

# Corporate Update

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March 2021



# Fourth Quarter 2020 Highlights of LATAM Group

## Operations & Network



- Operated 33% of ASKs compared with the same quarter last year
- At year end, operations reached 38% of ASKs in December
- Operational costs decreased 45% in the fourth quarter

## Cargo Business



- Revenues increased 27%, though total capacity decreased 24% in the quarter
- Freighter capacity increased 21%
- Cargo yields increased 41% year-over-year in the period

## Financial & Chapter 11



- Liquidity of approximately US\$3 bn (US\$1.7 bn in cash + US\$1.3 bn in undrawn DIP financing facility) as of Dec. 2020
- Financial debt reached US\$7.7 bn
- Exclusivity period for LATAM to file Plan of Reorganization extended until June 30, 2021

## Recent Highlights



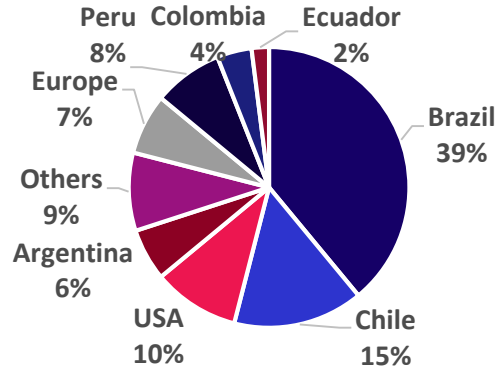
- LATAM & Delta Air Lines received final approval for JVA in Brazil
- Recognized in 2021 S&P Sustainability Yearbook as best airline in region and second in the world in terms of ESG practices
- Announcement in March of the conversion of up to eight B767 aircraft to cargo freighters
- Launch of new digital platform in Brazil, adding to 2020 roll-out in Chile, Ecuador and Colombia

# 2020 Financial Summary

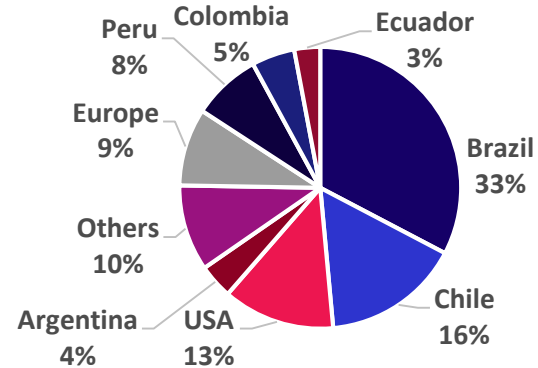
(US\$ Millions)	4Q20	4Q19	Change	2020	2019	Change
<b>Total Operating Revenues</b>	<b>898</b>	<b>2,871</b>	<b>-68.7%</b>	<b>4,335</b>	<b>10,431</b>	<b>-54.8%</b>
Passenger	456	2,478	-81.6%	2,714	9,006	-69.9%
Cargo	355	280	+26.7%	1,210	1,064	+13.7%
Others	87	113	-23.3%	411	361	+13.9%
<b>Total Operating Costs</b>	<b>-1,399</b>	<b>-2,520</b>	<b>-44.5%</b>	<b>-6,000</b>	<b>-9,689</b>	<b>-38.1%</b>
Fuel	-206	-744	-72.3%	-1,045	-2,929	-64.3%
Ex-fuel	-1,193	-1,776	-32.8%	-4,955	-6,760	-26.7%
<b>Operating Income</b>	<b>-502</b>	<b>350</b>	<b>nm</b>	<b>-1,665</b>	<b>742</b>	<b>nm</b>
Operating Margin	-55.9%	12.2%	-68.1 p.p.	-38.4%	7.1%	-45.5 p.p.
<b>Net Income</b>	<b>-962</b>	<b>227</b>	<b>nm</b>	<b>-4,546</b>	<b>190</b>	<b>nm</b>
<b>EBITDA</b>	<b>-102</b>	<b>741</b>	<b>nm</b>	<b>-276</b>	<b>2,212</b>	<b>nm</b>
EBITDA Margin	-11.4%	25.8%	-37.2 p.p.	-6.4%	21.2%	-27.6 p.p.

# Revenues Breakdown by Point of Sale & Business Unit

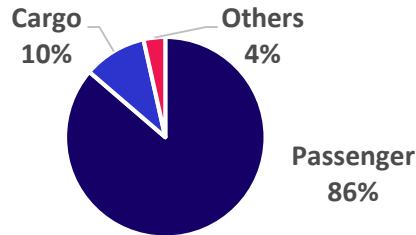
Revenues by Point of Sale 2019<sup>1</sup>



Revenues by Point of Sale 2020<sup>1</sup>



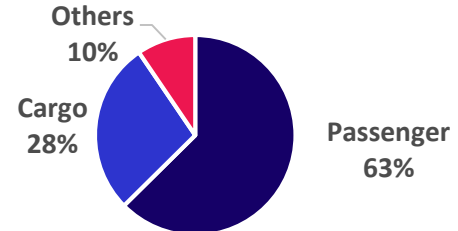
Total operating revenues = US\$10,431 million



-55%

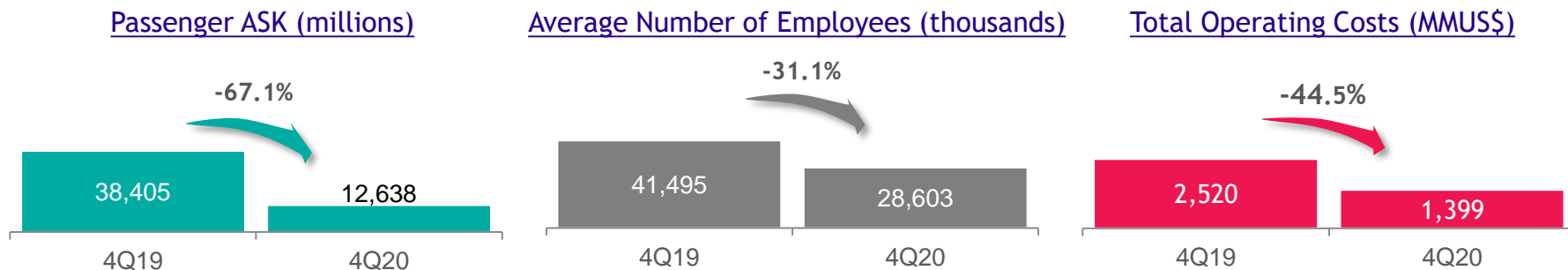


Total operating revenues = US\$4,335 million



1. Considers passenger and cargo revenues in point of sale distribution.

# Total Operating Costs Decreased 44.5% in Fourth Quarter, 38.1% in FY



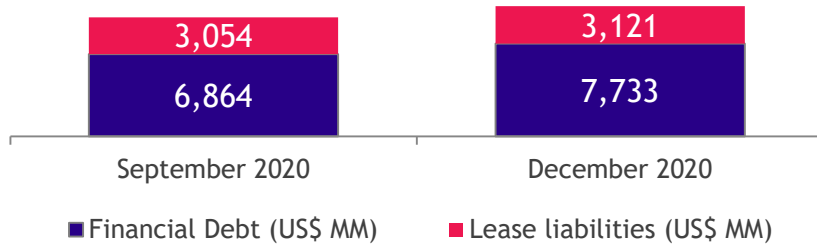
Total Costs US\$MM	4Q20	4Q19	Change	2020	2019	Change
Fuel Cost	206	744	-72.3%	1,045	2,929	-64.3%
Wages & Benefits	186	440	-57.8%	962	1,795	-46.4%
Fleet Cost <sup>1</sup>	570	519	9.8%	1,862	1,915	-2.8%
Others <sup>2</sup>	437	817	-46.5%	2,131	3,050	-30.1%
<b>Operating Costs</b>	<b>1,399</b>	<b>2,520</b>	<b>-44.5%</b>	<b>6,000</b>	<b>9,689</b>	<b>-38.1%</b>

1) Includes cost of Depreciation & Amortization + Aircraft Maintenance

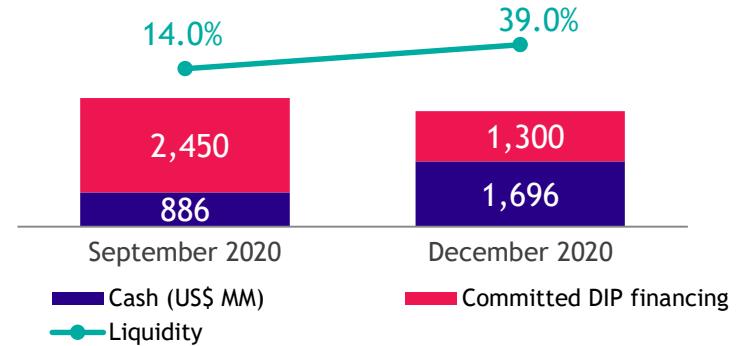
2) Includes cost of Commissions to Agents + Other Rental and Landing Fees + Passenger Services + Other Operating Expenses

# Fourth Quarter 2020 Credit Metrics

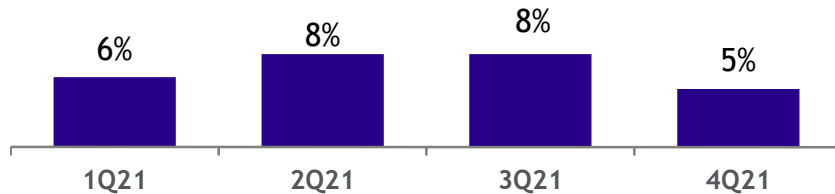
## Financial Debt Position



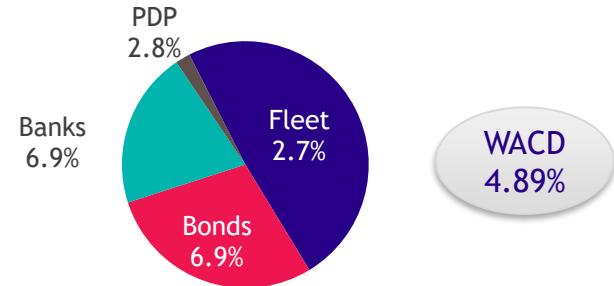
## Cash and Equivalents as % of LTM revenues



## Fuel Hedge (% consumption)



## Cost of Debt<sup>1</sup> as of December 31, 2020

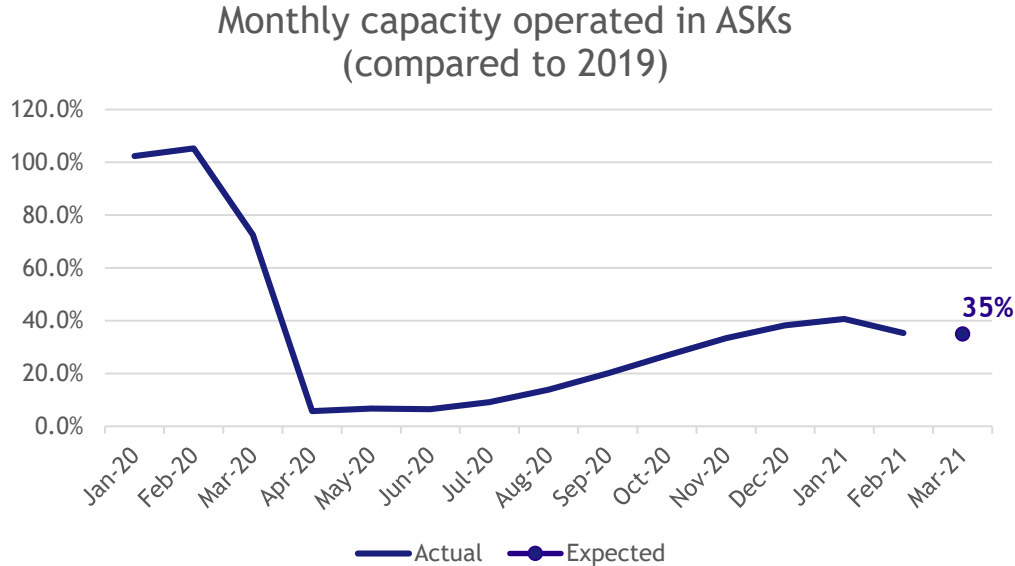


Source: Financial Statements December 2020

1) When considering US\$375 million of DIP financing provided by Related Parties, our average cost of debt was 5.44%

# Gradual Ramp-up of Operations, Highly Dependent on Travel Restrictions

ASKs fell to 5% in April, ended the year at 38%. Now facing a decrease in projected operation of 35%.



## Travel restrictions in our markets<sup>1</sup>

**Brazil:** Sao Paulo implemented curfew, those traveling from Brazil are banned entry to USA and EU, and to Chile are required to be isolated in sanitary residency while pending PCR results

**Chile:** Negative PCR test and 10-day quarantine for incoming international travelers, majority of country in Phase 1 or 2 of lockdown

**Peru:** Negative PCR test + 14-day quarantine for incoming travelers

**Colombia:** Negative PCR test for incoming travelers or 14-day quarantine

**Ecuador:** Negative PCR test for incoming travelers

**Argentina:** Limited international frequencies to/from Brazil, Chile, Peru, Colombia, USA, EU

1. Travel restrictions are subject to change.

# Highlights Chapter 11 Process - LATAM

**May 26, 2020:** Filing for Chapter 11 by LATAM Airlines Group S.A and subsidiaries from Chile, Peru, Colombia, Ecuador and USA

**June 2020:** Signing of Stipulation letters and power by the hour (PBH) fleet payment scheme started

**June 10, 2020:** Delisting from New York Stock Exchange (NYSE)

**June 17, 2020:** Announced indefinite cessation of operations in Argentina

**July 9, 2020:** LATAM Airlines Brazil filed for Chapter 11

**September 18, 2020:** DIP Financing was approved for US\$2.45 billion

**October 8, 2020:** First DIP Financing draw for half of the funds committed at this date, amounting to US\$ 1.15 billion

**December 18, 2020:** Bar Date\* to receive claims against the Debtors

**June 30, 2021:** Deadline of exclusivity period to file Plan of Reorganization

**August 23, 2021:** Deadline for voting upon the Plan of Reorganization

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\*Creditors must file their proofs of claim by a date (known as the “bar date”) set by the court.



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