2021 THUS$
PROFIT (LOSS) FOR THE PERIOD	258	278
Total comprehensive income	258	278

PROFESSIONAL AIRLINE SERVICES INC.
Consolidated Cash Flow Statement - Direct Method

	At December 31 2022 THUS$	At December 31 2021 THUS$
Net cash flows from operating activities	(1,431)	2,694
Net Increase (decrease) In cash and cash equivalents, before effect of changes in F, rate	(1,431)	2,694
Net increase (decrease) in cash and cash equivalents	(1,431)	2,694
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	1,452	2,883

PROFESSIONAL AIRLINE SERVICES INC.
Statement of Changes in Consolidated Equity

	owners of the Parent company THUS$	Equity total THUS$
Equity		
01/01/22	2,851	2,851
Total comprehensive income	258	258
Final balance of current period		
12/31/22	3,109	3,109

PROFESSIONAL AIRLINE SERVICES INC.
Statement of Changes in Consolidated Equity

	Equity attributable to owners of the Parent company THUS$	Equity total THUS$
Equity		
01/01/21	2,573	2,573
Total comprehensive income	278	278
Final balance of current period		
12/31/21	2,851	2,851

PROFESSIONAL AIRLINE SERVICES INC.
Statement of Changes in Consolidated Equity

	owners of the Parent company THUS$	Equity total THUS$
Equity		
01/01/20	1,559	1,559
Total comprehensive income	1,014	1,014
Final balance of current period		
12/31/20	2,573	2,573

HOLDCO I S.A.
Financial Statement

ASSETS	At December 31 2022 THUS$	At December 31 2021 THUS$
Total current assets	-	-
Total non-current assets	351,587	351,587
Total assets	351,587	351,587

LIABILITIES AND EQUITY	At December 31 2022 THUS$	At December 31 2021 THUS$
LIABILITIES		
Total current liabilities	3,237	2,740
Total liabilities	3,237	2,740
EQUITY		
Net equity attributable to the parent company's owners	348,350	348,847
Total equity	348,350	348,847
Total equity and liabilities	351,587	351,587

HOLDCO I S.A.
Consolidated Statement of Earnings by Function

	At December 31 2022 THUS$	At December 31 2021 THUS$
Gain (Loss) from operational activities	(515)	(993)
Exchange difference	18	399
Profit (Loss) for the period	(497)	(594)
Gain (Loss) attributable to the parent company's owners	(497)	(594)
Profit (Loss) for the period	(497)	(594)

HOLDCO I S.A.
Consolidated Cash Flow Statement - Direct Method

	At December 31 2022 THUS$	At December 31 2021 THUS$
Net cash flows from operating activities		
Net Increase (decrease) In cash and cash equivalents, before effect of changes in F/X rate	-	(6)
Net increase (decrease) in cash and cash equivalents	-	(6)
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	-	-

HOLDCO I S.A.
Consolidated Statement of Comprehensive Income

	At December 31 2022 THUS$	At December 31 2021 THUS$
PROFIT (LOSS) FOR THE PERIOD	(497)	(594)
Total comprehensive income	(497)	(594)
Comprehensive income attributable to:		
Comprehensive income attributable to the parent company's owner	(497)	(594)
TOTAL COMPREHENSIVE INCOME	(497)	(594)

HOLDCO I S.A.
Statement of Changes in Consolidated Equity

	Equity attributable to owners of the Parent company THUS$	Stake non-Parent company THUS$	Equity total THUS$
Equity			
01/01/22	348,847	-	348,847
Total comprehensive income	(497)	-	(497)
Final balance of current period			
12/31/22	348,350	-	348,350

HOLDCO I S.A.
Statement of Changes in Consolidated Equity

	Equity attributable to owners of the Parent company THUS$	Stake non-Parent company THUS$	Equity total THUS$
Equity			
01/01/21	349,441	-	349,441
Total comprehensive income	(594)	-	(594)
Final balance of current period			
12/31/21	348,847	-	348,847

HOLDCO I S.A.
Statement of Changes in Consolidated Equity

	Equity attributable to owners of the Parent company THUS$	Stake non-Parent company THUS$	Equity total THUS$
Equity			
01/01/20	349,552	-	349,552
Total comprehensive income	(111)	-	(111)
Final balance of current period			
12/31/20	349,441	-	349,441

JARLETUL S.A.
Financial Statement

ASSETS	At December 31 2022 THUS$	At December 31 2021 THUS$
Total current assets	16	22
Total non-current assets	-	2
Total assets	16	24

LIABILITIES AND EQUITY	At December 31 2022 THUS$	At December 31 2021 THUS$
LIABILITIES		
Total current liabilities	1,110	1,116
Total liabilities	1,110	1,116
EQUITY		
Net equity attributable to the parent company's owners	(1,094)	(1,092)
Total equity	(1,094)	(1,092)
Total equity and liabilities	16	24

JARLETUL S.A.
Consolidated Statement of Earnings by Function

	At December 31 2022 THUS$	At December 31 2021 THUS$
Revenues from ordinary activities	-	-
Cost of sales	-	-
Gross profit (loss)	-	-
Gain (Loss) from operational activities	(2)	(47)
Profit (loss), before tax	(2)	(47)
Income tax expenses	-	(3)
Profit (Loss) for the period	(2)	(50)

JARLETUL S.A.
Consolidated Statement of Comprehensive Income

	At December 31 2022 THUS$	At December 31 2021 THUS$
PROFIT (LOSS) FOR THE PERIOD	(2)	(50)
Total comprehensive income	(2)	(50)

JARLETUL S.A.
Consolidated Cash Flow Statement - Direct Method

	At December 31 2022 THUS$	At December 31 2021 THUS$
Net cash flows from operating activities	(7)	(10)
Net Increase (decrease) In cash and cash equivalents, before effect of changes in F/X rate	(7)	(10)
Net increase (decrease) in cash and cash equivalents	(7)	(10)
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	15	22

JARLETUL S.A.
Statement of Changes in Consolidated Equity

	Equity attributable to owners of the Parent company THUS$	Stake non-Parent company THUS$	Equity total THUS$
Equity			
01/01/22	(1,092)	-	(1,092)
Total comprehensive income	(2)	-	(2)
Final balance of current period			
12/31/22	(1,094)	-	(1,094)

JARLETUL S.A.
Statement of Changes in Consolidated Equity

	Equity attributable to owners of the Parent company THUS$	Stake non-Parent company THUS$	Equity total THUS$
Equity			
01/01/21	(1,042)	-	(1,042)
Total comprehensive income	(50)	-	(50)
Final balance of current period			
12/31/21	(1,092)	-	(1,092)

LATAM AIRLINES PERÚ S.A.
Financial Statement

ASSETS	At December 31 2022 THUS$	At December 31 2021 THUS$
Total current assets	305,288	454,266
Total non-current assets	30,485	30,122
Total assets	335,773	484,388

LIABILITIES AND EQUITY	At December 31 2021 THUS$	At December 31 2020 THUS$
LIABILITIES		
Total current liabilities	276,875	414,997
Total non-current liabilities	4,303	2,070
Total liabilities	281,178	417,067
EQUITY		
Net equity attributable to the parent company's owners	54,595	67,321
Total equity	54,595	67,321
Total equity and liabilities	335,773	484,388

LATAM AIRLINES PERÚ S.A.
Consolidated Statement of Earnings by Function

	At December 31 2022 THUS$	At December 31 2021 THUS$
Revenues from ordinary activities	1,257,865	584,929
Cost of sales	(1,165,039)	(614,102)
Gross profit (loss)	92,826	(29,173)
Gain (Loss) from operational activities	4,774	(93,410)
Profit (loss), before tax	(12,400)	(109,180)
Income tax expenses	(325)	(210)
Profit (Loss) for the period	(12,725)	(109,390)
Gain (Loss) attributable to the parent company's owners	(12,725)	(109,390)
Profit (Loss) for the period	(12,725)	(109,390)

LATAM AIRLINES PERÚ S.A.
Consolidated Statement of Comprehensive Income

	At December 31 2022 THUS$	At December 31 2021 THUS$
PROFIT (LOSS) FOR THE PERIOD	(12,725)	(109,390)
Total comprehensive income	(12,725)	(109,390)
Comprehensive income attributable to:		
Comprehensive income attributable to the parent company's owners	(12,725)	(109,390)
TOTAL COMPREHENSIVE INCOME	(12,725)	(109,390)

LATAM AIRLINES PERÚ S.A.
Consolidated Cash Flow Statement - Direct Method

	At December 31 2022 THUS$	At December 31 2021 THUS$
Net cash flows from operating activities	(23,373)	37,204
Net cash flows used in investment activities	(3,947)	(868)
Net cash flows from (used in) financing activities	1,888	(217)
Net Increase (decrease) In cash and cash equivalents, before effect of changes in F/X rate	(25,432)	36,119
Net increase (decrease) in cash and cash equivalents	(25,432)	36,119
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	56,250	81,682

LATAM AIRLINES PERÚ S.A.
Statement of Changes in Consolidated Equity

	Equity attributable to owners of the Parent company THUS$	Stake non-Parent company THUS$	Equity total THUS$
Equity			
01/01/22	67,321	-	67,321
Total comprehensive income	(12,725)	-	(12,725)
Total transactions with shareholders	-	-	-
Final balance of current period			
12/31/22	54,596	-	54,596

	Equity attributable to owners of the Parent company THUS$	Stake non-Parent company THUS$	Equity total THUS$
Equity			
01/01/21	175,623	-	175,623
Total comprehensive income	(109,394)	-	(109,394)
Total transactions with shareholders	1,092	-	1,092
Final balance of current period			
12/31/21	67,321	-	67,321

LATAM AIRLINES PERÚ S.A.
Statement of Changes in Consolidated Equity

	Equity attributable to owners of the Parent company THUS$	Stake non-Parent company THUS$	Equity total THUS$
Equity			
01/01/20	8,691	-	8,691
Total comprehensive income	(175,486)	-	(175,486)
Total transactions with shareholders	342,418		342,418
Final balance of current period			
12/31/20	175,623	-	175,623

LATAM TRAVEL CHILE II S.A.
Financial Statement

ASSETS	At December 31 2022 THUS$	At December 31 2021 THUS$
Total current assets	31	251
Total non-current assets	336	337
Total assets	367	588

LIABILITIES AND EQUITY	At December 31 2022 THUS$	At December 31 2021 THUS$
LIABILITIES		
Total current liabilities	1,234	1,457
Total non-current liabilities	-	-
Total liabilities	1,234	1,457
EQUITY		
Net equity attributable to the parent company's owners	(867)	(869)
Total equity	(867)	(869)
Total equity and liabilities	367	588

LATAM TRAVEL CHILE II S.A.
Consolidated Statement of Earnings by Function

	At December 31 2022 THUS$	At December 31 2021 THUS$
Revenues from ordinary activities	-	-
Cost of sales	-	(6)
Gross profit (loss)	-	(6)
Gain (Loss) from operational activities	2	86
Profit (loss), before tax	2	84
Income tax expenses	-	(55)
Profit (Loss) for the period	2	29
Gain (Loss) attributable to the parent company's owners	2	29
Profit (Loss) for the period	2	29

LATAM TRAVEL CHILE II S.A.
Consolidated Statement of Comprehensive Income

	At December 31 2022 THUS$	At December 31 2021 THUS$
PROFIT (LOSS) FOR THE PERIOD	2	29
Total comprehensive income	2	29
Comprehensive income attributable to:		
Comprehensive income attributable to the parent company's owners	2	29
TOTAL COMPREHENSIVE INCOME	2	29

LATAM TRAVEL CHILE II S.A.
Consolidated Cash Flow Statement - Direct Method

	At December 31 2022 THUS$	At December 31 2021 THUS$
Net cash flows from operating activities	(221)	(10)
Net cash flows used in investment activities	-	(9)
Net cash flows from (used in) financing activities	-	-
Net Increase (decrease) In cash and cash equivalents, before effect of changes in F/X rate	(221)	(19)
Net increase (decrease) in cash and cash equivalents	(221)	(19)
H AND CASH EQUIVALENTS AT THE END OF THE PERIOD	20	241

LATAM TRAVEL CHILE II S.A.
Statement of Changes in Consolidated Equity

	Equity attributable to owners of the Parent company THUS$	Stake non-Parent company THUS$	Equity total THUS$
Equity			
01/01/21	(898)	-	(898)
Total comprehensive income	29	-	29
Final balance of current period 12/31/21	(869)	-	(869)

LATAM TRAVEL CHILE II S.A.
Statement of Changes in Consolidated Equity

	Equity attributable to owners of the Parent company THUS$	Stake non-Parent company THUS$	Equity total THUS$
Equity			
01/01/22	(869)	-	(869)
Total comprehensive income	2	-	2
Final balance of current period 12/31/22	(867)	-	(867)

LATAM TRAVEL CHILE II S.A.
Statement of Changes in Consolidated Equity

	Equity attributable to owners of the Parent company THUS$	Stake non-Parent company THUS$	Equity total THUS$
Equity			
01/01/20	(682)	-	(682)
Total comprehensive income	(216)	-	(216)
Final balance of current period 12/31/20	(898)	-	(898)

LATAM TRAVEL S.A.
Financial Statement

ASSETS	At December 31 2022 THUS$	At December 31 2021 THUS$
Total current assets	1,249,804	324,961
Total non-current assets	88,494	82,288
Total assets	1,338,298	407,249

LIABILITIES AND EQUITY	At December 31 2022 THUS$	At December 31 2021 THUS$
LIABILITIES		
Total current liabilities	323,426	650,768
Total non-current liabilities	174,158	10,273
Total liabilities	497,584	661,041
EQUITY		
Net equity attributable to the parent company's owners	840,714	(253,792)
Non-controlling interest	-	-
Total equity	840,714	(253,792)
Total equity and liabilities	1,338,298	407,249

LATAM TRAVEL S.A.
Consolidated Statement of Earnings by Function

	At December 31 2022 THUS$	At December 31 2021 THUS$
Revenues from ordinary activities	372,102	28,987
Cost of sales	(30,992)	9,011
Gross profit (loss)	341,110	37,998
Gain (Loss) from operational activities	181,724	12,282
Profit (loss), before tax	(1,133,744)	(302,098)
Income tax expenses	-	-
Profit (Loss) for the period	(1,133,744)	(302,098)
Gain (Loss) attributable to the parent company's owners	(1,133,744)	(302,098)
Gain(Loss) attributable to non-controlling interests	-	-
Profit (Loss) for the period	(1,133,744)	(302,098)

LATAM TRAVEL S.A.
Consolidated Statement of Comprehensive Income

	At December 31 2022 THUS$	At December 31 2021 THUS$
PROFIT (LOSS) FOR THE PERIOD	(1,133,744)	(302,098)
TOTAL COMPREHENSIVE INCOME	(1,133,744)	(302,098)

LATAM TRAVEL S.A.
Consolidated Cash Flow Statement - Direct Method

	At December 31 2022 THUS$	At December 31 2021 THUS$
Net cash flows from operating activities	(989,812)	(132,964)
Net cash flows used in investment activities	90,526	-
Net cash flows from (used in) financing activities	1,411,653	-
Net Increase (decrease) In cash and cash equivalents, before effect of changes in F/X rate	512,367	(132,964)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	165,496	247,226
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	793,748	165,496

LATAM TRAVEL S.A.
Statement of Changes in Consolidated Equity

	Equity attributable to owners of the Parent company THUS$	Equity total THUS$
Equity		
01/01/22	(253,792)	(253,792)
Changes in equity		
Comprehensive income		
Profit (loss)	(1,133,744)	(1,133,744)
Other comprehensive income	-	-
Total comprehensive income	(1,133,744)	(1,133,744)
Increase (decrease)		
from transfers and other changes	2,228,250	2,228,250
Final balance of current period		
12/31/22	840,714	840,714

LATAM TRAVEL S.A.
Statement of Changes in Consolidated Equity

	Equity attributable to owners of the Parent company THUS$	Equity total THUS$
Equity		
01/01/21	(182,178)	(182,178)
Changes in equity		
Comprehensive income		
Profit (loss)	(302,098)	(302,098)
Other comprehensive income	-	-
Total comprehensive income	(302,098)	(302,098)
Increase (decrease) from transfers and other changes	230,484	230,484
Final balance of current period 12/31/21	(253,792)	(253,792)

LATAM TRAVEL S.R.L.
Financial Statement

ASSETS	At December 31 2022 THUS$	At December 31 2021 THUS$
Total current assets	64	64
Total non-current assets	28	-
Total assets	92	64

LIABILITIES AND EQUITY	At December 31 2022 THUS$	At December 31 2021 THUS$
LIABILITIES		
Total current liabilities	5	132
Total liabilities	5	132
EQUITY		
Net equity attributable to the parent company's owners	87	(68)
Total equity	87	(68)
Total equity and liabilities	92	64

LATAM TRAVEL S.R.L.
Consolidated Statement of Earnings by Function

	At December 31 2022 THUS$	At December 31 2021 THUS$
Revenues from ordinary activities		
Gross profit (loss)	-	-
Profit (loss), before tax	-	-
Profit (Loss) for the period	155	(23)
	155	(23)
Gain (Loss) attributable to the parent company's owners		
Profit (Loss) for the period	155	(23)
	155	(23)

LATAM TRAVEL S.R.L.
Consolidated Cash Flow Statement - Direct Method

	At December 31 . 2022 THUS$	At December 31 . 2021 THUS$
Net cash flows from operating activities	-	133
Net cash flows used in investment activities	-	(2)
Net increase (decrease) in cash and cash equivalents	-	131
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	64	64

LATAM TRAVEL S.R.L.
Consolidated Statement of Comprehensive Income

	At December 31 2022 THUS$	At December 31 2021 THUS$
PROFIT (LOSS) FOR THE PERIOD	155	(23)
Total comprehensive income	155	(23)
Comprehensive income attributable to:		
Comprehensive income attributable to the parent company's owners	155	(23)
TOTAL COMPREHENSIVE INCOME	155	(23)

LATAM TRAVEL S.R.L.
Statement of Changes in Consolidated Equity

	Equity attributable to owners of the Parent company THUS$	Stake non-Parent company THUS$	Equity total THUS$
Equity			
01/01/22	(68)	-	(68)
Total comprehensive income	155	-	155
Final balance of current period			
12/31/22	87	-	87

LATAM TRAVEL S.R.L.
Statement of Changes in Consolidated Equity

	Equity attributable to owners of the Parent company THUS$	Stake non-Parent company THUS$	Equity total THUS$
Equity			
01/01/21	(45)	-	(45)
Total comprehensive income	(23)	-	(23)
Final balance of current period			
12/31/21	(68)	-	(68)

LATAM TRAVEL S.R.L.
Statement of Changes in Consolidated Equity

	Equity attributable to owners of the Parent company THUS$	Stake non-Parent company THUS$	Equity total THUS$
Equity			
01/01/20	23	-	23
Total comprehensive income	(68)	-	(68)
Final balance of current period			
12/31/20	(45)	-	(45)

PEUCO FINANCE LIMITED
Financial Statement

ASSETS	At December 31 2022 THUS$	At December 31 2021 THUS$
Total current assets	-	1,307,721
Total assets	-	1,307,721

LIABILITIES AND EQUITY	At December 31 2022 THUS$	At December 31 2021 THUS$
LIABILITIES		
Total current liabilities	-	1,307,721
Total liabilities	-	1,307,721
Total equity and liabilities	-	1,307,721

PEUCO FINANCE LIMITED
Consolidated Cash Flow Statement - Direct Method

	At December 31 2022 THUS$	At December 31 2021 THUS$
Net cash flows from operating activities	-	-
Net cash flows used in investment activities	-	-
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	-	-

TAM S.A. AND AFFILIATES
Financial Statement

ASSETS	At December 31 2022 THUS$	At December 31 2021 THUS$
Total current assets	1,998,284	1,262,825
Total non-current assets	1,499,564	1,346,034
Total assets	3,497,848	2,608,859

LIABILITIES AND EQUITY	At December 31 2021 THUS$	At December 31 2020 THUS$
LIABILITIES		
Total current liabilities	3,302,692	2,410,426
Total non-current liabilities	928,855	846,722
Total liabilities	4,231,547	3,257,148
EQUITY		
Net equity attributable to the parent company's owners	(734,514)	(649,058)
Non-controlling interest	815	769
Total equity	(733,699)	(648,289)
Total equity and liabilities	3,497,848	2,608,859

TAM S.A. AND AFFILIATES
Consolidated Statement of Earnings by Function

	At December 31 2022 THUS$	At December 31 2021 THUS$
Revenues from ordinary activities	4,255,115	2,003,922
Cost of sales	(3,973,361)	(2,161,497)
Gross profit (loss)	281,754	(157,575)
Gain (Loss) from operational activities	(163,903)	(665,917)
Profit (loss), before tax	(89,464)	(748,514)
Income tax expenses	19,529	(8,119)
Profit (Loss) for the period	(69,935)	(756,633)
Gain (Loss) attributable to the parent company's owners	(70,047)	(756,698)
Gain(Loss) attributable to non-controlling interests	112	65
Profit (Loss) for the period	(69,935)	(756,633)

TAM S.A. AND AFFILIATES
Consolidated Statement of Comprehensive Income

	At December 31 2022 THUS$	At December 31 2021 THUS$
PROFIT (LOSS) FOR THE PERIOD	(69,935)	(756,633)
Other components of other comprehensive Income, before tax	(10,792)	(32,031)
Tax on accrued earnings related to components of other comprehensive Income not to be classified as earnings for the period	689	(483)
Other comprehensive income	(10,103)	(32,514)
Total comprehensive income	(80,273)	(789,147)
Comprehensive income attributable to:		
Comprehensive income attributable to the parent company's owners	(80,281)	(789,254)
Comprehensive income attributable to non-controlling interests	8	107
TOTAL COMPREHENSIVE INCOME	(80,273)	(789,147)

TAM S.A. AND AFFILIATES
Consolidated Cash Flow Statement - Direct Method

	At December 31 2022 THUS$	At December 31 2021 THUS$
Net cash flows from operating activities	886,301	(94,067)
Net cash flows used in investment activities	36,345	(47,280)
Net cash flows from (used in) financing activities	(354,668)	(27,510)
Net Increase (decrease) In cash and cash equivalents, before effect of changes in F/X rate	567,978	(168,857)
Effects of F/X variations on cash and cash equivalents	(476,568)	(168,857)
Net increase (decrease) in cash and cash equivalents	91,410	(337,714)
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	384,133	292,723

TAM S.A. AND AFFILIATES
Statement of Changes in Consolidated Equity

	Equity attributable to owners of the Parent company THUS$	Stake non-Parent company THUS$	Equity total THUS$
Equity			
01/01/22	(649,058)	769	(648,289)
Total comprehensive income	(80,281)	35	(80,246)
Total transactions with shareholders	(5,176)	11	(5,165)
Final balance of current period			
12/31/22	(734,515)	815	(733,700)

TAM S.A. AND AFFILIATES
Statement of Changes in Consolidated Equity

	Equity attributable to owners of the Parent company THUS$	Stake non-Parent company THUS$	Equity total THUS$
Equity			
01/01/21	104,407	713	105,120
Total comprehensive income	(789,254)	107	(789,147)
Total transactions with shareholders	35,789	(51)	35,738
Final balance of current period			
12/31/21	(649,058)	769	(648,289)

TAM S.A. AND AFFILIATES
Statement of Changes in Consolidated Equity

	Equity attributable to owners of the Parent company THUS$	Stake non-Parent company THUS$	Equity total THUS$
Equity			
01/01/20	1,537,799	1,506	1,539,305
Total comprehensive income	(1,594,481)	(611)	(1,595,092)
Total transactions with shareholders	161,089	(182)	160,907
Final balance of current period			
12/31/20	104,407	713	105,120

TECHNICAL TRAINING LATAM S.A.
Financial Statement

ASSETS	At December 31 2022 TH$	At December 31 2021 TH$
Total current assets	1,103,009	1,616,725
Total non-current assets	111,767	75,776
Total assets	1,214,776	1,692,501

LIABILITIES AND EQUITY	At December 31 2022 TH$	At December 31 2021 TH$
LIABILITIES		
Total current liabilities	684,262	170,976
Total non-current liabilities	265,927	223,250
Total liabilities	950,189	394,226
EQUITY		
Net equity attributable to the parent company's owners	264,587	1,298,275
Total equity	264,587	1,298,275
Total equity and liabilities	1,214,776	1,692,501

TECHNICAL TRAINING LATAM S.A.
Consolidated Statement of Earnings by Function

	TH$	TH$
Revenues from ordinary activities	906,015	844,775
Cost of sales	(818,075)	(646,971)
Gross profit (loss)	87,940	197,804
Gain (Loss) from operational activities	69,915	393,553
Profit (loss), before tax	69,915	393,553
Income tax expenses	(60)	(206,118)
Profit (Loss) for the period	69,855	187,435
Gain (Loss) attributable to the parent company's ov	69,855	187,435
Profit (Loss) for the period	69,855	187,435

TECHNICAL TRAINING LATAM S.A.
Consolidated Statement of Comprehensive Income

	At December 31 2022 TH$	At December 31 2021 TH$
PROFIT (LOSS) FOR THE PERIOD	69,855	187,435
Other components of other comprehensive Income, before tax	(15,409)	12,093
Other comprehensive income	(15,409)	12,093
Total comprehensive income	54,446	199,528
Comprehensive income attributable to:		
Comprehensive income attributable to the parent company's owners	54,446	199,528
TOTAL COMPREHENSIVE INCOME	54,446	199,528

TECHNICAL TRAINING LATAM S.A.
Consolidated Cash Flow Statement - Direct Method

	At December 31 2022 THS$	At December 31 2021 THS$
Net cash flows from operating activities	(157,977)	(355,265)
Net Increase (decrease) In cash and cash equivalents, before effect of changes in F/X rate	(157,977)	(355,265)
Effects of F/X variations on cash and cash equivalents	4,710	51,747
Net increase (decrease) in cash and cash equivalents	(153,267)	(303,518)
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	136,469	289,736

TECHNICAL TRAINING LATAM S.A.
Statement of Changes in Consolidated Equity

	Equity attributable to owners of the Parent company THS$	Stake non-Parent company THS$	Equity total THS$
Equity 01/01/22	1,298,275	-	1,298,275
Total comprehensive income	54,446	-	54,446
Total transactions with shareholders	(1,088,134)	-	(1,088,134)
Final balance of current period 12/31/22	264,587	-	264,587

TECHNICAL TRAINING LATAM S.A.
Statement of Changes in Consolidated Equity

	Equity attributable to owners of the Parent company THS$	Stake non-Parent company THS$	Equity total THS$
Equity 01/01/21	1,074,271	-	1,074,271
Total comprehensive income	199,528	-	199,528
Total transactions with shareholders	24,476	-	24,476
Final balance of current period 12/31/21	1,298,275	-	1,298,275

TECHNICAL TRAINING LATAM S.A.
Statement of Changes in Consolidated Equity

	Equity attributable to owners of the Parent company THS$	Stake non-Parent company THS$	Equity total THS$
Equity 01/01/20	976,332	-	976,332
Total comprehensive income	127,164	-	127,164
Final balance of current period 12/31/20	1,103,496	-	1,103,496

Rationale

Comparative analysis and explanation of main trends:

1. CONSOLIDATED FINANCIAL STATEMENT

At December 31, 2022, the company's assets totaled ThUS$13,211,024 which, compared to December 31, 2021, represents a decrease of ThUS$80,508 (0.6%).

The Company's current assets increased by ThUS$922,196 (35.3%) vs. yearend 2021. The main increases were seen in the following line following items: Trade and other receivables of ThUS$126,339 (14.3%), mainly due to the increase in sales in the Brazilian, Peruvian and Chilean markets; Short-term inventories of ThUS$190,452 (66.3%), largely associated with the movement of technical inventories used in both own and third-party maintenance services; Other non-financial assets of ThUS$82,996 (76.6%) explained by the increase in sales taxes to be recovered, in contract costs associated with the liability for flying that have been capitalized and aviation insurance; Other financial assets of ThUS$402,377 (397.9%) mainly generated by the increase in Other guarantees awarded for ThUS$42,609 and ThUS$340,008 of funds delivered to Kroll as restricted advances, which are intended to settle claims pending resolution related to the emergence from Chapter 11; and Cash and cash equivalents for ThUS$169,840 (16.2%), this increase is explained by the net variation presented in the Company's consolidated cash flow statement. The positive variation of the above items was offset by a decrease in Current taxes of ThUS$8,231 (20%) and in Non-current assets or groups of assets for disposal classified as held for sale of ThUS$60,376 (41.1%). (This decrease is a net amount generated mainly by sales of aircraft and engines of ThUS$84,058 and an increase due to reclassifications from property, plant and equipment of ThUS$32,000, recognized at the lower value between Book Value and Fair Value less cost of sale).

The Company's liquidity index showed an increase from 0.21 times at yearend 2017 to 0.69 times at the end of December 2022. Moreover, the the acid test ratio showed a decrease going from 0.08 times at yearend 2021 to 0.24 times at the end of December 2022, mainly due to a 58.7% decrease in Current liabilities.

The company's Non-current assets decreased by ThUS$1,002,704 (9.4%) vs. yearend 2021. The main line items of Non-current assets with decreases are: Property, plant and equipment for ThUS$1,078,206 (11.4%), whose variation is mainly explained by the depreciation for the year of ThUS$965,216 and other decreases for the year of ThUS$1,417,138, which consider the reclassification of six A320 aircraft for ThUS$29,328 and twenty-eight A319 aircraft for ThUS$373,410, respectively, under Non-current assets or groups of assets for disposal classified as held for sale, and the renegotiation of 115 aircraft (1 A319, 39 A320, 14 A320N, 30 A321, 1 B767, 6 B777, and 24 B787) for ThUS$886,021, offset by an increase in additions for the year, of ThUS$1,279,755 and an increase in the translation difference of ThUS$24,393; and Deferred tax assets for ThUS$9,375 (61.3%). All the above is slightly offset by the increase in Intangible assets other than goodwill of ThUS$61,494 (6.0%), due to the translation adjustment of ThUS$54,623 and the increase due to additions of ThUS$66,867, both increases offset by the ThUS$54,358 decrease corresponding to the amortization of the year; Other non-financial assets worth ThUS$22,946 (18.3%), whose main increase was due to the rise in judicial deposits for ThUS$28,445.

At December 31, 2022, the Company's assets totaled ThUS$13,180,303 which, compared to December 31, 2021, represents a decrease of ThUS$7,178,133 (equivalent to 35.3%).

The Company's current liabilities decreased by ThUS$7,226,732 (58.7%) compared to the end of 2021, whereby the decreases of ThUS$3,650,610 (82.0%) in Other financial liabilities; ThUS$3,211,259 (66.4%) in Trade and other accounts payable; and ThUS$661,590 (100%) in Accounts payable to related entities, originate the total variation in Current liabilities. These items recognize the effects of decreases in financial debts prior to the Chapter 11 filing, the short-term portions originated by the new financial debts incurred in the exit from Chapter 11, payments made including those corresponding to loans received from related parties and the payment in Convertible Bonds to commercial suppliers, all of which were considered in the company's Chapter 11 exit plan. All these decreases in current liabilities are offset by the increase in Other non-financial current liabilities, totaling ThUS$309,675 (13.3%).

The indebtedness indicator of the company's current Liabilities over Equity for the year stood at 120.36. The impact of current Liabilities on total debt decreased by 21.88 percentage points, from 60.49% at yearend 2021 to 38.61% at the end of the current period.

The company's non-current Liabilities increased by ThUS$48,599 (0.6%), compared to the sum reached by December 31, 2021. The main increases are seen in the Other financial liabilities, non-current item for ThUS$30,337 (0.5%); Other provisions, non-current for ThUS$215,383 (30.2%), mainly explained by new provisions for ThUS$687,558 associated to contingencies; translation adjustment for ThUS$28,655, offset by decreases in provisions used for ThUS$63.087, reversals due to labor, tax and civil causes for revalidation of contingencies for ThUS$421,310, and effect of exchange loss for ThUS$16,433; Provisions for employee benefits for ThUS$37,255 (66.3%), explained by an increase of ThUS$53,254 related to the provision of current services, offset by a decrease for benefits paid for ThUS$4,375 and adjustment for translation and actuarial loss for ThUS$11,624. The above is offset by a decrease of ThUS$146,142 (30.9%) in Non-current accounts payable, explained by a reduciton of ThUS$84,387 in the fleet (JOL), maintenance of aircraft and engines for ThUS$27,106, and airport taxes, overflight, vacation and bonus provisions, and other minor items worth ThUS$34,649, and a decrease of ThUS$91,848 (17.9%) in Other non-financial, non-current liabilities.

For a better understanding of the total decrease of ThUS$3,620,273 in Other financial liabilities (considering a reduction of ThUS$3,650,610 in current financial liabilities and an increase of ThUS$30,337 in non-current financial liabilities), the following table, excluding hedging and non-hedging derivatives, shows the movements of cash flows and non-cash flows:

Obligations with financial institutions	As of December 31, 2021	Cash flows: Obtainment Capital (*)	Cash flows: Payment Capital (**)	Cash flows: Payment Interests	Cash flows: Payment Transaction cost	Non cash-Flow Movements: Extinguishment of debt under Chapter 11	Non cash-Flow Movements: Interest accrued and others	Non cash-Flow Movements: Reclassifications	As of December 31, 2022
	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$
Loans to exporters	159,161	-	-	-	-	(161,975)	2,814	-	-
Bank loans	521,838	982,425	(36,466)	(10,420)	-	(196,619)	128,077	(2,840)	1,385,995
Guaranteed obligations	510,535	-	(18,136)	(13,253)	(25)	-	13,882	(167,942)	325,061
Other guaranteed obligations	2,725,422	3,658,690	(5,408,540)	(391,639)	(91,247)	(381,018)	339,475	23,161	474,304
Obligation with the public	2,253,198	1,109,750	(1,501,739)	(17,499)	-	(843,950)	148,703	141,336	1,289,799
Financial leases	1,189,182	-	(270,734)	(34,201)	-	(37,630)	37,211	204,411	1,088,239
Other loans	76,508	1,467,035	(1,523,798)	(5,628)	3,281	(56,176)	40,806	-	2,028
Lease liability	2,960,638	-	(131,917)	(49,076)	(2)	(995,888)	492,592	(59,893)	2,216,454
Total Obligations with financial institutions	**10,396,482**	**7,217,900**	**(8,891,330)**	**(521,716)**	**(87,993)**	**(2,673,256)**	**1,203,560**	**138,233**	**6,781,880**

The indebtedness indicator of the company's Non-current liabilities over equity stood at 191.39. The impact of Current liabilities over total debt decreased by 21.88 percentage points, from 39.51% at yearend 2021 to 61.39% at the end of the December 2022.

The indicator of total indebtedness over the Company's equity at the end of December 2022 is 311.75, 314.64 times lower than at the end of December 2021.

At December 31, 2022, 52% (40% by December 31, 2021) of the debt is fixed in the face of fluctuations in interest rates. Of the variable debt, most is indexed at the reference rate based on SOFR.

The Equity attributable to the owners of the parent company increased by ThUS$7,098,826 (100.6%) from a negative equity of ThUS$7,056,548 at December 31, 2021 to a positive equity of ThUS$42,278 by December 31, 2022. The main effects correspond to:

a) Capital increase and convertible bonds

The Company's Extraordinary Shareholders' Meeting, held on July 5, 2022, agreed to increase the Company's capital by US$10,293,269,524, through the issuance of 73,809,875,794 common stock and 531,991,409,513 backup shares, all ordinary, of the same and single series, without face value, whereby: (a) US$9,493,269,524, represented by 531,991,409,513 new shares, to be used in response to the conversion of the Convertible Bonds, as defined below (the "Backstop Shares"); and (b) US$800,000,000, represented by 73,809,875,794 new common stock (the "New Common Stock"), to be offered preferentially to the shareholders.

By December 31, 2022, of the referred capital increase, 604,625,447,032 shares were subscribed and paid, equivalent to ThUS$10,152,221, generating costs of issuance and placement of shares and convertible bonds for ThUS$810,279, which are presented as part of the "Other reserves" item and will be reclassified to paid-in capital once said transfer is approved at a future Extraordinary Shareholders' Meeting. The following table shows the movement of the ThUS$10,152,221 capital increase per item:

Movement fully paid shares:	Paid- in Capital ThUS$
Initial balance as of January 1, 2020	3,146,265
There are no movements of shares paid during the 2020 year	-
Ending balance as of December 31, 2020	3,146,265
Initial balance as of January 1, 2022	3,146,265
New shares issued (ERO)	800,000
Conversion options of convertible notes exercised during the year - Convertible Notes G (1)	1,115,996
Conversion options of convertible notes exercised during the year - Convertible Notes H	1,372,798
Conversion options of convertible notes exercised during the year - Convertible Notes I (2)	6,863,427
Subtotal	10,152,221
Ending balance as of December 31, 2022	13,298,486

b) Other equity interests

During the year 2022, Other equity interests increased by ThUS$9,250,229 related to the valuation of the convertible bonds; subsequently, once the conversion option was exercised, ThUS$9,352,221 were transferred to Paid-in capital, and at the date of issuance, the fair value of the liability component was estimated using the interest rate prevailing in the market for similar non-convertible instruments. This amount was recorded as a liability on the amortized cost basis using the effective interest method until it is extinguished at the time of conversion or on the maturity date of the instrument, which corresponds to ThUS$102,031, leaving finally in the item Other equity interest a sum of ThUS$39 corresponding to the portion not converted into equity.

c) Other miscellaneous reserves

During the year 2022, the item Other miscellaneous reserves decreased by ThUS$4,340,749, as shown below:

Concepts	Convertible Notes G THUS$	Convertible Notes H THUS$	Convertible Notes I THUS$	Total Convertible Notes THUS$
Face Value	1,115,996	1,372,837	6,863,427	9,352,260
Debt component at the date of issue	-	(102,031)	-	(102,031)
Equity component at the date of issue	1,115,996	1,270,806	6,863,427	9,250,229
Adjustment to fair value				
Convertible Notes at the date of issue	(923,616)	-	(2,686,854)	(3,610,470)
Issuance cost	-	(24,812)	(705,467)	(730,279)
Total	**(923,616)**	**(24,812)**	**(3,392,321)**	**(4,340,749)**

Additionally, during fiscal year 2022, ThUS$80,000 in issuance costs from the placement of the new common stock (ERO) were recorded under Other miscellaneous reserves.

d) Income attributable to the owners of the parent company

At December 31, 2022, the Company recorded a gain of ThUS$1,339,210 attributable to the owners of the parent company, versus a loss of ThUS$4,647,491 at December 31, 2021. Therefore, the accured Result decreased from a loss of ThUS$8,841,106 at December 31, 2021 to a loss of ThUS$7,501,896 at December 31, 2022.

2. CONSOLIDATED INCOME STATEMENT

At December 31, 2022, the controlling company reported a ThUS$1,339,210 gain, translating into a positive variation of ThUS$5,986,701 vs. the previous year's loss of ThUS$4,647,491. Net margin for the year settled at 14.1% in 2022 and -90.9% during 2021.

The operating result for the year 2022 amounts to a loss of ThUS$121,279, which compared to the loss of ThUS$1,119,277 as at December 31, 2021, shows a variation equivalent to 89.2%, while operating margin settles at -1.3%, 20.6 percentage points higher than the -21.9% seen in 2021.

Operating income for the financial year increased 86.2% vs. the same period of 2021, totaling ThUS$9,516,807. This increase is largely due to a 128.5% rise in Passenger revenues and 12.0% in Cargo revenues, while Other revenues decreased by 32.1%. The effect of the Brazilian Real's appreciation translated into higher ordinary revenues by around US$111 million.

PAX revenues totaled ThUS$7,636,429 which, compared to the ThUS$3,342,381 at December 31, 2021, translates into a 128.5% increase. This variation is due to an 84.0% increase in demand measured in RPK and a 24.2% increase in yields compared to the same period of the previous year. On the other hand, the occupancy factor also shows a positive variation of 6.9 percentage points, reaching 81.3% during 2022. This increase is explained by a strong hike in demand, especially a solid recovery of the operation to pre-pandemic levels.

By December 31, 2022, cargo revenues reached ThUS$1,726,092, translating into an increase of 12.0% over 2021; yields decreased 3.8%, while traffic measured in RTK increased 16.4%, as a result of the recovery in international operations and a solid performance of the cargo fleet.

The Other income item presents a decrease of ThUS$73,045, mainly due to the negative variation of income received for indemnification from Delta Air Lines, Inc., related to the implementation of the JBA signed in 2019 for ThUS$87,780, partially offset by higher income from Tour Services during the period of 2022.

At December 31, 2022, Operating costs totaled ThUS$9,638,086 which, compared to 2021, translates into higher costs by ThUS$3,407,463, equivalent to a 54.7% increase, whereas unit cost per ASK decreased by 8.1%. Furthermore, the effect of the Brazilian Real's appreciation on this line item translates into higher costs by roughly US$78 million. Item variations are explained as follows:

a) Remuneration and benefits increased ThUS$224,437 mainly due to higher crew costs, a 7.6% increase in the average headcount and compensation paid to employees during the last quarter of 2022.

b) Fuel increased 161.0%, equivalent to ThUS$2,394,729. This increase corresponds mainly to 73.4% higher average unhedged prices and 50.2% growth in consumption measured in gallons. The Company recognized a fuel hedge profit of ThUS$18,755 in 2022, compared to a ThUS$10,100 loss in financial year 2021.

c) Commissions to agents show an increase of ThUS$77,827, mainly due to the increase in operations related to passenger revenues.

d) Depreciation and amortization increased by ThUS$14,118, equivalent to 1.2%, a variation that is mainly explained by maintenance depreciation costs resulting from increased operations, offset by a smaller average fleet during fiscal year 2022.

e) Other Leases and Landing Fees increased ThUS$280,970, mainly in the costs of airport taxes and handling services, impacted by the recovery of the operation.

f) Passenger Services presents higher costs by ThUS$106,994, which translates into a variation of 138.3%, mainly explained by an increase in catering and in-flight service costs, due to the lifting of restrictions on food delivery during most of 2021 because of the COVID-19 pandemic, as well as a significant growth in demand, which represents an increase of 55.4% in the number of passengers transported, mainly in the international segment.

g) Aircraft Lease costs total ThUS$82,215. Since the second quarter of 2021, operating aircraft leases under variable mode were reported, as a result of the various agreements reached by Company.

Aircraft Leasing includes the costs associated with leasing payments by the hour (PBH) for contracts that have been modified by incorporating that structure. For these contracts that include variable payments by the hour (PBH) at the beginning of the period and after that, have fixed fees, an asset from right of use and lease liability were recognized for these amounts at the date of contract modification. These sums continue to be amortized on a linear basis during the term of the lease from the date of contract modification, even if at the beginning they have a variable payment period. Therefore, and as a result of the application of the lease accounting policy, the result of the period includes both the leasing expense for variable payments (Aircraft leasing) as well as the expense resulting from the amortization of the right of use included in the depreciation line and the interest on the lease liability.

h) Maintenance has higher costs by ThUS$49,110, equivalent to 9.2%, mainly due to a higher operation.

i) Other Operating Costs increased ThUS$177,063, mainly due to the effect of higher variable costs of crew, marketing, sales and reservation systems, all of which are the result of the growth of the operation during 2022.

Financial income totaled ThUS$1,052,295, which compared to the ThUS$21,107 from 2021, translates into higher income by ThUS$1,031,188, mainly due to the fair value adjustment of the converted bonds whose origin was financial debt totaling ThUS$420,436 and write-offs of financial debt worth ThUS$491,326.

Financial costs increased 17.0%, totaling ThUS$942,403 by December 31, 2022, mainly due to the DIP financing and DIP *to Exit* financing that the Company had in place until the exit from Chapter 11. This effect was also increased by the impact on variable debt due to the high prime rates that the market is experiencing.

Other income / costs totaled ThUS$1,357,438 at December 31, 2022 which, compared to 2021, shows a positive variation of ThUS$3,537,931. This impact is mainly explained by ThUS$2,550,306 corresponding to the fair value adjustment of the converted bonds whose origin was Trade accounts payable and Other accounts payable, in addition to a lower expense of ThUS$1,564,973 related to the rejection of fleet contracts recognized during financial year 2021, partially offset by higher costs of ThUS$345,410 associated with the reclassification of 28 A319 aircraft to the line item of Assets held for sale, during the fourth quarter of 2022.

The main line items in the Consolidated Financial Statement of TAM S.A. and Affiliates, which caused a currency exchange gain of ThUS$36,973 at December 31, 2022, were the following: Other financial liabilities; ThUS$13,246 gain from USD-denominated loans and financial leasing for fleet acquisitions; net accounts receivable and payable to related companies, totaling a gain of THUS$16,791, and net accounts receivable and payable to third parties, totaling a loss of THUS$6,854. The other items of net assets and liabilities generated a gain of MUS$13,791.

3. ANALYSIS AND EXPLANATION OF CONSOLIDATED NET CASH FLOW GENERATED BY OPERATION, INVESTMENT, AND FINANCING ACTIVITIES

The Company's cash flow, after the first quarter of 2020, has been affected mainly by the decrease in passenger transportation operations due to border shutdowns and quarantine periods designed to control the COVID-19 pandemic in the countries where the Company operates, and due to the filing of voluntary requests for reorganization under Chapter 11 of the Bankruptcy Code of the United States of America, which allowed the protection of the Company's liquidity.

The Operating Cash Flow as at December 31, 2022 shows a positive change of ThUS$271,038 vs. the previous year, due to the positive change in Receipts from Sales of Goods and Service Rendering for ThUS$5,189,764; Other receipts from operational activities for ThUS$65,034. The above is offset by negative variations in Payments to suppliers for the supply of goods and services; Other payments for operating activities, whose variations are originated by higher payments made of ThUS$4,721,503 and ThUS$116,428, respectively; Payments to and on behalf of employees, worth ThUS$98,268; ThUS$4,877 in Income taxes refunded; and Other cash inflows and outflows totaling ThUS$42,684.

The negative flow of ThUS$42,684 in the Other cash inflows and outflows of the Operating Cash Flow is mainly originated by the variation in Guarantees, Judicial Deposits, Premiums derived from fuel, Delta Compensation, and funds delivered to an agent as restricted advances, which are intended to settle the claims pending resolution at the exit from the Chapter 11 proceeding totaling ThUS$80,513, offset by the positive variation of the transactions with Fuel derivatives for ThUS$21,588 and Bank commissions, taxes and others for ThUS$16,241.

The Cash Flow from Investing Activities presents a negative variation of ThUS$196,446 with regard to the previous year, mainly due to the negative variation of Purchases of Property, plant and equipment for ThUS$183,435; Sums from the sale of property, plant and equipment for ThUS$48,623; Other cash income (losses) of ThUS$12,175; Loss of control of subsidiaries or other businesses for ThUS$752; and Other payments to acquire equity or debt instruments of other entities for ThUS$123. The above is offset by positive variations in Purchases of intangible assets for ThUS$38,402; Interest received for ThUS$9,878; and Other collections from the sale of assets or debt instruments of other entities for ThUS$382.

The Cash Flow from Financing Activities presents a positive variation of ThUS$745,313, compared to the previous year, which is mainly explained by the positive variations of Amounts raised through the issuance of shares for ThUS$549,038; Amounts raised through the issuance of other equity instruments for ThUS$3,202,790; Amounts raised through short- and long-term loans for ThUS$4,194,416 and ThUS$2,361,875, respectively; Loans from related entities for ThUS$640,420. These variations are offset by the negative variation of ThUS$8,296,365 in Loan payments; ThUS$1,008,483 in Loan payments to related entities; ThUS$417,095 in Interest paid; and ThUS$452,732 in Other cash inflows (outflows).

The breakdown of the proceeds from the issuance of shares is as follows:

Detail	THUS$
Issuance of shares	800,000
Issuance costs	(80,000)
DIP Junior offset	(170,962)
Total cash flow	**549,038**

ThUS$800,000 Related to the capital increase; ThUS$549,038 were received in cash, and are presented in cash flow from financing activities. In turn, ThUS$170,962 were offset, corresponding to the debt with shareholder Inversiones Costa Verde Ltda. and CPA. In addition, in this capital increase, ThUS$80,000 were offset, related to share issuance and placement costs, which are presented under Other miscellaneous reserves of shareholders' equity.

The amounts raised through the Issuance of other equity instruments for ThUS$3,202,790 are composed as follows:

Detail	Convertible Notes H ThUS$	Convertible Notes I ThUS$	Total ThUS$
Fair Value (see note 24)	1,372,837	4,097,788	5,470,625
Use for settement of claim	-	(828,581)	(828,581)
Issuance costs	(24,812)	(705,467)	(730,279)
DIP Junior offset	(327,957)	(381,018)	(708,975)
Stamp tax	-	-	-
Cash inflow	**1,020,068**	**2,182,722**	**3,202,790**

The positive variation presented in the Cash Flow from Financing Activities in the line item Amounts from short-term loans has its origin in a partial withdrawal made by the Company on November 10, 2021 for ThUS$200 from Tranche B, and subsequently, on December 28, 2021, for ThUS$100. On March 14, 2022, LATAM made a withdrawal for ThUS$300 (ThUS$38.6 from Tranche A, ThUS$227.3 from Tranche B, and ThUS$34.1 from Tranche C) and subsequently, on April 8, 2022, the initial disbursement under the Amended and Restated DIP Credit Agreement in the amount of US$2.75 billion took place.

The flows from loans described above include the following events:

1. During March and April 2020, LATAM Airlines Group S.A. withdrew the entire (US$600 million) committed credit line, the “Revolving Credit Facility (RCF)”. The line is secured by collateral consisting of aircraft, engines and spare parts, which remains fully drawn at the end of the year.

2. On May 26, 2020, LATAM Airlines Group S.A. and its subsidiaries in Chile, Peru, Colombia, and Ecuador filed for protection under Chapter 11 of the United States Bankruptcy Law in the Southern District Court of New York. Under Section 362 of the Bankruptcy Code. The same was true for TAM LINHAS AEREAS S.A. and its subsidiaries (all LATAM subsidiaries in Brazil), on July 9, 2020. Filing for Chapter 11 automatically suspends most actions against LATAM and its subsidiaries, including most actions to collect financial obligations incurred prior to the date of filing for Chapter 11, or to exercise control over the property of LATAM and its affiliates. Consequently, although the bankruptcy filing may have resulted in non-compliance with some of LATAM's and its subsidiaries' obligations, counterparties may not take any action as a result of such non-compliance.

Finally, on November 3, 2022, the Company and all of its subsidiaries successfully emerged from Chapter 11.

3. On September 29, 2020, LATAM Airlines Group S.A. obtained debtor-in-possession (“DIP”) financing facility for a total of US$2.45 billion, consisting of US$1.30 billion of one tranche A (“Tranche A”) and US$1.15 billion of one tranche C (“Tranche C”), US$750 million of which are provided by related parties. Obligations under DIP were guaranteed by collateral consisting of certain assets owned by LATAM and certain of its subsidiaries, including, but not limited to, shares, certain engines, and spare parts.

On October 8, 2020, LATAM made a partial withdrawal of US$1.15 billion from Tranche A and Tranche C, and then, on or around June 22, 2021, LATAM made an additional withdrawal of US$500 million from Tranche A and Tranche C.

On March 31, 2021, the United States Southern District Court of New York approved and subsequently issued an order dated April 13, 2021, approving the Company's motion to extend certain lease contracts on 3 aircraft.

On October 18, 2021, LATAM Airlines Group S.A. obtained Court approval for a Tranche B (“Tranche B”) of debtor-in-possession (“DIP”) financing for a total of up to US$750 million. The obligations of this Tranche B, like the previous tranches, are guaranteed with the same collateral provided by LATAM and its subsidiaries subject to the Chapter 11 Proceeding, without limitation, by pledges on stocks, certain engines, and spare parts. The next DIP drafts must be made on Tranche B until the ratio drawn on the latter is equal to that of the previous tranches. Once this ratio is equal, the drafts are on a pro-rata basis.

On November 10, 2021, the Company made a partial withdrawal of US$200 million from Tranche B, and later, on December 28, 2021, LATAM made a new draft of US$100 million. Following these drafts, LATAM still has US$1.25 billion available for future withdrawals.

On February 17, 2022, LATAM filed an initial proposal (the "Amended and Restated Initial DIP Financing Proposal") for a restated and amended Super-Priority Debtor-In-Possession Term Loan Agreement with the Bankruptcy Court of the Southern District of New York.

On March 14, 2022, LATAM made a withdrawal of ThUS$38.6 from Tranche A, ThUS$227.3 from Tranche B and ThUS$34.1 from Tranche C.

On March 14, 2022, the Company’s Board of Directors, by unanimous vote of the independent directors, agreed to approve the New Amended and Restated DIP Financing Proposal, subject to the approval of the Court. On March 14, 2022, a new amended and restated text of the Original DIP Credit Agreement (the "New Amended and Restated DIP Credit Agreement") was submitted to the Court for approval. The New Amended and Restated DIP Credit Agreement (i) refinanced and replaced in its entirety the existing Tranches A, B and C of the Existing DIP Credit Agreement; (ii) provided for a maturity date consistent with the schedule the Debtors established to emerge from the Chapter 11 Proceeding; and (iii) included certain reductions in fees and interest as compared to the Original DIP Credit Agreement and the Initial Amended and Restated DIP Financing Proposal. Obligations under DIP were guaranteed by collateral consisting of certain assets owned by LATAM and certain of its subsidiaries, including, but not limited to, shares, certain engines, and spare parts.

The maturity date of the DIP is April 8, 2022, subject to potential extension, at LATAM's choice, for an additional 60 days in the event that the LATAM reorganization plan is confirmed by a Court order from the U.S. Southern District Court of New York, but the plan is not yet effective. Finally, it should be noted that this extension was not made and that this DIP financing was paid in full on April 8, 2022, being replaced by a new restated and amended DIP Credit Agreement.

On April 8, 2022, a restated and amended text (the "Amended and Restated DIP Credit Agreement") of the Original DIP Credit Agreement was executed, which amends and restates said agreement and pays back the outstanding obligations thereunder (i.e., under its Tranches A, B and C). The total amount of the Amended and Restated DIP Credit Agreement is ThUS$3.70 billion. The Amended and Restated DIP Credit Agreement (i) included certain reductions in fees and interest compared to the Original DIP Credit Agreement; and (ii) contemplated a maturity date consistent with LATAM's anticipated schedule for emergence from the Chapter 11 Proceeding. With regard to the latter, the scheduled maturity date of the Amended and Restated DIP Credit Agreement was August 8, 2022, subject to possible extensions which, in certain cases, had a deadline of November 30, 2022.

In addition, on April 8, 2022, the initial disbursement under the Amended and Restated DIP Credit Agreement in the amount of US$2.75 billion was made. On April 28, 2022, an amendment to this agreement was signed, extending the maturity date from August 8, 2022 to October 14, 2022.

On October 12, 2022, the Amended and Restated DIP Credit Agreement was paid back in full by the DIP-to-Exit financing, which included a US$750 million bridge financing for senior secured notes due in 2027, a bridge financing for senior secured notes maturing in 2027, another US$750 million bridge financing for senior secured notes due in 2029, a US$750 million Term Financing, and last, a US$1.14 billion Junior DIP financing. The DIP-to-Exit financing was collateralized by assets owned by LATAM and certain of its subsidiaries. Of these, the Junior DIP contemplated a subordinate priority to the rest of the credits. Finally, on November 3, 2022, the DIP-to-Exit financing was repaid in full in the context of the Company's exit from its Chapter 11 proceeding.

On October 18, 2022, the Bridge Loans were partially repaid by: i) an issuance of bonds exempt from registration under the U.S. Securities Act of 1933, as amended (the "Securities Act"), pursuant to Rule 144A and Regulation S, both under the Securities Act, maturing in 2027 (the "5-Year Notes"), in the aggregate principal amount of $450 million; and ii) a bond issuance exempt from registration under the Securities Act pursuant to Rule 144A and Regulation S, both under the Securities Act, maturing in 2029 (the "7-Year Notes"), in the aggregate principal amount of $700 million.

In the context of the Company's exit from its Chapter 11 proceedings on November 3, 2022, such DIP-to-Exit financing was repaid in full with the proceeds of the exit financing issued by the Company, which contemplated US$450 million in senior secured notes due 2027, US$700 million in senior secured notes due 2029 and a Term Financing of US$1.100 million, and with part of the proceeds from the capital increase implemented in the context of the reorganization process for a total of approximately US$10.3 billion, through the issuance of new payment shares and convertible bonds.

4. On June 17, 2021, the United States Southern District Court of New York approved the Company's motion to reject the lease contract for a financial lease-financed aircraft worth US$130.7 million.

5. On June 30, 2021, the United States Southern District Court of New York approved the Company's motion to reject the lease contract for three financial lease-financed aircraft worth US$307.4 million.

6. On November 1, 2021, the United States Southern District Court of New York approved the Company's motion to reject the lease contract for 1 financial lease-financed engine worth US$19.5 million.

Last, the company's net cash flow at December 31, 2022, prior to the effects of exchange rate differences, shows a positive variation of ThUS$819,905, compared to the previous year.

4. FINANCIAL RISK ANALYSIS

The goal of the Company's global risk management program is to minimize the adverse effects of the financial risks that affect the company.

(a) Market risk

Given the nature of its business, the Company is exposed to market factors, such as: (i) fuel price risk, (ii) interest rate risk, and (iii) local exchange rate risk.

(i) Fuel price risk

To carry out its operations, the Company purchases fuel known as USGC 54 grade Jet Fuel, which is subject to variations in international fuel prices.

To hedge against fuel risk exposure, the Company trades in derivatives instruments (Swaps and Options) whose underlying assets may be different from Jet Fuel, whereby it is possible to hedge in West Texas Intermediate crude oil (“WTI”), Brent crude oil (“BRENT”), and distilled Heating Oil (”HO”), which are closely related to Jet Fuel and have greater liquidity.

At December 31, 2022, the Company recognized an US$18,765 billion gain from fuel hedges net of premiums on the cost of sales of the period. Part of the spreads resulting between the lower and higher market value of these contracts is recognized as a hedge reserves component in the company's net equity. At December 31, 2022, the market value of existing contracts stood at ThUS$12,593.

(ii) Exchange rate risk

The functional currency, also used in presenting the Parent company's Financial Statements, is the US dollar; therefore, Transactional and Conversion exchange rate risks are mainly a result of the operating activities of the business, as well as the company's strategic and accounting activities, which are presented in monetary units other than the functional currency.

LATAM's Affiliates are also exposed to exchange rate risk, whose impact affects the Company's Consolidated Result.

The greatest exposure to exchange rate risk for LATAM comes from the concentration of businesses in Brazil, as they are mainly denominated in Brazilian Reals (BRL), and it is managed actively by the Company.

The Company minimizes exchange risk exposure by contracting derivative instruments or through natural hedges or the execution of internal transactions.

At December 31, 2022, the Company holds ThUS$108,000 in outstanding FX derivatives recorded as hedges.

At December 31, 2022, the market value of FX derivative hedge positions totaled US$191 million (positive).

(iii) Interest rate risk

The Company is exposed to variations in interest rates on the markets, affecting the future cash flows of its current and future financial assets and liabilities.

The Company is mainly exposed to the Secured Overnight Financing Rate (“SOFR”), as well as the London Inter Bank Offer Rate (“LIBOR”) and other less relevant interest rates, such as Brazilian Interbank Deposit Certificates (“CDI”, for its Portuguese acronym). As LIBOR will cease to be published by June 2023, the Company has begun to migrate to the adoption of SOFR as an alternative rate, which will fully materialize with the cease of LIBOR.

In terms of rate exposure, a portion of the Company's variable financial debt maintains exposure to the LIBOR rate. However, all these contracts will have definitive migration to the SOFR rate. This migration is provided within each of the existing financial debt contracts subject to the LIBOR rate.

At December 31, 2022, 52% (40% by December 31, 2021) of the debt is fixed in the face of fluctuations in interest rates. Of the variable debt, most is indexed at the reference rate based on SOFR.

During the period ended December 31, 2022, the Company recognized losses of ThUS$6,897 (negative) corresponding to the recognition in income of premiums paid. As at December 31, 2022, the value of interest rate derivative positions corresponding to operating leases to fix the lease of future aircraft arrivals amounted to ThUS$8,816 (positive). At the end of December 2021, the Company held no current interest rate derivatives positions under this concept.

At December 31, 2022, the Company recognized a decrease in the right-of-use asset upon settlement of a derivative for ThUS$8,143, related to leased aircraft. A lower expense from depreciation of the right-of-use asset of ThUS$133 thousand is recognized at the same date. At the end of December 2021, the Company did not recognize gains or losses under this same concept.

(b) Concentration of credit risk

A high percentage of the Company's accounts receivables comes from passengers, cargo services for individuals, and various trade companies that are spread out both economically and geographically; thus, they are generally short term. Thereby, the Company is not exposed to a significant concentration of credit risk.

5. ECONOMIC ENVIRONMENT

The world enters 2023 amid high inflationary pressures, the Russia-Ukraine war and the resurgence of COVID-19 in parts of China. With the pandemic in full retreat worldwide, the opening of economies was an imminent event during 2022 but, just as normalcy returned, the slowdown in global economic activity also became evident. While the previous economic outlook suggested a pessimistic 2022, the results have surprised the market, with a stronger than expected real GDP in the third quarter, driven mainly by domestic factors, such as consumption and private investment, as well as fiscal support above what was previously expected. With this, the International Monetary Fund (IMF) estimates 3.4% growth for the global economy in 2022, while projecting 2.9% growth for 2023. The latter is 0.2 percentage points higher than was estimated in its previous report. For 2024, it estimates a higher growth of 3.1%.

In its latest January projection, the IMF estimates that developed economies will face a downturn next year, with growth in 2022 projected at 2.7% and falling to 1.2% in 2023. The IMF estimates that the U.S. will expand by 1.4% during 2023, which is 0.4 percentage points higher than projected in its October report, in response to the carryover effects of resilient domestic demand. For 2024, growth is expected to reach 1.0% in the United States. As for the Euro Zone, the IMF estimates growth of 0.7% during 2023, upwardly revised by 0.2 percentage points reflecting more aggressive interest rate increases by the European Central Bank, in addition to the erosion of real incomes. These have been neutralized by the 2022 results: led by lower wholesale energy prices and the announcement of new energy cost-buffering strategies through price controls and direct transfers.

As for Latin America, socio-political processes are being witnessed that have had repercussions on the economic scenarios of the region's countries. Against this backdrop, the projections for the region in the IMF's latest report were adjusted with regard to the October estimates. For Latin America and the Caribbean, growth is projected at 1.8% in 2023 with an upward revision of 0.1 percentage points compared to the October estimate. This readjustment in the projections is mainly due to the unexpected resilience in domestic demand, higher than expected growth in the economies of major trading partners, and in the case of Brazil, higher than expected fiscal support. For 2024, the IMF estimates an expansion of 2.1% for the region. Brazil's economy is expected to grow by 1.2% in 2023. In the case of Chile, the Central Bank, in its last Monetary Policy Report (IPoM) of December 2022, estimated a growth of between -1.75% and -0.75% for 2023.

a) Below, we present the main financial indicators in the Consolidated Financial Statement:

PROFITABILITY INDICATORS	**12/31/22**	**12/31/21**
Liquidity indicators		
Current liquidity (times) (Current assets in operation/ current Liability)å	0.69	0.21
Acid test ratio (times) (Available funds/current liabilities)	0.24	0.09
Indebtedness indicators		
Debt ratio (times): (Current Liability/ Net Worth)	120.36	(1.75)
(Non-current Liability/ Net Worth)	191.39	(1.14)
(Current liabilities+non-current liabilities/ Net worth)	311.75	(2.89)
Current debt/ Total debt (%)	38.61	60.49
Non-current debt/ Total debt (%)	61.39	39.51
Hedging of financial expenses (EBIT/financial expenses)	0.00	0.00
Activity indicators		
Total Assets	13,211,024	13,291,532
Investments	780,869	587,453
Disposal of property	56,794	105,035

Profitability indicators are calculated on equity and income attributable to Majority Shareholders.

	12/31/22	**12/31/21**
Return on Equity (Net income / average net equity)	31.68	-[1]
Return on assets (Net income/ average assets)	0.10	(0.35)
Yield of operating assets (Net income/ operating assets)[2] (Average)	0.11	(0.24)

1 By December 31, 2021, LATAM Airlines Group S.A. and Affiliates have negative Equity.
2 Total assets less deferred taxes, personnel current accounts, permanent and temporary investments.

	12/31/22	**12/31/21**
Dividend returns (Dividends paid/ market price)	0.00	0.00

b) Below, we present the main financial indicators in the Consolidated Financial Statement.

For the years ended on December 31 (ThUS$)	***2022***	***2021***
Operating income	***9,516,807***	***5,111,346***
Passengers	7,636,429	3,342,381
Cargo	1,726,092	1,541,634
Others	154,286	227,331
Operating Costs	***(9,638,086)***	***(6,230,623)***
Compensation	(1,266,336)	(1,041,899)
Fuel	(3,882,505)	(1,487,776)
Fees	(167,035)	(89,208)
Depreciation and Amortization	(1,179,512)	(1,165,394)
Other Leasing and Landing Fees	(1,036,158)	(755,188)
Passenger Services	(184,357)	(77,363)
Aircraft Leasing	(202,845)	(120,630)
Maintenance	(582,848)	(533,738)
Other Operating Costs	(1,136,490)	(959,427)
Operating Results	***(121,279)***	***(1,119,277)***
Operating Margin	***-1.3%***	***-21.9%***
Financial Revenues	1,052,295	21,107
Financial costs	(942,403)	(805,544)
Other Revenues / Costs[1]	1,357,438	(2,180,493)
Income / (loss) before taxes and minority interest	***1,346,051***	***(4,084,207)***
Taxes	(8,914)	(568,935)
Income / (Loss) before minority interest attributable to	***1,337,137***	***(4,653,142)***
Gain/(Loss) attributable to the parent company's owners	1,339,210	(4,647,491)
Gain/(Loss) , attributable to non-controlling interests	(2,073)	(5,651)
Net Margin	***14.1%***	***-90.9%***
Effective Tax Rate	***0.7%***	***13.9%***
Total shares, basic	96,614,464,231	606,407,693
Basic gain/(loss) per share (US$)	0.01386	(7.66397)
Total shares, diluted	98,530,451,071	606,407,693
Diluted gain/(loss) per share (US$)	0.01359	(7.66397)
EBITDA	***2,417,744***	***(2,128,725)***

1 Other Income/Expenses considers the line items Other gains (losses), Exchange differences, and Results from readjustment units presented in the Consolidated Financial Statement by function.

Sworn statement

As directors, CEO, and CFO of LATAM Airlines Group S.A., we declare under oath our responsibility for the veracity of all information contained in the LATAM 2022 Integrated Report.

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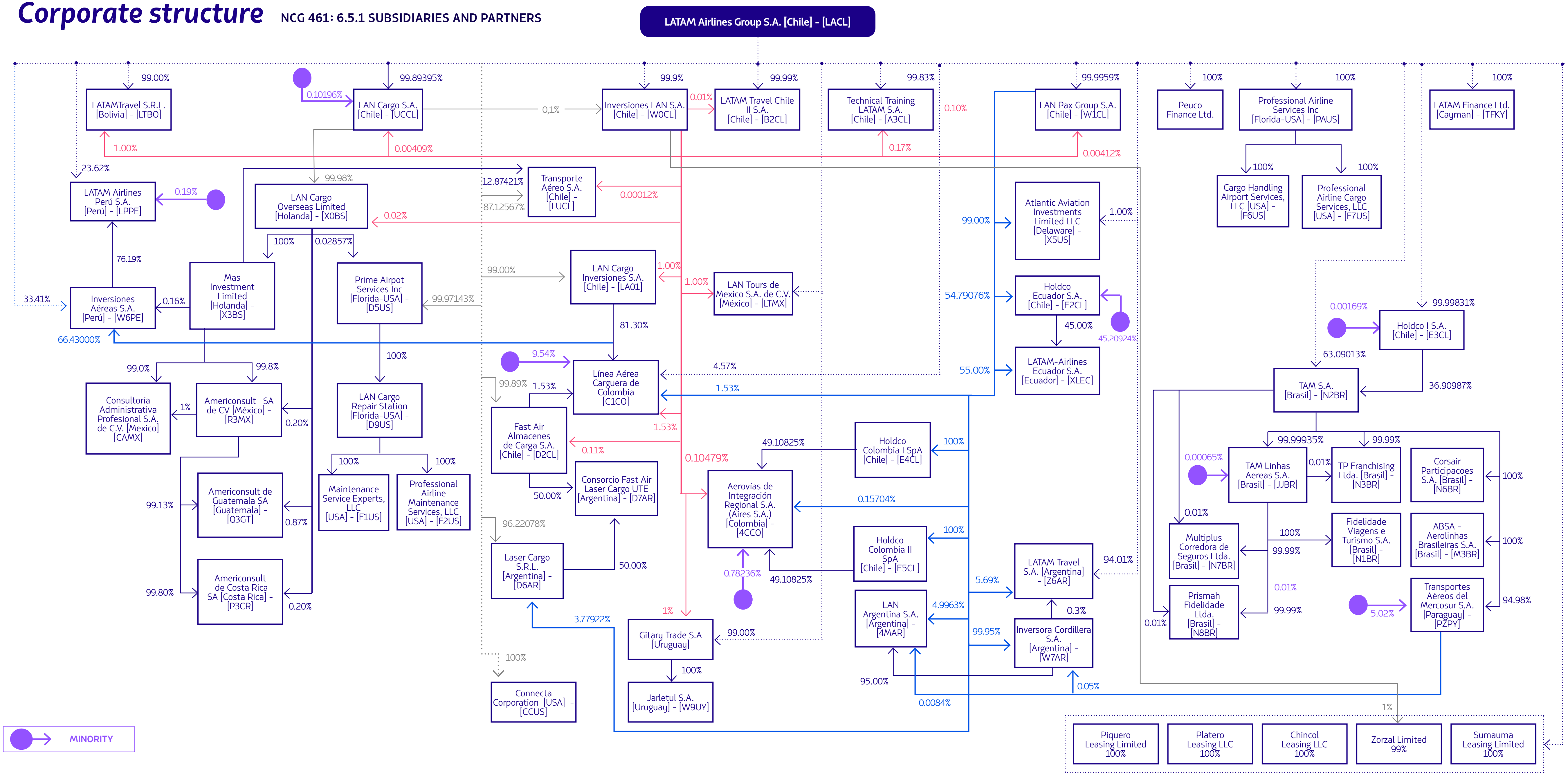
Corporate structure

NCG 461: 6.5.1 SUBSIDIARIES AND PARTNERS



Credits and Corporate information

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LATAM– Sustainability
LATAM – External communications

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