LATAM

Integrated Report
2021

Index

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All photos used in this Integrated Report comply with the health rules applicable at the time and in the country where they were taken.

Presentation

In this integrated report, LATAM Airlines Group S.A. presents the year's information, progress, and challenges from January 1 to December 31, 2021. The publication is based on the principles of integrated reporting from the International Integrated Reporting Council (IIRC) and the Global Reporting Initiative (GRI) guidelines to connect financial and non-financial information in the different economic, environmental, and social dimensions of LATAM's business and its relationships with stakeholders.

The group's financial statements are an integral part of the Report.

Currency and exchange conventions

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:** Except where the context requires it, mentions of LATAM Airlines Group refer to LATAM Airlines Group S.A., a non-consolidated operating entity. The 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), LATAM 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), Transporte 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 Brasil) in Brazil. Other references to LATAM, as the context may require, are to the LATAM brand, which was launched in 2016 and 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.

- **LAN:** Mentions of LAN are to LAN Airlines S.A., currently known as LATAM Airlines Group S.A., in connection with circumstances and facts 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).

GRI disclosures

Throughout the text, the GRI disclosures, which are grouped in the corresponding index in the chapter About the Report, are indicated.

More information:

Any suggestions, criticisms, or concerns about the report can be sent to e-mails investorrelations@latam.com and sostenibilidad@latam.com.

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Highlights

Sustainability

- *30-year strategy*
- *Global vision, local solutions*
- *Networking*

CIRCULAR ECONOMY
OUR COMMITMENT: *to be a zero waste to landfill group by 2027*

Main results:
- *Waste diagnosis (base year 2019): LATAM was found to generate about **11 thousand tons** of solid waste*
- *Plan for the elimination of single-use plastics*
- *Uniform recycling program*

SHARED VALUE – AVIÓN SOLIDARIO (SOLIDARITY AIRPLANE)
OUR COMMITMENT: *to provide the connectivity, capacity, and speed of our passenger and cargo operations for the benefit of communities in South America*

Main results:
Free transport of
***59 tons** of medical supplies*
***207.7 million** doses of COVID vaccines in Brazil, Chile, Ecuador, and Peru*

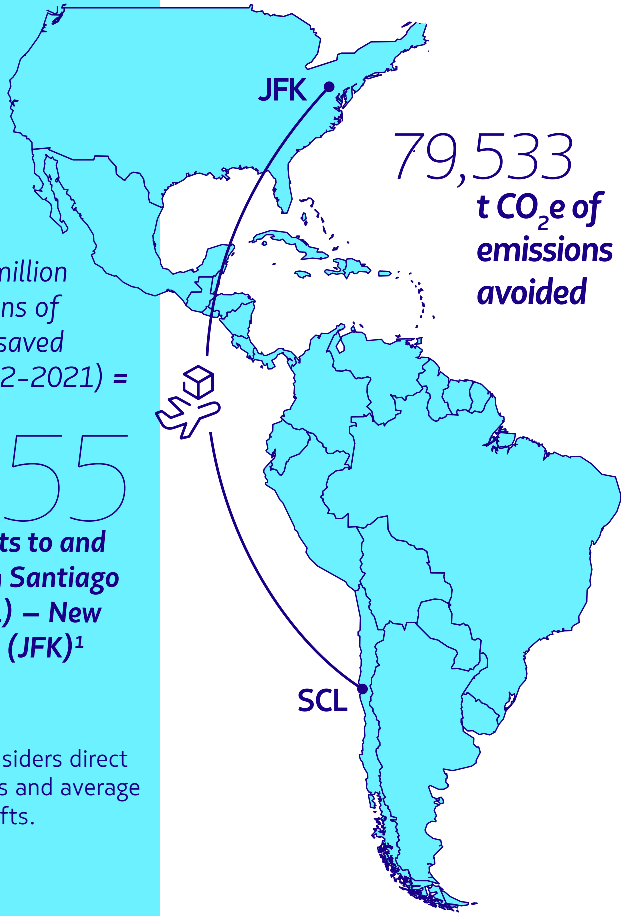
Climate change management

LATAM FUEL EFFICIENCY
Reduced fossil fuel consumption

OUR COMMITMENT:
Carbon Neutral group by 2050
Main results:
Alliance with Project CO2Bio, which protects 200 thousand hectares of floodable savannas in the Colombian Orinoco region

8.3 million gallons of fuel saved (2012-2021) =

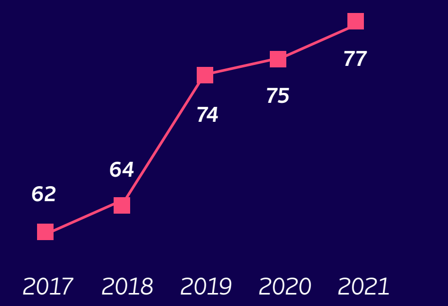
155
flights to and from Santiago (SCL) – New York (JFK)[1]



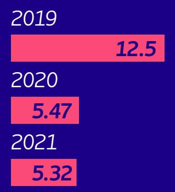
79,533
t CO_2e of emissions avoided

1 Considers direct flights and average aircrafts.

Focus on people

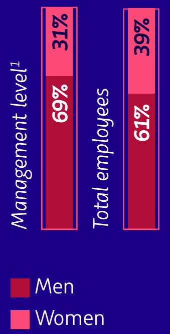


SEVERITY RATE



Days lost (total) X 1,000,000 / Average payroll.

DIVERSITY



1 Assistant manager and above positions.

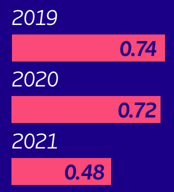
44 **nationalities**

29 **thousand people**

18 **countries**

137 **airports**

ACCIDENT FREQUENCY RATE



Injuries with job interruption (total) X 1,000,000 / verage payroll.

Connectivity

LOGISTICAL SUPPORT TO SOUTH AMERICA

- **Exports**
- **Local supply**
- **COVID vaccines (domestic and international)**

CEIV Pharma Certification
Expertise in the transport of medicines and vaccines

DOMESTIC AND INTERNATIONAL OPERATIONS

40.2 **million passengers**

801.5 **million tons of cargo transported**

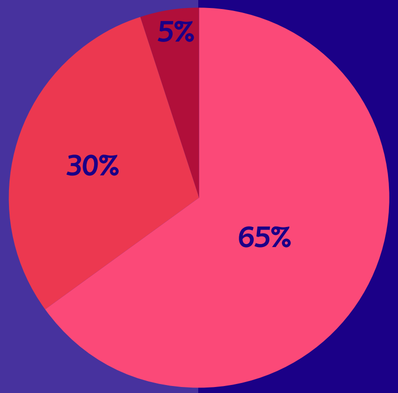
137 **destinations**

CUSTOMER DIGITAL JOURNEY

- Check in (Automatic, App, Kiosk)
- Self-service for payments (seat, extra baggage)
- Self bag drop
- Customs (Pre-Document Review)
- Biometrics shipping

Financial and operating results

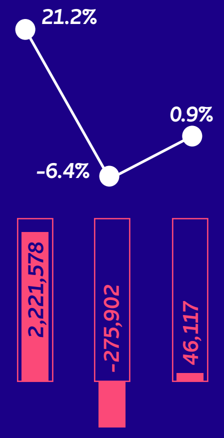
REVENUE 2021
(US$ THOUSAND)



- Passengers: 3,342,381
- Cargo: 1,541,634
- Others: 227,331

Total
5,111,346

EBITDA[1]
(US$ THOUSAND)



EBITDA margin

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

CONTINUOUS RECOVERY OF DOMESTIC OPERATION

89.1% **of the capacity in Spanish speaking countries**

92.9% **in Brazil**

(December/2021 x Dec/2019)

LATAM 2021

Summary of the year through the eyes of those who comprise LATAM

MAZZONI COELHO,
Cabin crew, Brazil

Personally, it was a very dynamic year, in which I began to act as promoter of the Organizational Health Index (OHI), and it was also very challenging with the homogenization of the Boeing 787 aircraft. I think it was a much better year than 2020, but still full of challenges because there are still health barriers preventing the normal return of the international network.

In 2021, we saw projects such as "One Device per Crewmember," which allows us to simplify and greatly streamline our cabin activities and thus improve the level of passenger satisfaction. There was also a program of frequent meetings with the most diverse levels of internal leadership which, in my opinion, raised the level of transparency within the company, making communication more direct and effective.

EDUARDO PATTA,
Head of Sales in Asia, England

2021 was a year of many challenges. New COVID-19 variants and border closures have greatly impacted the business. But it was also a year when we resumed some of the operations, in which we were able to again operate important routes and recover the "closeness" with clients.

I am very proud to work in a group of companies that are concerned about such important and essential issues as diversity, inclusion, and the impact of their business on the environment. I believe that this fairer, more empathic, transparent, and sustainable culture that we are trying to implement daily and in dealing with clients has been very welcome. There is still a long way to go, but we are on the right track.

ANTONELA PIPERNO,
People Analyst, Argentina

I was on maternity leave and I went back to work in midyear, which was a time of great mobilization and uncertainty. I feel that I left in 2020 from a very oscillating LATAM, at the height of change and restructuring, and that I returned in 2021 to a completely changed LATAM: more dynamic, more flexible, and in the process of being overhauled and organized from scratch.

From my position, I feel that there were many changes throughout 2021 and that, as a team, we faced many new challenges and situations that led us to shift and change the way we work. Today, I can say that we grew a lot as a team, we changed and changed for the better. We got stronger and became more united.

MARÍA CAMILA DUQUE,
Co-pilot A320, Colombia

2021 was for us a year of great growth; we had not seen so much movement in many years. New routes were opened, frequencies increased, and it is exciting for us to see more LATAM aircraft flying in Colombia. There was also much motivation due to the promotion of first officers to captain and the incorporation of new first officers into the group.

It is very important for us as command crew to be part of a team committed to tolerance for diversity and inclusion not only of its employees, but also of passengers. We see the effort on the part of the administration to turn this practice into a culture, and we see how we have moved toward to become a group that is more connected with the needs of society regarding the care of the environment.

VERÓNICA ORTIZ,
Passenger Service Supervisor, Ecuador

2021 was a year full of changes. The operation began to grow despite being within a pandemic context, which made it a more challenging year. In this desire to fly again, we have seen very important progress, all thanks to the fact that the company has worked to improve operational processes, both for the internal and external client, which have been developed in a more agile way.

We are in a LATAM that is nowadays committed to pillars that are very important to me, such as sustainability, diversity, inclusion, and care for the environment, and I am very pleased to work in a company that declares them important in its daily work. That fills me with pride.

LUIS CASTRO,
Account Executive of LATAM Cargo, United States

2021 was a difficult year in which we began implementing CROAMIS, the end-to-end world-class system of LATAM Cargo. This is the most important technological transformation in the history of LATAM Cargo and having brought this project forward in the midst of the pandemic, and remotely, is not easy at all, but having been able to participate in it brings me enormous satisfaction.

It was also a year in which we made great progress regarding the company that we want to be, and it is not easy to do this during a pandemic. It is becoming increasingly apparent that we are coming to where we want to be as LATAM and as individuals, and how we want to relate to our customers. I think we are on the right track.

ASTRICK ELERA,
Aeronautical Technician, Peru

As an aeronautical technician in the Maintenance Area, I can say that 2021 was a year of resurgence where, to achieve our goals again, we had to rethink changes in both the workplace and at home, and thus return to being among the best airlines in the world. The Maintenance Area was enthusiastic about the project to be a fair, empathic, transparent, and sustainable group, and this is something we value very much, because it means that the company we are part of is one that thinks not only about itself, but also about the environment around us.

With regard to the commitment to diversity and inclusion, which LATAM announced in 2021, we are very pleased to know that LATAM declares itself to be an open-minded company and is always open to change and no discrimination will be found or accepted in it.

CÉSAR FABIÁN LUGO
Cabin crew leader, Paraguay

2021 was for all of us like learning to walk, or rather fly, again. At LATAM, we have started a new way of flying that we can see on a daily basis, being more just with the internal and external clients, being empathic with my colleague beside me, being transparent in the decisions we make, and simplifying the processes and procedures we roll out.

This new way of flying LATAM also includes a focus on taking more care of our environment and we can see that in our commitment to sustainability. But that is where each of us can contribute something because this commitment is based on great actions, such as reducing the carbon dioxide emissions from aircraft, and even small details from each of us, such as recycling a bottle cap. All efforts add up. At the end of the day, we are all LATAM.

HUGO ORTIZ BARRERA
Sales Executive Contact Center, Chile

2021 was a very complex year for all of us, bar none. Uncertainty was present every day and so were moments of opportunity, change, and new challenges where selling became more difficult every day: not only did we have to go out and look for that opportunity, but there was also a double effort to charm and re-charm our passengers and to make them regain the confidence in us to fly safe and in peace.

Opportunities are born from adversity, and LATAM was able to take advantage of them by implementing, at the right time, new platforms of simpler and more efficient systems that are with us to become better for the future, for our passengers and, why not, for ourselves.

Letter from the CEO

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LATAM group CEO with captain Erich Oppliger, from the A320 fleet.

We have reached the end of 2021, living through our second year of the pandemic. The uncertainty that started in March 2020 has spread far more than we all expected. The recovery in demand for air travel has been slow and erratic. The arrival of the delta variant first, and omicron toward the end of the year, together with the constant changes to flight restrictions and entry into countries, forced us to remain extremely agile and attentive and to take measures to adjust.

The aggregate impact of the pandemic on operations and clients has been dramatic. In these 21 months, we have tried to handle each of the individual situations with attention and care. All of this, moreover, is happening in parallel with the continuation of the financial reorganization process under Chapter 11, initiated in May 2020.

Nevertheless, the group managed to make progress on a gradual recovery of its operations thanks to its versatility and adaptability and interest in restoring its network and profitability in the shortest time possible. LATAM increased its operations (measured in ASK – available seat-kilometer), compared to the corresponding month of 2019) from 38.9% in January 2021 to 70.1% in December of that year. This recovery was sharper in the domestic markets of its subsidiaries, especially Brazil and Colombia, as well as cargo subsidiaries.

For the first time since the pandemic began, we had good financial news. The fourth quarter's operating results were positive and came within the framework of major restructuring initiatives in fleet, employees, digitization, and process simplification, which totaled over US$900 million in cost savings. Despite the above, the group's financial results are still very affected compared to 2019. Total revenues reached US$5.11 billion, a decrease of 51.0% from pre-pandemic levels.

In this difficult scenario, the LATAM group continued to develop and implement projects to enhance customer experience. In 2021, we continued with the digital transformation and looked for new opportunities that bring agility, facilitate access, and provide more satisfaction to those who prefer our services. In addition to the above, we continued to transform our passengers' flight experience through cabin retrofits, reaching a total of 115 aircraft with renewed interiors. Furthermore, the subsidiary in Brazil continued to equip its aircraft with Wi-Fi connectivity, totaling 50 aircraft with this service by the end of the year.

Beyond our progress, we are aware that the experience we deliver to our passengers is not always what we want, sometimes as a result of the difficulties created by the pandemic, and others, simply because of us. We know there is a gap, and we are working to fill that space with effective solutions.

As for our fleet modernization plan, we have concluded an agreement with Airbus for the purchase of 28 new aircraft in addition to the 42 narrow-body aircraft already agreed for the next few years. In total, 70 aircraft of the A320neo family with lower CO_2 emissions, a 50% reduction in nitrogen oxide emissions, and a 50% reduction in the acoustic footprint. On the other hand, the LATAM group announced the expansion of the cargo fleet with 10 Boeing 767-300 Boeing Converted Freighters to total 21 freighters by 2023.

With a long-term view, we lay the foundations for the future of the business through the launch of our new Sustainability Strategy with a focus on climate change, circular economy, and shared value. We set challenging but well-defined goals for ourselves:

eliminating single-use plastics in all operations (2023); zero waste to landfill (2027); achieving carbon-neutral growth with 2019 as the baseline, and offsetting 50% of domestic emissions (2030), all as part of the path to carbon neutrality by 2050.

We are committed to reducing emissions and managing our carbon footprint through programs such as LATAM Fuel Efficiency which, over 10 years, has enabled us to have a 5.3% fuel efficiency increase. As a result of this program, in 2021, we reduced fuel consumption by 8.3 million gallons, thereby avoiding the emission of 79,533 tons of greenhouse gases.

In addition, we are focused on contributing to the preservation of the biodiversity of South America, and thus, in 2021, we initiated an alliance with Fundación Cataruben and Project CO2Bio for the conservation and restoration of a strategic ecosystem of the region: 200 thousand hectares of floodable savanna in Colombia's Orinoco region.

As a result of the partnership with CO2Bio and the support for projects in other iconic ecosystems in the region, in 2021, LATAM offset 335,183 tons of CO_2, while in 2022, the group is planning to reach 723 thousand tons. At the same time, under a collaborative approach, we are promoting the "Fly Neutral" program, which offers our corporate and cargo clients the option of offsetting CO_2 emissions associated with their travel and supporting the conservation of iconic South American ecosystems. As part of the value proposition and core of the program, we match the amount of tons our clients offset to double the impact.

Last year, and following the S&P Corporate Sustainability Assessment, LATAM Airlines Group S.A. was recognized as the most sustainable airline in the region and the fourth in the world, as well as being included in the Sustainability Yearbook 2022 in the Bronze category, maintaining its position as one of the best-performing companies in sustainability in the industry.

Yet, not only do we want to be a player that promotes the environmental and economic development of the region, but we also want to be increasingly connected with the needs of the communities where we operate. For that reason, we have continued with our *Avion Solidario* program which, particularly in the face of the pandemic, has provided free support to health, environmental, and natural disaster needs within the region.

The LATAM group has joined in the effort that society as a whole has made to deal with the pandemic. Thus, at the end of 2021 and for free, almost 208 million vaccines were distributed in Brazil, Chile, Ecuador, and Peru, in addition to health professionals mobilized, among others, allowing us to support the region from what we know how to do: connect and transport.

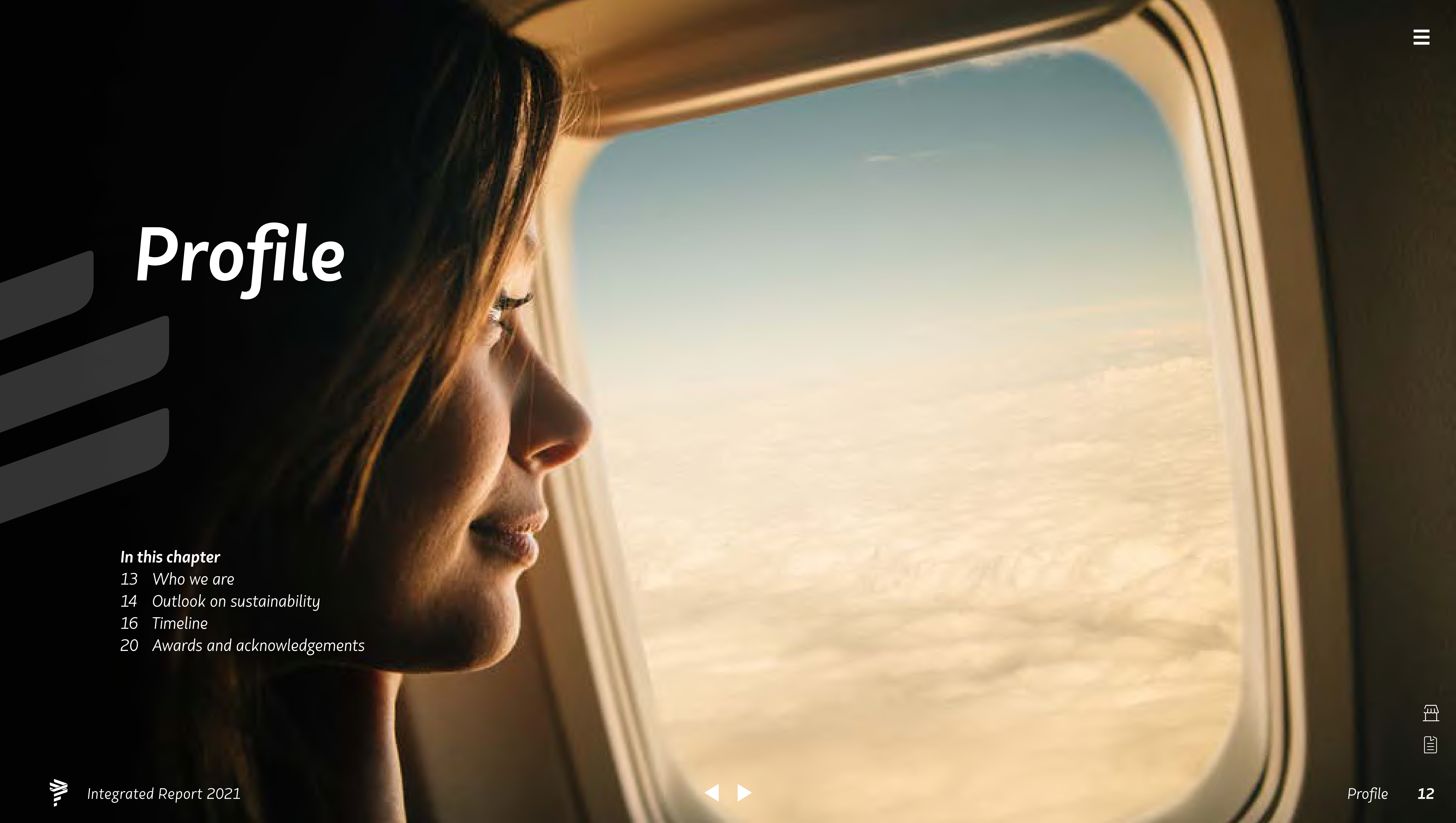
In 2021, we made very significant progress in our Chapter 11 process. As announced on September 9 in the Five-Year Business Plan, LATAM expects to achieve a complete recovery in domestic and international demand in 2022 and 2024, respectively. In addition, 2024 financial results are expected to be in line with pre-pandemic figures, accompanied by an ex-fuel, ex-inflation estimated CASK (cost per ASK) of US¢3.9 cents, an improvement of US¢0.6 cents compared to 2019. This would lead LATAM to be one of the most competitive "full service" airline groups.

On November 26, 2021, with broad support from the main stakeholders, we presented our Reorganization Plan. During the second half of 2022, we finally hope to exit Chapter 11 of the U.S. Bankruptcy Law, thus closing an important stage of transformation, which has enabled the raising of a renewed organization, with a solid balance sheet, a more competitive cost structure, and a good level of liquidity.

Last year was tough for LATAM and the results achieved are the best we could get in the face of the adverse context. In that task, the workers of the group's companies were key because, in spite of all the difficulties, they put their effort and willingness into pulling the operations through. I would like to take this opportunity to thank you, because despite the frustration and permanent uncertainty that you have experienced during these years, you have always chosen LATAM, you have stood firm, and you have accompanied us.

It is precisely that attitude, together with all the initiatives and achievements and the challenges we have set for ourselves, that motivates me to look with optimism on the future of the group. We face contingency by empowering the future. Today, the LATAM group comprises more than 29 thousand people of 44 nationalities, who have resisted a pandemic and who have learned a lot of lessons. This year, we hope to end one of the most painful chapters in our history, emerging much better than we started and where, together, we will continue to learn so that we can become a better LATAM.

Roberto Alvo Milosawlewitsch
CEO LATAM Airlines Group



Profile

In this chapter

Who we are

LATAM Airlines Group S.A. and its subsidiaries operate air passenger and cargo transportation in the domestic markets of Brazil, Colombia, Chile, Ecuador, and Peru, and in the international market. The group has a wide network of destinations (137 considering passenger and cargo operations), flight frequencies and connection possibilities, enhanced in South America through the *hubs* (connection centers) of São Paulo/ Guarulhos (Brazil), Lima (Peru), and Santiago (Chile), facilitating access to the most diverse destinations.

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In 2020, the group faced the greatest challenge in its 91-year history with the coronavirus pandemic. As a result of the unprecedented impact on passenger and cargo operations, LATAM Airlines Group S.A. and its subsidiaries in Chile, Colombia, Ecuador, Peru, and the United States filed for voluntary protection under the financial reorganization statute of the US Chapter 11 on May 26, 2020, and the subsidiary in Brazil joined the process on July 9 of the same year. The reorganization gives LATAM the opportunity to work with its creditors and other stakeholders to reduce its debt, access new sources of financing and continue to operate, and it gives it the opportunity to adapt its business to the new reality. The reorganization thus seeks to ensure financial sustainability and continue to generate shared value for its stakeholders.

Despite the adverse global scenario, throughout 2021, LATAM remained committed to providing connectivity and being an asset to the region, while restructuring its finances. The group managed to resume operations in several destinations, reached 70.1% of its capacity (measured in ASK, available seat-kilometer) in December compared to 2019, and continued to support the fight against the virus with the *Avion Solidario* (Solidary Plane) program.

***LATAM** maintains a strong commitment to safety, sustainability, and support to the communities where it operates, always striving to provide the best experience to its passengers through its operating excellence.*

Indirect economic impacts

The connectivity that drives tourism and business is a major impact of aviation. Despite reduced travel during the pandemic, international passengers transported by LATAM to South America contributed nearly US$608 million to the economies of the region. The figure considers the number of passengers transported (633.1 thousand) and the average expenses per traveler reported by tourism and statistics agencies in Argentina, Brazil, Chile, Colombia, Ecuador, and Peru. 203-2

More information:

*Financial results (page **45**)*

*Legal incorporation (page **98**)*

*Company purpose (page **98**)*

*Properties, plants, and equipment (page **98**)*

*Trademarks and patents (page **99**)*

*Additional information (page **99**)*

Outlook on *sustainability*

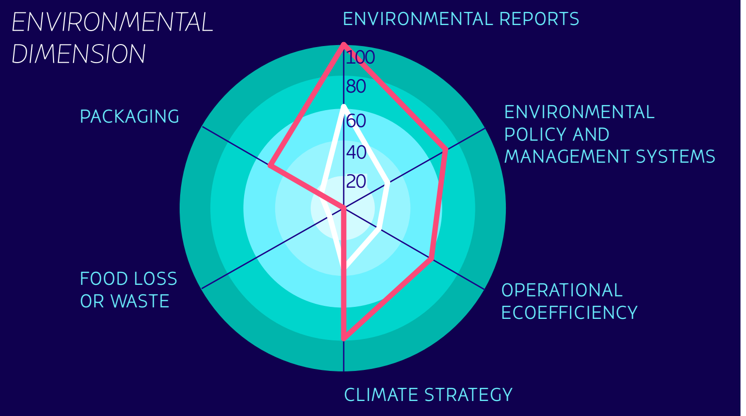
LATAM promotes sustainable development in South America and works to preserve the culture and biodiversity of the destinations it reaches, which are known for their natural wealth. To this end, it assumes challenging commitments to the social, environmental and economic growth challenges facing society, which include the holistic management of its carbon footprint, migration to a circular economy model, and tangible contribution to communities.

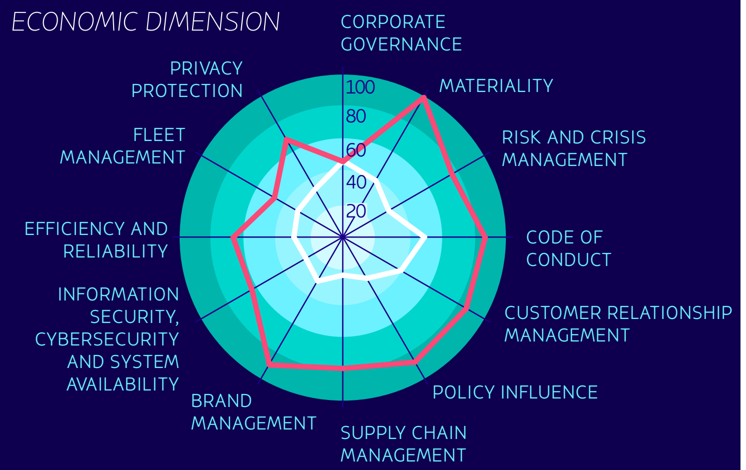
From its sustainability strategy and in order to achieve collective and real solutions, LATAM engages *its internal and external* stakeholders under a collaborative system and implements programs to achieve the fulfillment of its commitments and goals. The Board, the group's highest governing body, monitors progress on the achievement of the goals and the degree of fulfillment of the commitments.

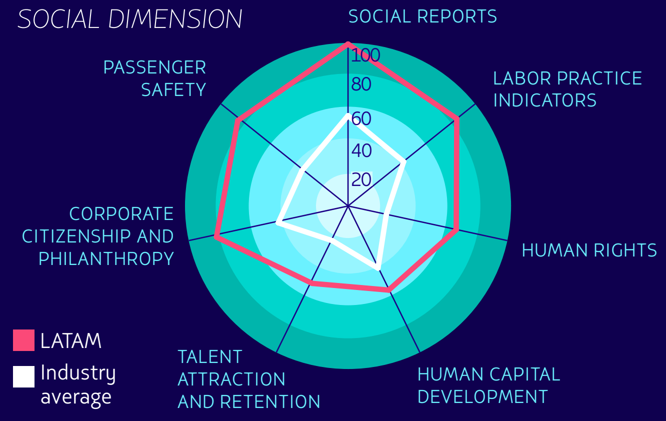
To measure its performance, LATAM applies the S&P Corporate Sustainability Assessment and the Dow Jones Sustainability Index (DJSI), which selects publicly traded companies with the best performance in economic, financial, social, environmental, governance and compliance, and customer relations issues.

In 2021, following the S&P Corporate Sustainability Assessment, LATAM was recognized as the most sustainable airline in the region and the fourth in the world, as well as being included in *the Sustainability Yearbook* 2022 in the Bronze category, maintaining its position as one of the best-performing companies in sustainability in the industry. The group was also part of the Dow Jones Sustainability Index for six consecutive years, being ranked as one of the most sustainable in the world. Today, LATAM is not within this selection because it is undergoing a process of financial reorganization, but it continues to use the results as *a benchmark* and guide to implement improvements in its processes.

More information:
Commitment to the Future (page 56)







Sustainable Development Goals

The group is committed to the Sustainable Development Goals (SDGs), a global UN agenda that proposes 17 goals objectives and 169 goals that governments, companies, and institutions must achieve by 2030. LATAM seeks to contribute actively to the achievement of these goals and focuses its efforts on eight priority SDGs, selected from the correlation with its strategic guidelines. 102-12

Global Compact

LATAM adheres to the Global Compact, a UN initiative aimed at mobilizing 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. 102-12

Human rights

Throughout the year, LATAM evaluated human rights-related risks throughout its operation and classified them into a matrix that considers potential impact and probability of occurrence.

Amazon (Brazil)

More information:

LATAM's Human Rights Commitment Declaration

Mitigation of risks related to human rights

Timeline

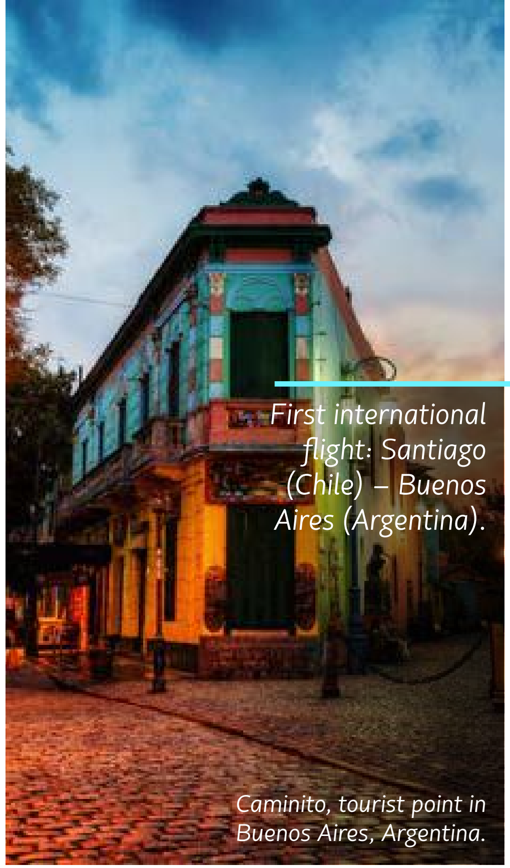
The history of LATAM begins in 1929 with LAN (Chile's national airline), which in 1946, made its first international flight on Santiago-Buenos Aires to later extend its coverage, first to Lima, Peru; then to Miami, United States; and later on, to Europe. In 1983, and through CORFO, Linea Aérea Nacional Chile Limitada was established, and the following year, it went on to become a limited company known as LAN Chile. Years later, in 1997, the company listed its shares on the New York Stock Exchange and was the first Latin American airline group to trade its ADRs (American Depositary Receipt) in this stock market.

In 2012, LAN Airlines S.A. changes its name to LATAM Airlines Group S.A. after the association of LAN and Brazil's TAM, created in 1975 as Transportes Aéreos Regionais. The group consolidates the leadership initiated by LAN, TAM, and their corresponding subsidiaries, with a better service throughout its network and strengthening its regional position.

These and other more recent milestones in the group's trajectory are presented below.

1929 Creation of LAN (Línea Aérea Nacional de Chile) by Commander Arturo Merino Benitez.

1946 First international flight: Santiago (Chile) – Buenos Aires (Argentina).



Caminito, tourist point in 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.

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Snefellsnes Peninsula (Iceland)

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 by the current controllers and other shareholders of 98.7% of the company's stock.

>>>

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 oneworld®.

>>>

2001

LAN alliance with Iberia, and inauguration of the cargo terminal in Miami (United States).

2002

LAN alliance with Qantas and Lufthansa Cargo.

Establishment of the Technology Center and Service Academy in São Paulo (Brazil).

2003

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

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 LAN Argentina operations.

TAM S.A. is publicly listed in Bovespa, Brazil.

Launch of flights to New York (United States) and Buenos Aires (Argentina).

>>>

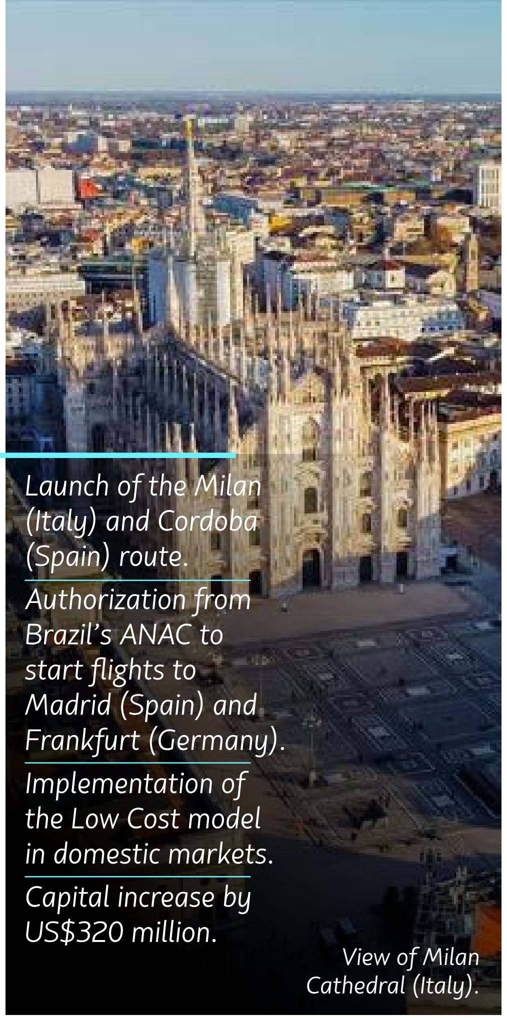
2006

Start of flights to London (United Kingdom) and flights 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.

View of Milan Cathedral (Italy).

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 LAN and TAM association.

Placement of 2.9 million shares.

2013

Capital increase by US$940.5 million.

2014

TAM joins **one**world®, making **one**world® 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

LATAM, the new brand to be adopted by LAN, TAM, and its subsidiaries, is born.

2016

Issuance of EETC structured note for US$1.02 billion: first in Latin America.

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 1st, 2020.

>>>

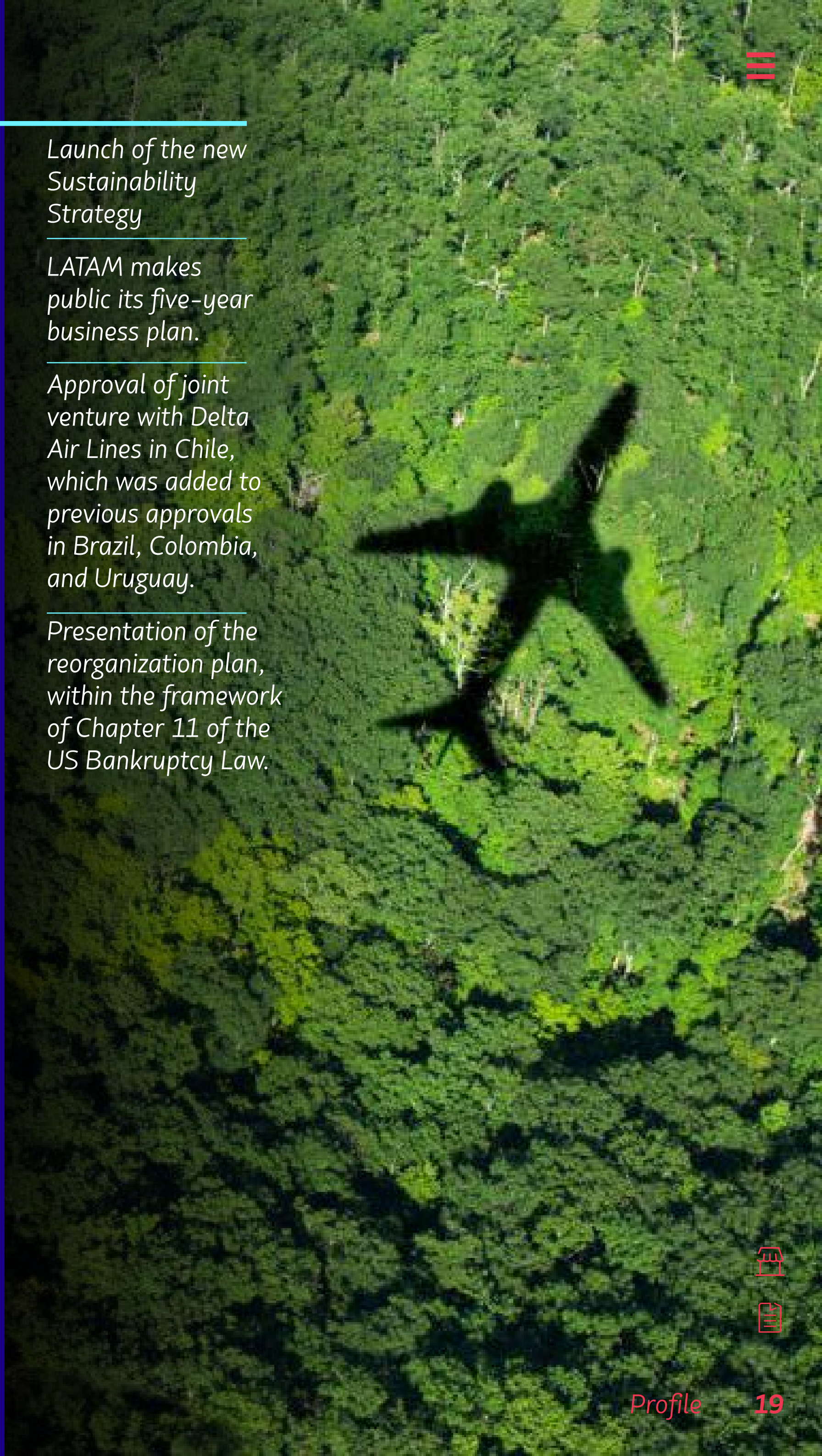
2020

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

LATAM makes public its five-year business plan.

Approval of joint venture with Delta Air Lines in Chile, which was added to previous approvals in Brazil, Colombia, and Uruguay.

Presentation of the reorganization plan, within the framework of Chapter 11 of the US Bankruptcy Law.

Awards and *acknowledgements*

Throughout 2021, LATAM group received acknowledgments in various fields, listed as follows:

Service

- **APEX (Airline Passenger Experience Association) and SimpliFlying:** grant LATAM group the "Diamond" category of its Simplifying-powered APEX Health Safety standard, making it the first airline group in the region to receive this category, the highest in the measurement.

- **APEX Passenger Choice:** rated LATAM with four out of five stars in its global airline ranking, based on customer votes from more than 600 airlines worldwide.

- **World Line Airline Awards– Skytrax,** the most important award in the airline industry: LATAM received 4 out of 5 stars and became the only airline in South America to obtain this recognition, which qualifies LATAM's health and safety standard. In addition, it was recognized for the second consecutive year as the "Best South American Airline," a recognition based on the opinion of more than 13.4 million travelers around the world. Moreover, it was awarded the "COVID-19 Aeronautical Excellence Award" for the health and safety measures adopted during the pandemic.

- **OAG 2020 (Official Airline Guide) and Cirium *On-Time Performance Review* 2021:** Both consultants recognized LATAM as the first global and Latin American group, respectively, based on its punctuality.

- **World Travel Awards 2021:** LATAM was awarded "Leading Airline in South America" and "Leading Airline Brand in South America" due to its operational and service attributes.

- **Global Traveler Awards:** Voted "Best Airline in South America" in the 18th edition of the Global Traveler GT Test Reader Survey Awards, based on an online survey of readers of Global Traveler magazine.

- **Respeito Award 2021** by magazine *Consumidor Moderno* (Brazil), which recognizes the companies that stand out for respecting the final consumer. LATAM was the winner in the "Airline Companies" category.

Sustainability

- **The Sustainability Yearbook 2021:** LATAM was the region's best performing airline and the second worldwide in sustainability, in the 2021 edition of the Dow Jones Global Index (DJSI) "The Sustainability Yearbook".

- **Standard & Poor's Global Corporate Sustainability (CSA):** LATAM ranked fourth in the world in this assessment and has positioned itself as the best performing airline in sustainability on the American and European continents.

- **Sustainable Peru:** The network of companies that promotes sustainable development in Peru recognized LATAM as a socially responsible company.

- **National Carbon Neutrality Program of the Ministry of Environment and Sustainable Development of Colombia:** LATAM Airlines Colombia was recognized for its commitment to establish voluntary targets and commitments to reduce greenhouse gas emissions.

Others

- **Prestige:** The renowned Paraguayan award recognized LATAM as the most prestigious airline in the Air Transport category.

- ***Negocios da Comunicação*:** The Brazilian magazine awarded LATAM the recognition as "Company that best communicates with journalists" in the category "Logistics and Transportation".

- **Design Air:** Chosen as the airline with the best Design in South America in 2021.

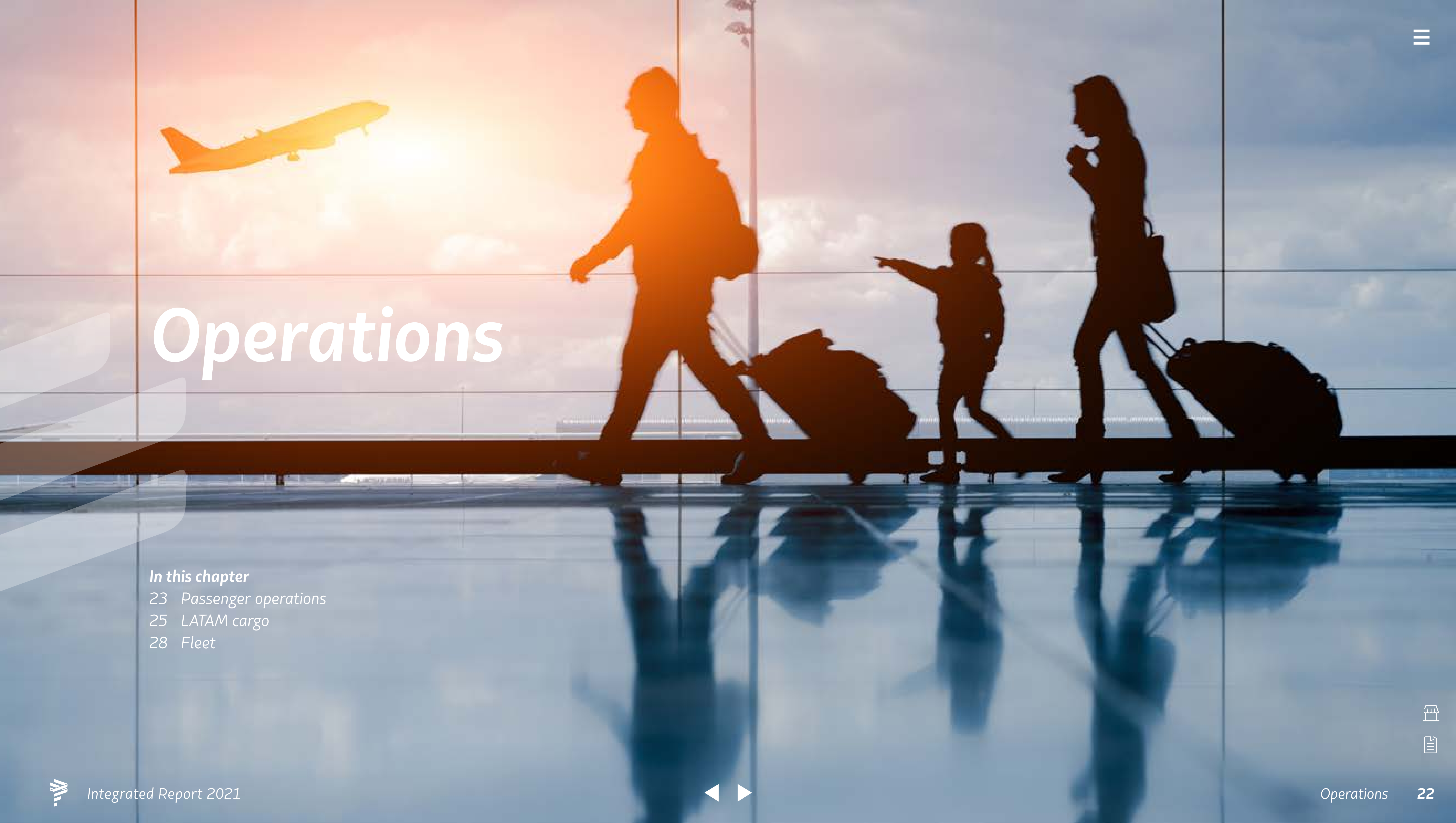
- **Associação Brasileira de Comunicação Empresarial (Aberje):** It awarded first place in the Multipublic category of the Aberje Awards 2021 for the "Far, But Together – LATAM 360° Communication in the COVID-19 Pandemic" campaign.

- **Santos Dumont Merit Medal (Brazil):** Recognizing its outstanding services to Brazilian aeronautics, Commander Harley and Diogo Elias, Director of Operations and Director of Sales and Marketing of LATAM Airlines Brazil, respectively, and Commander Vitor Araujo, pilot of LATAM Cargo Brazil, were decorated.

- ***Análise Executivos Jurídicos e Financeiros*:** recognizes Rogéria Gieremek as the most admired Compliance Professional in Brazil.

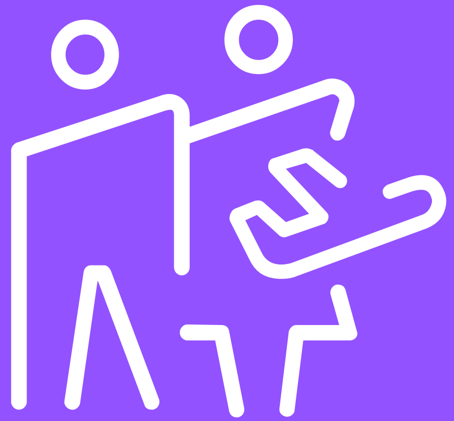
- **Greater and Better Modern Transport and Technibus (Brazil):** LATAM ranked first in the "Air Passenger Transportation" category, based on net operating income from the 2020 balance sheet.

- **Merco Rankings (Brazil):** LATAM was the group with the best reputation in the "Transport and Logistics" category and was a leader in the industry among the 100 companies with the best Corporate Governance and Responsibility.



Operations

Passenger *operations*



In 2021, the group was able to gradually resume operations after a 2020 strongly impacted by the pandemic, operating, on average during the year, 45.4% of the passenger capacity (measured in ASK - available seat-kilometer) compared to the pre-COVID level and a load factor of 74.4%. The international operation was 25.2% of that recorded in 2019, and the domestic operation was 69.6%. During much of 2021, subsidiaries in Colombia and Ecuador achieved domestic performance equal to or greater than that achieved before the pandemic.

Throughout the year, LATAM also made progress in opening new routes in the context of a dynamic and changing environment, opening a total of 79 routes during the year. The revenues from the passenger operation represented 65.4% of the group's total.

LATAM operates 30 international destinations in 18 countries, in addition to domestic destinations and international flights and connections between domestic destinations.

In the **international passenger market**, the supply, measured in ASK, which equals the number of seats available multiplied by the distance flown, decreased by 14.3% compared to 2020, and passenger demand, measured in RPKs, which equals the total number of passengers transported by the distance flown, declined by 23.4% compared to 2020. A total of 2.9 million passengers flew with LATAM to international destinations during 2021 and the load factor was 66.0%, 7.8 percentage points below 2020.

Domestic operations correspond to the domestic flights made by the LATAM Airlines Brazil, LATAM Airlines Chile, LATAM Airlines Colombia, LATAM Airlines Ecuador, and LATAM Airlines Peru subsidiaries, which averaged 790 flights per day, connecting a total of 107 destinations.

In addition, during 2021, LATAM inaugurated 17 new domestic destinations and transported 37.3 million people on its domestic flights, an increase of 53.8% compared to the previous year. Passenger demand, measured in RPK, increased 60.1% in Spanish-speaking countries (SSC), while supply, measured in ASK, increased 62.6%, while the load factor was 74.9%, 1.2 percentage points lower than in 2020. In the Brazilian domestic market, demand increased by 40.8%, and supply by 40.8%. The load factor remained constant compared to 2020 and was 80.0%.

In 2021, LATAM opened 33 new domestic destinations, totaling 107. Load factor was 80.0%.

In Colombia, operations toward yearend exceeded 2019 levels, reaching an operation of 123% compared to 2019, measured in ASK, most of which is explained by the opening of four new domestic routes (Cali-Monteria, Medellin-Pereira, Cali-Pasto, Medellin-Leticia), whereby the subsidiary ended the year with 16 domestic destinations and 180 daily flights on average.

LATAM Airlines Ecuador closed the year with a 116% operation versus 2019 levels, given LATAM's interest in continuing to connect Ecuador and offer the best product to its passengers.

On the other hand, LATAM Airlines Brazil ended 2021 with a capacity of 92.9% (measured in ASK) compared to 2019, with an average of 578 daily flights and 49 destinations, a record figure that had not been recorded since the association of LAN and TAM in 2012. The subsidiary opened 33 new routes and opened flights to the cities of Juazeiro do Norte, Jericoacoara, Petrolina, Vitoria da Conquista and Una, among others.

During December 2021, LATAM's subsidiaries in Chile, Brazil, Peru, and Ecuador were leaders in market share[1] in their respective markets, while the subsidiary in Colombia had the second largest operation in that country.

1 Source: Agência Nacional de Aviação Civil (ANAC Brazil) – RPKs, Junta de Aeronáutica Civil (JAC Chile) – RPKs, Dirección General de Aeronáutica Civil (DGAC Peru) – Number of passengers carried, Diio.net – ASKs (Colombia and Ecuador).

Connectivity 102-4, 102-6

Domestic operation

37.3 million passengers

107 destinations

1 **LATAM Airlines Chile**
16 destinations
5.4 million passengers

MARKET SHARE
60%

MAIN COMPETITORS
Sky Airlines, JetSmart

2 **LATAM Airlines Peru**
19 destinations
5.5 million passengers

MARKET SHARE
68%

MAIN COMPETITORS
Sky Airlines Peru, Viva Airlines Peru, Star Peru, Avianca

3 **LATAM Airlines Colombia**
16 destinations
5.9 million passengers

MARKET SHARE
28%

MAIN COMPETITORS
Avianca, Viva Colombia, EasyFly, Satena, Copa Airlines Colombia ("Wingo")

4 **LATAM Airlines Ecuador**
7 destinations
0.8 million passengers

MARKET SHARE
53%

MAIN COMPETITORS
Avianca

5 **LATAM Airlines Brazil**
49 destinations
19.8 million passengers

MARKET SHARE
36%

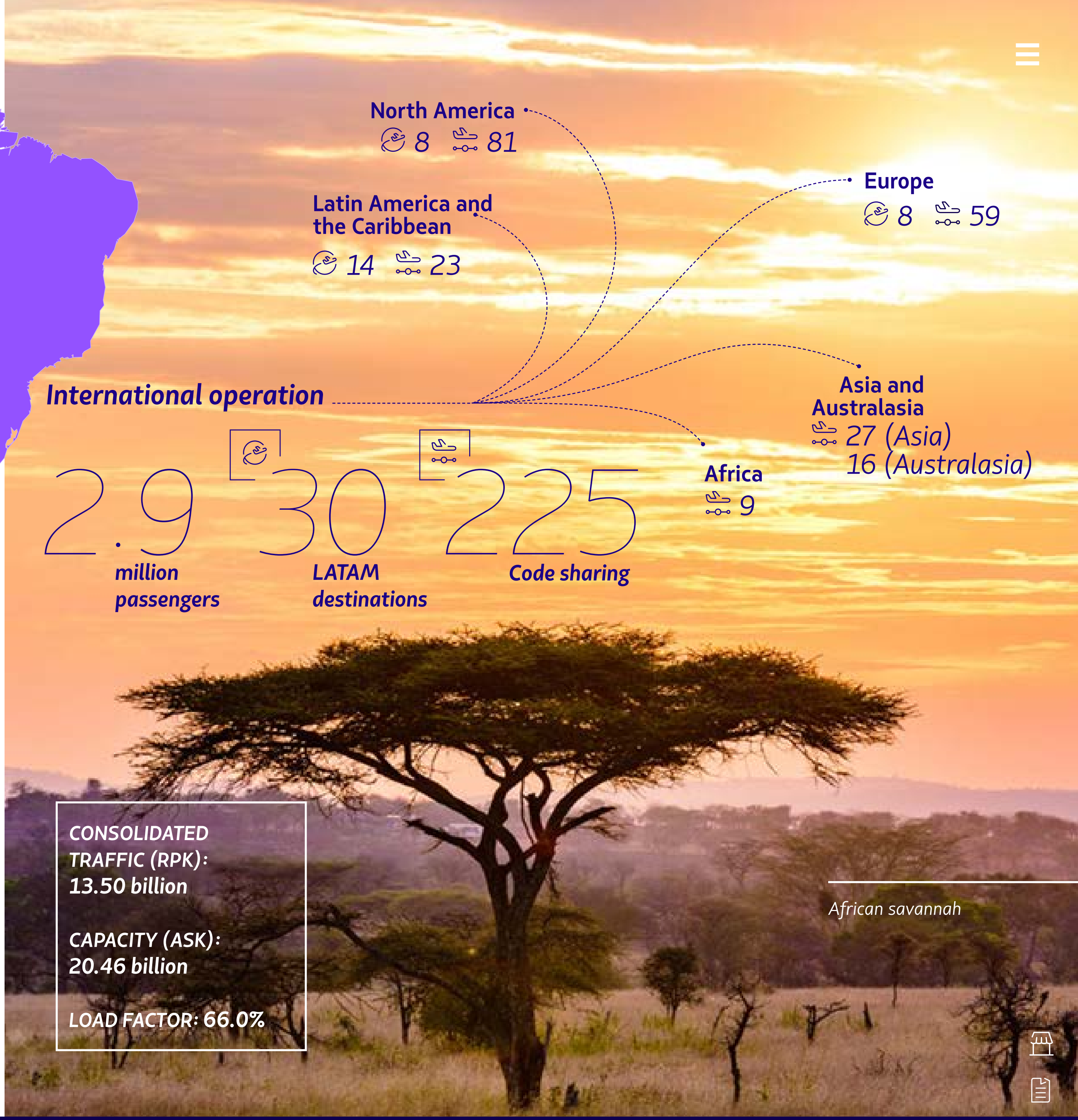
MAIN COMPETITORS
Gol, Azul

CONSOLIDATED TRAFFIC (RPK): 36.81 billion
Spanish-speaking countries (SSC): **13.36 billion**
Brazil: **23.45 billion**

CAPACITY (ASK): 47.17 billion
SSC: **17.84 billion**
Brazil: **29.32 billion**

LOAD FACTOR: 78.0%
SSC: **74.9%**
Brazil: **80.0%**

Obs.: Market shares are as at December 2021.



International operation

2.9 million passengers

30 LATAM destinations

225 Code sharing

North America
8 81

Latin America and the Caribbean
14 23

Europe
8 59

Asia and Australasia
27 (Asia)
16 (Australasia)

Africa
9

CONSOLIDATED TRAFFIC (RPK): 13.50 billion

CAPACITY (ASK): 20.46 billion

LOAD FACTOR: 66.0%

African savannah

LATAM
cargo

LATAM Cargo S.A. and the cargo subsidiaries in Colombia and Brazil stand out in Latin America as one of the main air cargo operators. During 2021, its contribution to the region became even more visible in the global context of the COVID-19 pandemic.

The drop in cargo carrying capacity, due to the decrease in passenger flights as a result of health restrictions, was more intense than the drop in demand, thus increasing the load factor at the industry level.

In 2021, 801.5 thousand tons of cargo were transported, an increase of 2.2% from 2020. Revenues increased 27.4% compared to the previous year and represented 30.2% of the group's total. Load factor reached 63.4%, which translates into a 2.0 percentage-point decrease compared to 2020 (+7.9 versus 2019) and the yield based on ATKs (available ton-kilometer) increased by 29.2% compared to 2020 (+68.3% vs. 2019). The restrictions forced the suspension of several passenger routes, which was reflected in a reduction in the capacity of the belly cargo service (using passenger aircraft).

However, LATAM's effort to operate routes that originally only considered passenger aircraft as net cargo flights represents the group's commitment to its customers in businesses such as the salmon, fruit, flower, pharmaceutical, or mining industries, among others, which needed to ensure their operational continuity.

Cargo operations in 2021 102-6

22 **countries**

4 ***exclusive cargo destinations:* *Costa Rica, Guatemala, Netherlands, Panama***

137 **destinations**

8 ***exclusive cargo destinations:***

Amsterdam (Netherlands)
Cabo Frio and Campinas (Brazil)
Chicago (United States)
Ciudad del Este (Paraguay)
Guatemala City (Guatemala)
Panama City (Panama)
San Jose (Costa Rica)

801.5 **thousand tons transported**

Logistical support to the region

EXPORT INDUSTRY

New flights dedicated to cargo after passenger operations were interrupted as a result of the effects of the pandemic

SALMON

Strengthened connection between Chile and consumer markets in the United States and Mexico, including direct flights and full air-to-air connection from Punta Arenas to Santiago

FLOWERS

Increase in flights and offer of additional flights in Bogota, Colombia and Quito, Ecuador

LOCAL SUPPLY

CHILE

To ensure connectivity to Easter Island, the group conducted special operations using two weekly passenger flights to transport cargo (highlights: perishable goods and staple goods)

Incorporation of 787-8 on the Santiago-Punta Arenas-Santiago route (products: salmon, spare parts, electronics, and perishables) and availability of direct route Punta Arenas-Miami based on the client's needs, on 787-8

BRAZIL

Flights that were normally passenger flights became operated as cargo transport to meet the logistical needs of the local industry

PERU AND COLOMBIA

Air transport was essential for the transport of medicines, perishable goods, and other cargo in these markets, impacted by restrictions on land mobility due to strikes and social demands

Moais in Easter Island, Chile.

Building the future
The year 2021 also meant the launch of a new technology systems platform on which the group had been working for three years. Thanks to this project, today LATAM cargo has a world-class system that not only allows it to make its operations more efficient, but also gives customers the ease of doing their business with LATAM cargo and its cargo subsidiaries, improving their user experience.

The end-to-end platform, which covers all processes from pricing to payment, is hosted on the cloud, reducing system downtime and information loss or errors by holding all dispatch data in one place. The new system is already in place for all international operations and is expected that all of its capabilities will be taken advantage of and implemented for domestic operations during 2022.

During the fourth quarter, LATAM cargo announced two major international *marketplace* agreements to expand the channels where it offers its capacity.

Committed against COVID
In 2021, LATAM cargo strengthened its operations to support the mass transportation of vaccines to and within South America and domestic markets. This was made possible by a multidisciplinary effort involving different areas of the business, enabling the creation of new procedures and optimizing logistics and coping with the pandemic.

The initiative positioned LATAM group, and LATAM cargo specifically, as a strategic ally of governments to meet the logistical challenge of mass vaccination campaigns. In total, LATAM was responsible for transporting one in five doses of vaccines administered by Argentina, Bolivia, Brazil, Chile, Colombia, Ecuador, Paraguay, and Uruguay. In countries such as Chile and Paraguay, coverage was even higher: two out of three.

351.8

million doses of COVID vaccines transported.

The Center of Excellence of Independent Validators (CEIV Pharma) certification from the International Air Transport Association (IATA) was key for this, as it proved to each of the Latin American governments the robustness of LATAM's Pharma services and the experience and knowledge of the group to transport vaccines with all kinds of requirements.

The first vaccines were transported on December 24, 2020, and until the end of 2021, 351,853,590 doses of COVID vaccines were transported to South America, including the countries of the continent and at the domestic level. Of these, 207,750,400 were transported free of charge at the domestic level on the *Avion Solidario* (Solidary Plane) in Brazil, Chile, Ecuador, and Peru, within the framework of the program's alliances with local governments to facilitate distribution at the national level.

More information:
Close, digital, and flexible (page 78)
Solidary Plane program (page 58)

Fleet

In 2021, as part of the reorganization process, the group achieved a full restructuring of its fleet, which included renegotiating contracts, reducing total aircraft, eliminating Airbus A350 models, and homologating wide-body aircraft. These initiatives will enable estimated savings of more than 40 per cent of fleet cash costs compared to 2019 levels.

The results of the negotiations were favorable, and the extension of pay periods and variable pay and the reduction of lease payments were agreed.

As at 31 December 2021, 310[1] aircraft made up LATAM's total fleet, with an average age of 10.9 years.

The international operations have 59[1] Boeing wide-body aircraft, including 22 Boeing 767-300ER, 10 Boeing 777-300EF and 27 Boeing 787 Dreamliners (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, including 44 Airbus A319, 133 Airbus A320, 49 Airbus A321, and 12 Airbus A320neo, which is 15% more fuel efficient and generates half the noise than the previous equivalent model.

LATAM Cargo's operating fleet totals 12 Boeing 767 aircraft. In 2021, the group launched a three-year plan, which will expand the fleet to 21 aircraft, increasing its capacity by 85%. By the end of the year, the first of the 10 new cargo planes converted from Boeing 767 passenger aircraft was fulfilled, and the fleet is expected to

Fleet (12/31/2021)

At December 31, 2021	Off balance	On balance	TOTAL
Passenger fleet			
Airbus A319-100	7	37	44
Airbus A320-200	7	94	133
Airbus A320neo	7	-	12
Airbus A321-200	7	18	49
Boeing 767-300ER	7	22	22
BOEING 777-300ER	7	4	10
Boeing 787-8	7	4	10
Boeing 787-9	7	2	17
Total	**116**	**181**	**297[1]**
Cargo fleet			
Boeing 767-300F	1	11	12
Total	**1**	**11**	**12**
Subleases			
Boeing 767-300F	-	1	1
Total subleases	**-**	**1**	**1**
TOTAL FLEET	**117**	**193**	**310**

1 Includes six Boeing 767-300ER aircraft classified as non-current assets held for sale.

be completed with three more units in 2022 and six in 2023.

In addition, within the framework of the reorganization process, fleet commitment agreements have been reached with Boeing for two 787 Dreamliner aircraft and with Airbus for a total of 70 more fuel-efficient aircraft from the A320neo family, strengthening LATAM's commitment to its long-term sustainability strategy. Delivery dates are planned until 2028. However, they could vary as a result of ongoing discussions with manufacturers in the context of the current global situation.

LATAM has planned to modernize its fleet until 2028 with the incorporation of 70 aircraft of the Airbus A320neo family and two Boeing 787-9

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 temporary maintenance services to third parties.

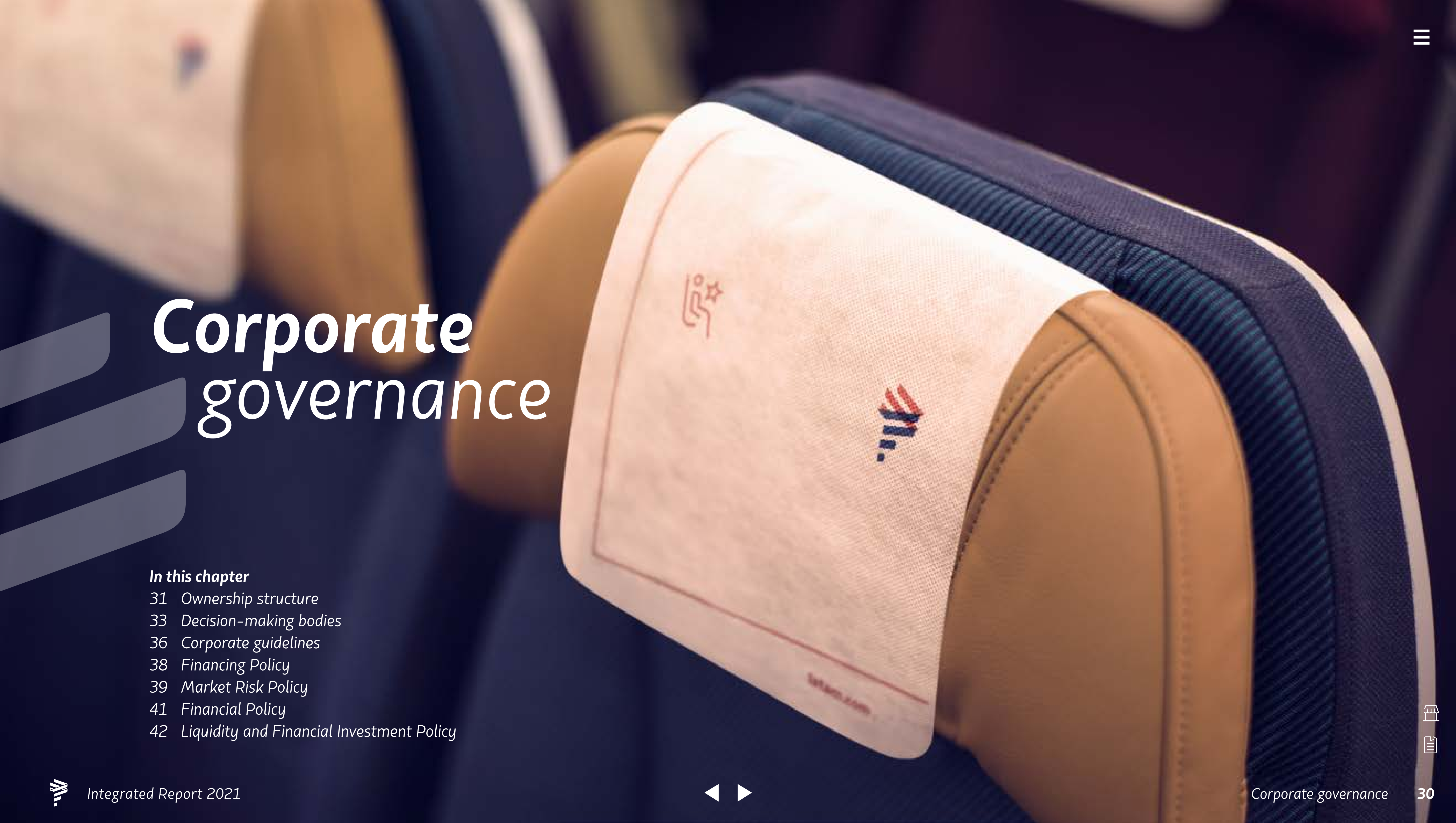
The Chilean base is located in Santiago and can serve two narrow-body and one wide-body aircraft simultaneously. In Brazil, the base is located in São Carlos and has capacity for eight aircraft.

In 2021, the two bases were responsible for 446 maintenance services, representing 83 per cent of total fleet maintenance and a total of 1.3 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 hangars, such as those located in Santiago (Chile); São Carlos, Congonhas/São Paulo, and Brasilia (Brazil); Lima (Peru), and Miami (United States). This network includes a series of automated and integrated services that ensure compliance with all safety requirements and in accordance with local and international regulations.

Snapshot

	2019	2020	2021
Passenger Operations			
Capacity (ASK) - billion	149,11	55,718	67,636
Consolidated traffic (RPK) billion	124,521	42,624	50,317
Load factor (ASK)	83.5%	76.5%	74.4%
Revenue/ASK (US$ cents)	6.5	4.9	4.9
Total PAX transported (thousands)	74.189	28.299	40.195
Cargo Operations			
Capacity (ATK) - billion	6,357	4,708	4,788
Consolidated traffic (RTK)billion	3,526	3,078	3,035
Load factor (ATK)	55.5%	65.4%	63.4%
Revenue/ATK (US$ cents)	17.1	25.7	32.2
Tons transported (thousands)	903.8	785.0	801.5



Corporate governance

In this chapter

Ownership *structure*

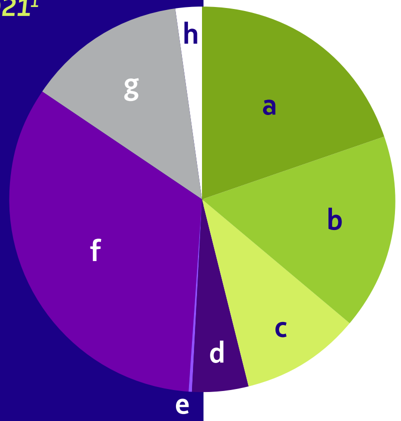
The goal of LATAM Airlines Group S.A. is to maintain a suitable level of capitalization that will enable it to ensure safe access to financial markets to develop its medium- and long-term goals, optimizing returns to its shareholders and maintaining a sound financial position.

The group'a paid-in capital at December 31, 2021, totaled ThUS$3,146,265 divided among 606,407,693 shares, and ThUS$3,146,265 divided among 606,407,693 shares at December 31, 2020, 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.

At December 31, 2021, the group does not have a controlling shareholder.

STOCKHOLDING
102-5, 102-10

2021[1]



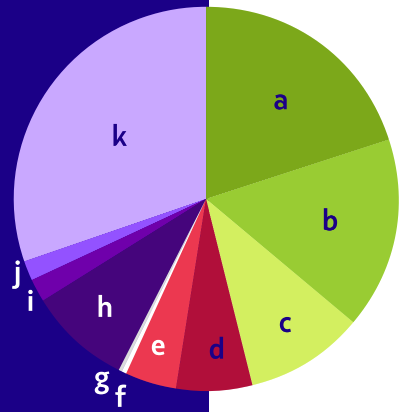
Total: **606,407,693** *shares subscribed and paid.*

At December 31, 2021 Main shareholders	**Total shares**	**%**
a - Delta Air Lines	121,281,538	20.00
b - Cueto Group	99,381,777	16.39
c - Qatar Airways[2]	60,640,768	10.00
d - Eblen Group	27,644,702	4.56
e - Hirmas Group	1,488,971	0.25
f - Other	203,275,557	33.52
g - American Depositary Receipt (ADR)	79,240,114	13.07
h - Foreign investors	13,454,266	2.22
Total	**13,454,266**	**100.00**

1 As of 12/31/2021, the shareholders' register of the Central Securities Deposit (DCV, for its Spanish acronym) did not register 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.

2020[1]



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a - Delta Air Lines	121,281,538	20.00
b - Cueto Group	99,381,777	16.39
c - Qatar Airways[2]	60,640,768	10.00
d - Amaro Group[3]	38,792,870	6.40
e - Eblen Group	27,644,702	4.56
f - Hirmas Group	1,488,971	0.25
g - Bethia Group	1,000,000	0.16
H - ADR	53,057,983	8.75
i - Chilean Pension Fund Managers(AFP)	10,803,877	1.78
j - Foreign investors	9,939,708	1.64
k - Other	182,375,499	30.07
Total	**606,407,693**	**100.00**

1 The holding figures of the Cueto Group rin this table no longer consider the 21.88% stake of the Amaro Group in Costa Verde Aeronautica S.A., after the transfer of these shares to a new company owned by the Amaro Group, TEP Aeronautica S.A.

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

3 The holding figures of the Amaro Group in this table consider the addition of TEP Aeronautica S.A.

Main shareholders

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.[1]	60,640,768	10.00%
Santander Corredores de Bolsa Limitada	25,667,681	4.23%
BCI Corredores de Bolsa S.A.	19,433,331	3.20%
Andes Aérea 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 Vial 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 Qatar owns 9.999999918% of total issued shares of LATAM.

At December 31, 2020		
Name	**Shares subscribed and paid**	**%**
Delta Airlines Inc.	121,281,538	20.00%
Costa Verde Aeronáutica S.A.	82,376,937	13.58%
Qatar Airways Investments (UK) Ltd.[1]	60,640,768	10.00%
Banchile Corredores de Bolsa S.A.	53,835,781	8.88%
JP Morgan Chase Bank	53,057,983	8.75%
Santander Corredores de Bolsa Limi-tada	30,845,675	5.09%
TEP Aeronáutica S.A.	26,783,613	4.42%
BCI Corredores de Bolsa S.A.	19,042,479	3.14%
Inversiones Andes SpA	13,187,037	2.17%
Consorcio Corredores de Bolsa S.A.	12,502,262	2.06%
TEP Chile S.A.	12,009,257	1.98%
Costa Verde Aeronáutica SpA	9,228,949	1.52%

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

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

Dividends

LATAM Airlines Group S.A. has defined that the distribution of dividends should correspond to at least the figure equivalent to 30% of the liquid profits of the previous year, in accordance with the regulations in force, which does not prevent any distribution of dividends in excess of this mandatory minimum, taking into account the particularities and circumstances that may arise during the year.

In 2021, since the Company incurred losses in the financial year 2021, there was no dividend payment, in accordance with the legislation in force.

More information:
Shareholders' Agreement (page 100)

Investor Relations

LATAM establishes an ongoing dialogue with its shareholders and others players in the capitals markets. On the Investor Relations site, where updated financial statements and quarterly results reports are published, the group details the corporate governance structure, other relevant data to support shareholders, investors, and market analysts in decision-making and information on the stages of the reorganization plan under the protection of the Chapter 11 bankruptcy proceeding of United States law. The contents are available in English, Spanish, and Portuguese.

More information:
LATAM reorganization
Investor Relations

Decision-making bodies

The main governing body of LATAM Airlines Group S.A. is the Board, which defines and monitors the group'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. 102-18

The Board holds regular monthly meetings and, whenever necessary, extraordinary meetings. In 2021, the average attendance at the 35 ordinary and extraordinary sessions held throughout the year was 96.8%. Directors Ignacio Cueto, Enrique Cueto, Patrick Horn and Nicolas Eblen attended 100% of the meetings, while directors Enrique Ostale, Sonia Villalobos, Henri Philippe Reichstul, Eduardo Novoa, and Alexander Wilcox attended 94.3% of the meetings.

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

As part of a self-assessment process, the Board members routinely fill out a form on best practices, required by Chile's Financial Market Commission (CMF, for its Spanish acronym).

96.8%

it was the average attendance at the regular meetings of the Board in 2021.

Directors Committee

The Directors' Committee is composed of members of the Board and its functions consist mainly of reviewing and evaluating the reports from external auditors, balance sheets, and other financial statements, and proposing to the Shareholders' Meeting the names of external auditors and risk-rating agencies. The Committee also serves as the Audit Committee. This composition meets 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).

At December 31, 2021, the Committee included Eduardo Novoa Castellon, Patrick Horn Garcia, and Nicolas Eblen Hirmas. All three are considered independent under section 10A of the SecuritiesExchange Act.

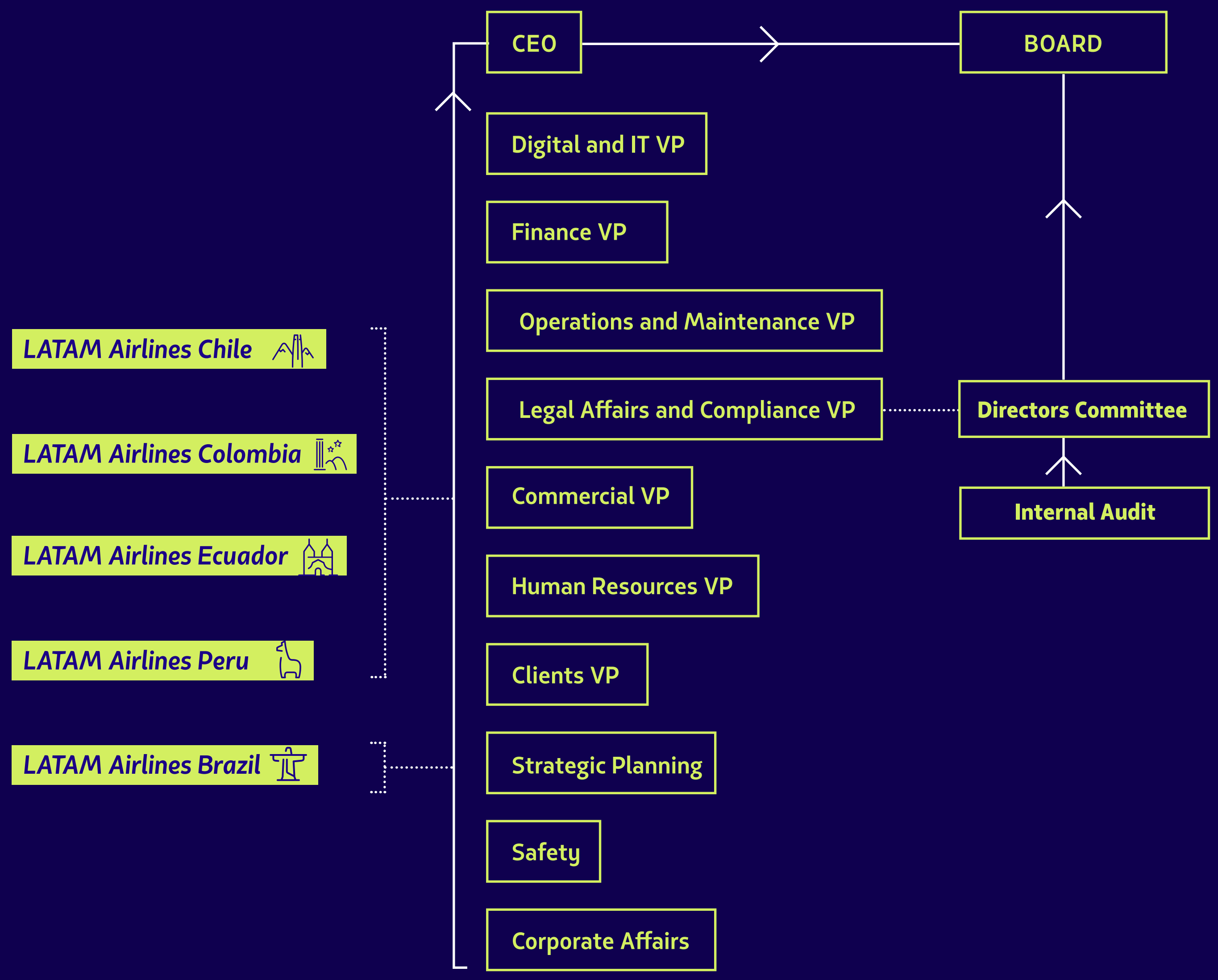
According to the Chilean LSA, only the first two have independent board member status. Said law requires two independent board members; that is, who have no links, interests, economic, professional, credit, or commercial dependence of any relevant nature or volume on the company, the other subsidiaries of the Group, its controller, or the main executives, nor any family ties with the latter, among other characteristics.

Executive sphere
The executive sphere is divided into four large areas: Clients, Operations, Commercial, and Finance, with clearly divided responsibilities to execute and monitor the strategy. The executives in these areas and four vice-presidencies Legal Affairs and Compliance, Corporate Affairs, Digital and IT, and People- form an Executive Committee that meets weekly with the CEO. The Strategic Planning area supports the Executive Committee and other Vice-presidencies participate in meetings to address more specific issues.

The areas of Security, Audit, Strategic Planning, Legal Affairs and Compliance, Corporate Affairs, Digital and IT, and People are cross-cutting.

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

Organizational chart



More information:
Board: composition and résumés (page 105)
Annual Report of the Board Committee's Administration (page 108)
Main executives (page 114)

Board compensation

The compensations reported represent a monthly allowance for the Board and the Directors' Committee, approved in the Ordinary Shareholders' Meeting held on April 20, 2021. During 2021, the Board and the Directors' Committee had no additional expenses for counseling services.

Remuneration– allowance 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 Castellon	Board member	62,643.6	109,287.2	26,759.9	**198,690.6**
Nicolas 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	-	26,75.9	**89,403.4**
Enrique Ostale 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**

Remuneration– allowance 2020 (US$)

Name	Position	Board	Directors' Committee	Subcommittee	Total
Ignacio Cueto Plaza	Chairman	29,328.64	-	8,373.39	**37,702.04**
Sonia J. S. Villalobos	Board member	10,689.95	-	6,425.50	**17,115.45**
Eduardo Novoa Castellon	Board member	14,664.32	19,552.43	8,373.39	**42,590.14**
Nicolas Eblen Hirmas	Board member	14,664.32	19,552.43	8,811.67	**43,028.42**
Patrick Horn García	Board member	14,664.32	19,552.43	5,237.93	**39,454.68**
Henri Philippe Reichstul	Board member	10,689.95	-	6,970.61	**17,660.56**
Enrique Miguel Cueto Plaza	Board member	10,967.97	-	6,854.19	**17,822.16**
Enrique Ostale Cambiaso	Board member	7,997.93	-	7,507.00	**15,504.93**
Alexander D. Wilcox	Board member	2,302.68	-	956.81	**3,259.49**
Juan Jose Cueto Plaza	Former board member	3,696.35	-	1,519.20	**5,215.56**
Carlos Heller Solari	Former board member	1,899.00	-	-	**1,899.00**
Giles Agutter	Former board member	7,294.50	-	2,602.72	**9,897.22**

Executives compensation

In 2021, executive remuneration totaled US$19,895,749 (US$19,895,749 from remuneration and US$0 from profit-sharing in March). In 2020, US$18,436,960 were paid as remuneration and US$13,343,991 were paid out as profit-sharing, amounting to US$31,780,951 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 guidelines

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 Receipt). 102-5

Its corporate governance model is in line with the stock market (No. 18,045) and limited corporation (No. 18,046) laws and the CMF rules in Chile, in addition to the US SEC and the specific regulations of the countries where it operates.

A series of corporate guidelines direct employee behavior, in accordance with standards of ethics, transparency, compliance and integrity, accountability, and combating illegal acts (corruption, bribery, antitrust, and money laundering). The Compliance *Program*, managed by the Legal and Compliance Vice-President , directs monitoring and control processes and their ongoing evolution. 102-16

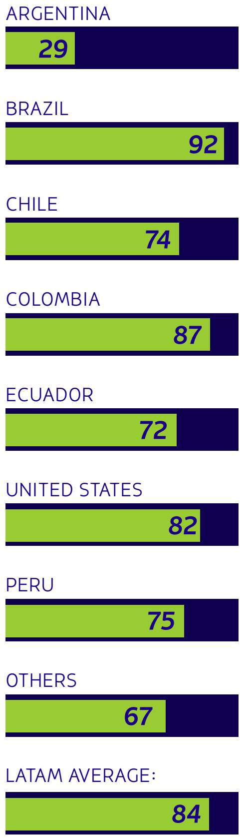
***Ethics and compliance* training**

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 2021, 84% of all employees and 85% of executives successfully completed the Code of Conduct e-learning course and the knowledge test that assesses the effectiveness of the training.

Contracts and purchase orders incorporate anti-corruption clauses and suppliers are informed of related procedures by accepting the Supplier Code of Conduct.

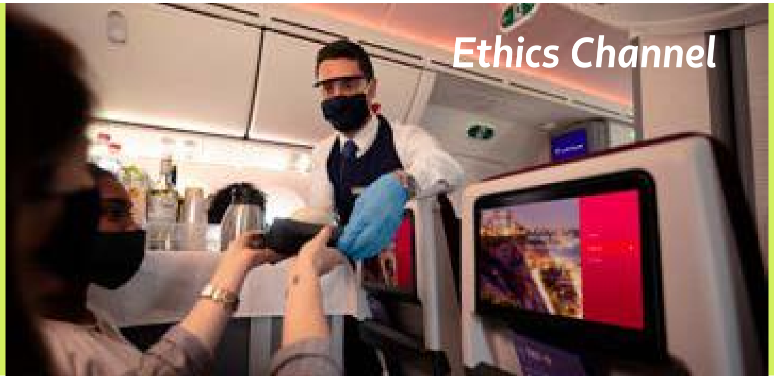
TRAINING ON THE CODE OF CONDUCT[1] (%) 205-2



1 Annual percentage of employees who take training on the Code of Conduct in each country where LATAM operates. The calculation is made on the total number of employees including those who could not participate in this type of training, such as those who are absent from work due to prolonged medical disability.

More information:

Corporate Governance Guidelines



Ethics Channel

The ethics 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 channel guarantees confidentiality and is managed by a specialized third-party provider, who performs the initial evaluation of all records. When necessary, the cases are transferred to the Code of Conduct Management Committee in each country (which is comprised of representatives from various areas) and is responsible for ensuring that the cases are channeled as required. 102-17

Related-party transactions

LATAM has a Related-Party Transactions Control Policy applicable to the parent, all subsidiaries, 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, 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, per legal definition.

The consolidated financial statements for the financial year ended December 31, 2021, report the transactions carried out in 2021 between LATAM and its subsidiaries. For more information, see note 33 of the Financial Statements.

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. 415-1

Relations with authorities

The aviation industry is regulated and supervised by the various regulatory authorities of the countries where the group operates. Ethics and integrity outline LATAM's relationships with those agencies and other regulatory entities, and all meetings with their representatives are recorded on a platform monitored by the Compliance area. 102-40

Membership of associations

LATAM is in constant talks with sector organizations and public and regulatory agencies, seeking to define strategies and paths that can benefit not only the organization, but the whole aviation industry and, more generally, society.

More information:

Regulation (page 117)
Membership of associations (page 116)

Financing Policy

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

During 2021, as part of the reorganization process under Chapter 11 of the United States Bankruptcy Law which it is undergoing, LATAM obtained Tranche B of the debtor in possession financing, or DIP, for US$750 million, due April 8, 2022. Together with the US$2.45 billion that the group already had since 2020, it totals US$3.20 billion. Of these, US$1.95 billion are drawn at 31 December 2020, leaving US$1.25 billion available to draft. In this way, the group succeeded in strengthening its operation.

Recently, on March 14, 2022, LATAM presented a new DIP financing proposal consisting of a group of financiers who are considering an extension of the maturity date for the three tranches of the DIP contract until August 8, 2022, with the possibility of a further extension. This proposal was subsequently approved by the court on March 15, 2022.

Moreover, at the beginning of the period, the group had a committed credit line with a 12-bank consortium for US$600 million that is fully available (Revolving Credit Facility – RCF). This line is subject to the availability of the collateral consisting of aircrafts, spare engines, and overall spare parts. During the period, LATAM held 100% of this line.

This year, as in the previous one, LATAM has reduced most of its recurrent investments, which usually correspond to fleet acquisition programs. 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.

During 2021, LATAM has focused its resources on maintaining the operation and adjusting fleet size in line with current and projected demand in the coming years, considering the pandemic that exists worldwide. In this sense, as part of the reorganization process which it is undergoing, LATAM has devoted its efforts to the restructuring of fleet contracts, achieving a decrease in payment obligations during the current year and extending our maturing obligations for several more years.

The group restructured its fleet contracts for 2021 and the future

Another of the main goals of the Financing Policy is to ensure a stable debt maturity and leasing commitment profile, including debt servicing and the payments on fleet leases, consistent with the generation of LATAM's projected operating cash flow, considering the effect of the pandemic on the latter.

Market Risk Policy

Given the nature of its operations, LATAM Airlines Group S.A. 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, used mostly by LATAM Airlines Group S.A. to make hedges during 2021. LATAM also carries out hedges on NYMEX Heating Oil, whose underlying asset is included in the Fuel Risk Hedging Policy, given its high correlation with Jet Fuel 54.

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. Moreover, this Policy sets hedging zones, a premiums budget, and other strategic restrictions that 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, and does not allow the net sale of options.

Interest rate risk on cash flows: Interest rate variations depend largely on the state of the global economy. An improvement in the long-term economic outlook pushes long-term rates upwards, whereas a drop causes a decrease due to market effects.

However, considering government intervention, during periods of economic contraction, reference rates are usually cut in order to boost aggregate demand by making credit more affordable and increasing production (just as there are hikes in the reference rates during periods of economic expansion).

The uncertainty surrounding how the market and the governments will behave, and thus, how the interest rate will change, leads to a risk related to LATAM's debt subject to variable interest, its investments, and the new issuances it may 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 reduce the risk from an eventual hike in interest rates, LATAM can use interest rate swap or other derivatives contracts.

At December 31, 2021, LATAM has no active interest rates derivatives contracts. These positions were closed in advance by the respective counterparties once the group entered the Chapter 11 reorganization process.

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 makes sales of its services in US dollars, local currencies, and US dollar-indexed prices. In the international passenger business, most fares depend on the US dollar and, to a lesser extent, the euro. In domestic businesses, most rates are in local currency without any dollar indexing, except for domestic businesses in Peru and Ecuador, for which both rates and sales are in dollars. On the other hand, some of the group's expenses are denominated in US dollars or equivalent to the USD, particularly fuel costs, aviation taxes, aircraft leases, insurance, and aircraft components and accessories. Other expenses, such as compensation expenses, are denominated in local currencies.

Thereby, LATAM is exposed to the fluctuations in various currencies, mainly the Brazilian Real. LATAM Airlines Group S.A. has not hedged against exchange rate risks involving the Brazilian Real during 2021.

On the other hand, balance sheet risks appear 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. 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 2021, LATAM made no hedges against balance sheet risk.

The functional currency used by the parent Company is the US dollar

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. At December 31, 2021, the liability position of TAM S.A. exceeded the asset position by US$535 million.

Financial Policy

The Corporate Finance Department is responsible for managing the Company's Financial Policy. This Policy makes it possible to effectively face changes in conditions outside the business normal operation and thus maintain and anticipate a stable flow of funds to ensure the operation's continuity and the fulfillment of financial obligations.

Moreover, the Finance Committee, comprising the Executive Vice-Presidency and members of LATAM's Board, meets periodically to review and propose to the Board the approval of issues that are not regulated by the Financial Policy. LATAM Airlines Group S.A. Financial Policy 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 maintain a suitable level of credit lines with local and foreign banks to gain access to additional liquidity to face contingencies.
- To maintain an optimal debt level, diversify financing sources, manage the debt maturity profile, and minimize the cost of financing.
- Capitalize excess cash flow through financial investments that will guarantee a risk and liquidity level consistent with the Financial Investment Policy.
- 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 manage counterparty risk through the diversification and limits on investments and transactions with counterparties.
- To maintain, at all times, a long-term visibility of the group's projected financial situation to anticipate situations of low liquidity, deterioration of the financial ratios agreed with *rating*agencies, etc.
- 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 in the industry. In this sense, it had closed the financial year 2019 with adequate liquidity, with a liquidity ratio at December 2019 of 19.7% on the total income of the last 12 months.

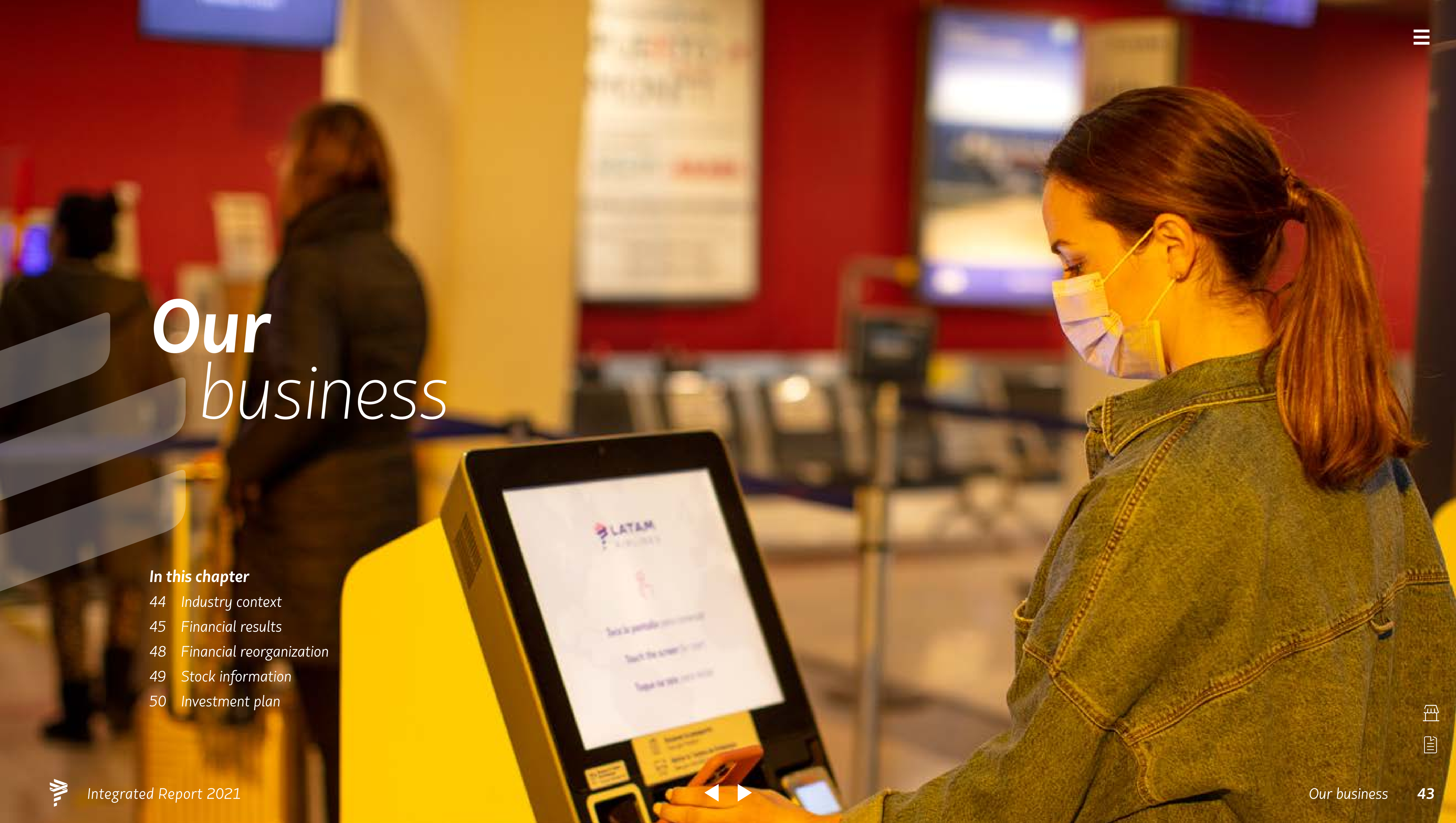
This liquidity considered the cash available and short-term liquid investments in addition to a revolving credit line committed for a total of US$600 million with 12 financial institutions, both local and international (the RCF or revolving credit facility).

During 2020, as a result of the COVID-19 pandemic, the airline business in general was seriously affected. Specifically, revenues from passenger sales declined sharply while requests for refunds increased. To address this situation, LATAM initially drew the RCF completely between March and April.

Subsequently, on May 26, 2020, LATAM Airlines Group S.A. and some of its subsidiaries filed for the judicial reorganization process established in Chapter 11 of the U.S. Bankruptcy Law. On July 9, LATAM Airlines Brazil and other subsidiaries of the group joined the same process. Within this process, LATAM obtained financing known as debtor in possession, or "DIP," which has the feature of giving its creditors priority to payment over the group's other unsecured obligations. On October 8, 2020, LATAM closed the DIP, which has a US$2.45 billion committed line with different investors. On the same day, it received a first draft worth US$1.15 billion, thus ending the year with US$1.30 billion of this line committed and available to be drafted depending on the group's needs. Measured as cash plus available DIPs as a percentage of total revenues for 2020, LATAM closed the year with a liquidity indicator of 68%.

During 2021, LATAM Airlines Group S.A. and its subsidiaries continued to pursue the reorganization process under Chapter 11, and therefore continued to draft DIP funds totaling US$800 million during the year. Also, on October 18, 2021, the South District Court of New York approved the motion to finance Tranche B of LATAM's DIP funding worth US$750 million. The main objective of financing this tranche was to lower the average cost of the full DIP, while also helping to further strengthen the group's liquidity. Apart from the sums drawn and adding the other US$750 million, at the end of the year, LATAM closed available DIP amounts of US$1.25 billion. Adding the group's cash, LATAM closed with a total liquidity of US$2.29 billion and a liquidity index of 45%.

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 globally characterized by very low rates. In addition, the Chapter 11 process, in paragraph 345(b), regulates the holding of cash for companies under reorganization. In compliance with this regulation, at the end of the year, LATAM held most of its deposits in depositor banks authorized by the US Trustee of the Southern District of New York of the U.S. Bankruptcy Court (authorized depository banks).



Our business

In this chapter

Industry context

In order to analyze the economic environment in which the Company exists, below we present a brief explanation of the situation and evolution of the main economies that affect it nationally, regionally, and worldwide.

In the midst of the spread of the new omicron variant of COVID-19 and the emergence of significant inflationary pressures, the global economy has begun 2022 in a weaker position than previously expected. On the one hand, the omicron variant has led some countries to reimpose certain mobility restrictions, while disruptions in the logistics chain and rising oil and energy prices have generated high levels of inflation, which have mainly affected the United States and emerging and developing economies. The International Monetary Fund (IMF) expects inflationary pressures to last longer than previously estimated, as a result of the continuity of disruptions in 2022 in the logistics chain and high energy prices, and they should gradually decrease during the year as the supply-demand imbalances recover, and with the implementation of monetary policies in major economies. In addition, in the context of the conflict between Russia and Ukraine and the effects of this on the oil supply, there has been a sharp rise in fuel prices, a factor that could continue to significantly impact global inflationary pressures.

In line with this challenging environment for the global economy, the IMF's latest projections consider a cross-cutting downward adjustment between economies for new factors not foreseen in the previous projection related to the early withdrawal of fiscal stimuli mainly in the US, disruptions in the logistics chain, the spread of the omicron variant, and the instability of the real estate sector in China. However, in its last projection in January 2022, the IMF estimated growth for the global economy of 5.9% for 2021, while it projected growth of 4.4% in 2022 (0.5 percentage points (p.p.) below the previous estimate), and more moderate growth of 3.8% in 2023.

For the United States, the IMF has estimated a 4.0% expansion for 2022 in its last projection in January (0.6 percentage points below the last October 2021 estimate), in response to the early withdrawal of monetary policies and the continuity of disruptions in the logistics chain; and growth of 2.6% for 2023, 0.4 p.p. above the previous estimate. On the other hand, the IMF's estimates for Europe during 2022 have also been revised downwards from the previous estimate, expecting growth of 3.9% in 2022 (0.4 p.p. lower versus the previous estimate), and an expansion of 2.5% in 2023, 0.5 p.p. above the last estimate.

On the other hand, the IMF estimated growth of 2.4% for the Latin American and Caribbean region during 2022, 0.6 percentage points below the previous October 2021 forecast, and an expansion of 2.6% for 2023. Brazil's economy is expected to grow by 0.3% in 2022, which is 1.2 percentage points below the previous estimate, while for Chile, the Central Bank estimated in its last Monetary Policy Report (IPoM, for its Spanish acronym) in December 2021 an economic expansion in the range of 1.5 to 2.5% by 2022.

More information:

Regulation (page 117)

Material facts (page 125)

Financial *results*

At December 31, 2021, the controller reported a loss of ThUS$4,647,491, representing a negative variance of ThUS$101,604 compared to a loss of ThUS$4,545,887 in the same period last year. Net margin for the financial year settled at -90.9% in 2021 and -104.9% during 2020.

The operating result for the twelve months of 2021 amounts to a loss of ThUS$1,119,277, which compared to the loss of ThUS$1,665,288 as at December 31, 2020, shows a variation equivalent to -32.8%, while operating margin settles at -21.9%, 16.5 percentage points higher than the -38.4% reported on December 31, 2020.

Operating income for the financial year increased 17.9% vs. the same period of 2020, totaling ThUS$5,111,346. This increase is largely due to a 23.2% rise in passenger revenues and 27.4% in cargo revenues, while other revenues decreased by 44.7%. The effect of the Brazilian real's depreciation represents lower ordinary revenues by around US$40 million.

During June 2020, the indefinite cease of operations of LATAM Airlines Argentina S.A. was announced due to local industry conditions aggravated by the COVID-19 pandemic, whereby the airline stopped operating 12 domestic destinations. At the end of 2020, LATAM Airlines Argentina S.A. reported operating revenues of US$50 million in its individual income statement.

PAX revenues totaled ThUS$3,342,381 which, compared to the ThUS$2,713,774 from the twelve months of 2020, translates into a 23.2% increase. This variation is due to the 18.0% increase in demand measured in RPK (revenue passenger-kilometer) and 4.3% in the *yields* compared to the previous year, while load factor shows a negative variation of 2.1 percentage points from the financial year 2020; on the other hand, RASK (revenue per ASK – Available Seat-Kilometer) reported a 1.4% increase, explained by the recovery of demand thanks to the lifting of quarantines and travel restrictions since the second half of the current year.

As at 31 December 2021, cargo revenues reached ThUS$1,541,634, a 27.4% increase from 2020. Despite the 1.4% drop in RTK traffic, yields increased 29.2%, driven mainly by a strong import and export scenario.

The Other Income line item shows a decrease of ThUS$183,671 mainly due to a fall in *Tour* Services and plane subleasing worth ThUS$55,990, in addition to the compensation received for the cancellation of the purchase of four A350 aircraft from Delta Air Lines Inc. for ThUS$62,000 and ThUS$9,240 from the advance return of leased aircraft to Qatar Airways, both during the second quarter of 2020, added to the negative change in compensation income received from Delta Air Lines Inc., associated with the implementation of the JBA (joint business agreement) signed in 2019 for ThUS$14,279.

At December 31, 2021, operating costs totaled THUS$6,230,623 which, compared to 2020, translate into higher costs by THUS$230,666, equivalent to a 3.8% increase, whereas unit cost per ASK decreased by 14.5%. Furthermore, the effect of the Brazilian Real's depreciation on this line item translates into lower costs by roughly US$38 million. Item variations are explained as follows:

a) Remunerations and benefits increased ThUS$79,839 due to higher recognized expenditures for performance bonuses, which were suspended during financial year 2020, partly offset by an 18% decline in the average payroll compared to the previous year.

b) Fuel increased 42.3%, equivalent to ThUS$442,433. This increase corresponds mainly to 25.4% higher average unhedged prices and 15.5% growth in consumption measured in gallons. LATAM recognized a ThUS$10,100 fuel hedge profit in 2021, compared to a ThUS$14,316 loss in the twelve months of 2020.

c) Commissions show a decrease of ThUS$2,701, as a result of the increase in direct sales in own agencies and digital media during 2021.

d) Depreciation and Amortization decreased by ThUS$223,992, mainly explained by a smaller average fleet during 2021 and the penalties levied in the previous year due to the accelerated term of IT projects resulting from the implementation of the LATAM XP digital platform.

e) Other Leases and Landing Fees increased ThUS$35,183, mainly in handling costs, impacted by the recovery of the operation during the second half of 2021 and offset by lower airport fees.

f) Passenger Service decreased by ThUS$20,325, representing a variation of 20.8%, mainly due to restrictions on in-flight catering services, imposed as a result of the COVID-19 pandemic, and lower costs of passenger assistance due to contingencies.

g) Aircraft Lease costs for ThUS$120,630. Since the second quarter of 2021, operational aircraft leases under variable mode were reported, as a result of the various agreements reached by the group.

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 by 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$61,356, equivalent to 13.0%, mainly due to a higher operation since the second half of the current year.

i) The Other Operating Costs show a decrease of ThUS$261,757, mainly due to adjustments in the estimates of write-offs and tax, labor, and civil proceedings.

Financial revenues totaled ThUS$21,107 which, compared to ThUS$50,397 in 2020, represent lower revenues by ThUS$29,290. Despite higher cash levels during the six-month period compared to the same period in 2020, this reduction is due to the limitations of Chapter 11 on the group's cash management, requiring 70% of the cash to be maintained in authorized banks.

Financial Costs increased 37.2% totaling ThUS$805,544 by December 31, 2021. The draft of DIP (debtor in possession) financing during the fourth quarter of 2020, in addition to the three drafts in June, November, and December 2021, increased debt by US$1.95 billion, with a higher interest rate, leading to an increase of approximately US$330 million in interest earned.

The other income/costs as at December 31, 2021 showed a positive change of ThUS$723,360. The contingency generated by the COVID-19 pandemic affected the group's operations, showing signs of impairment that required the carrying out of impairment tests resulting in the penalization of the total goodwill by US$1.72 billion, US$37 million from the penalization of airport slots and US$81 million from fuel hedge contracts, all of which generated a loss during the first quarter of 2020, partly offset by higher reorganization costs during 2021, equivalent to US$1.34 billion.

The main line items in the Consolidated Financial Statement of TAM S.A. and Affiliates, which caused a currency exchange loss of ThUS$3,973 at December 31, 2021, were: Other financial liabilities; THUS$75 loss from USD-denominated loans and financial leasing for fleet acquisitions; net accounts receivable and payable to related companies, totaling a gain of THUS$17,970, and net accounts receivable and payable to third parties, totaling a loss of THUS$27,187. The other items of net assets and liabilities generated a profit of MUS$11,023.

Direct Economic Value Generated and Distributed (thousands of US$) – 2021 201-1	
Revenues	5,111,346
Goods acquired from third-parties	(4,023,307)
Gross economic value	1,088,039
Retentions	(1,165,394)
Net economic value	(77,355)
Economic value received in transfer	21,107
Economic value generated	(56,248)
Economic value distributed	(4,591,243)
Distribution of economic value	
Wages and Benefits	(1,041,899)
Taxes and contributions	(568,935)
Capital suppliers	(2,986,037)
Interest on own capital and dividends	0
Minority interest	5,651
Community investments	(23)
Retained economic value	(4,647,491)

Snapshot

Financial indicators (US$ thousand) 102-7	2019	2020	2021
Operating income	10,430,927	4,334,668	5,111,346
Operating expenses	(9,689,325)	(5,999,957)	(6,230,623)
Operating Results	741,602	-1,665,289	(1,119,277)
Operating Margin	7.1%	-38.4%	-21.9%
Net profit	190,430	-4,545,887	-4,647,142
Net Margin	1.8%	-104.9%	-90.9%
EBITDA	2,211,578	-275,903	46,117
EBITDA Margin	21.2%	-6.4%	0.9%
Cash and cash equivalents[1]/revenues last 12 months	19.7%	39.0%	20.5%
Leverage[2]	4.0x	NS	NS

NS: Not significant.

1 Includes the revolving credit line.

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

More information:

Risk factors (page 142)

LATAM's financial reorganization

CONTEXT AND MAIN STAGES

2020

Measures to adapt capacity to demand

Reduction of cost structure

Pandemic, challenging scenario

Border shutdown

Rapid drop in global air traffic

Economic slowdown

MAY 26

LATAM Airlines Group S.A. and its subsidiaries in Chile, Peru, Colombia, Ecuador and the United States welcome Chapter 11 of the U.S. Bankruptcy Law, and on July 9 LATAM Airlines Brazil and its affiliates join the process

Chapter 11

A section of U.S. law that allows a company facing financial difficulties to continue operating and organize itself without immediate pressure from creditors while negotiating a debt repayment plan

SEPTEMBER 19

The US Bankruptcy Court approves DIP (debtor-in-possession) financing, with two tranches: A (US$1.30 billion) and C (US$1.15 billion)

DIP Financing

Financing mechanism – fundraising outside the company – that gives its creditors priority over the company's other unsecured obligations

OCTOBER 8

LATAM announces the first tranche of DIP funding totaling US$1.15 billion, corresponding to half of the funds available at that date

NOVEMBER 6

The Fondo Toesca Deuda Privada DIP LATAM, which includes certain minority shareholders, commits US$150 million to the DIP financing

2021

Intermediate stages of defining the Reorganization Plan

SEPTEMBER 9

LATAM publishes its 5-year business plan, which includes the main operational and financial figures up to 2026 and is a relevant element for the Reorganization Plan and the definition of the path to the future

OCTOBER 18

The US Court approves Tranche B of the DIP financing for US$750 million and under better market conditions compared to previous tranches, expanding the group's liquidity

NOVEMBER 26

LATAM submits its Reorganization Plan to the U.S. Court within the legal term of exclusive right

Plan Features:

- It provides a platform to exit Chapter 11 through a broad agreement with creditors and major shareholders
- It proposes the injection of up to approximately US$8.19 billion in new funds, through a combination of capital increase, convertible notes, and debt, thus complying with the laws of the United States and Chile

2022

JANUARY 12

LATAM announces the signing of Support Agreements for the Reorganization Plan with its creditors and main shareholders

MARCH 14

LATAM presents an edited version of its Amended and Restated DIP financing proposal, which extends the stipulated maturity date of the three existing DIP tranches until August 8, 2022, with the possibility of further extension. This proposal was subsequently approved by the court on March 15, 2022

MARCH 15

The U.S. Court approves LATAM's backstop agreement with a group of creditors and shareholders in support of LATAM's proposed reorganization and financing plan

MARCH 21

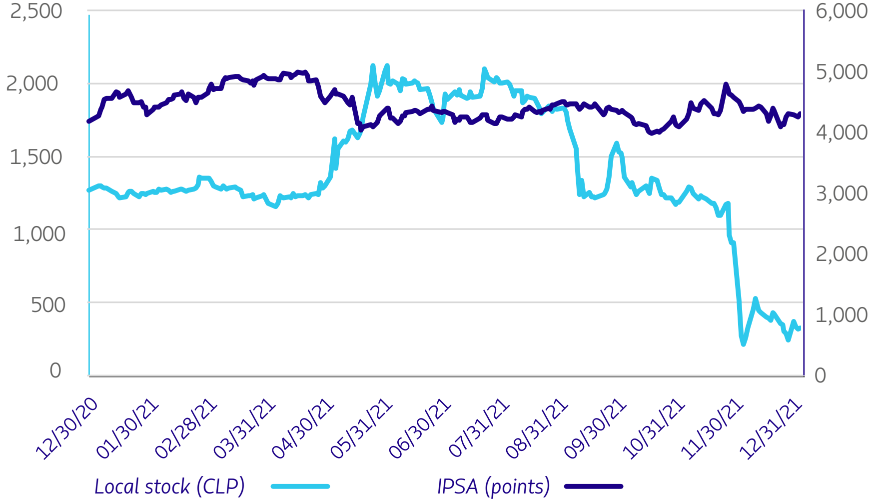
The Court approves the Disclosure Statement, authorizing the group to seek approval of the Reorganization Plan by creditors

Stock information

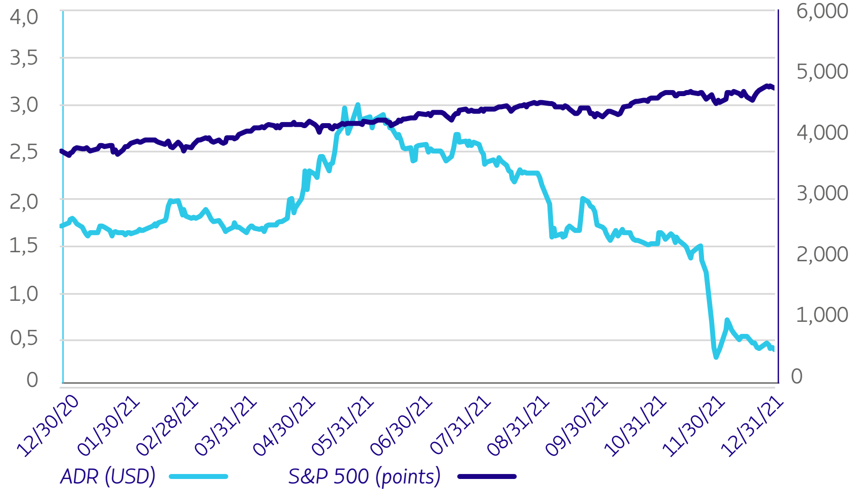
LATAM Airlines Group S.A. is a limited corporation registered before the Financial Market Commission (CMF) under N° 306, whose stocks are traded on the Santiago Stock Exchange, the Chilean Electronic Exchange, and the Valparaiso Stock Exchange.

Due to the introduction of Chapter 11, the American Depositary Receipt (*ADR*) program is no longer listed on the New York Stock Exchange (NYSE).
Since then, LATAM ADRs are traded in the United States of America on the over-the-counter (*OTC*) market. The ADR price series (and annual return) considers ADR prices in the NYSE and then in the OTC market after being delisted on June 10, 2020.

LOCAL STOCK – 2021



ADR – 2021



Annual Return			
-76.02%	26.89%	-74.23%	3.14%
ADR	S&P 500	Local stocks	IPSA

Volumes traded by quarter – Local stock (Santiago Stock Exchange)

2021	N° of shares traded	Average price (CLP)	Total value (million CLP)
First quarter	7,867,477	1,267	9,967
Second quarter	4,325,175	1,630	7,050
Third quarter	4,458,633	1,755	7,824
Fourth quarter	14,297,175	894	12,789

Volumes traded by quarter – ADR

2021	N° of shares traded	Average price (USD)	Total value (million CLP)
First quarter	22,999,400	1.74	40.1
Second quarter	53,479,200	2.32	123.9
Third quarter	26,231,700	2.24	58.8
Fourth quarter	69,533,200	1.17	81.0

Investment *plan*

Capital expenditures are related to the acquisition of aircraft, aircraft-related equipment, IT equipment, support infrastructure and the funding of pre-delivery deposits. LATAM's capital expenditures totaled US$587.2 million in 2021, US$324.3 million in 2020 and US$1,276.6 million in 2019, and purchases of intangible assets totaled US$ 88.5 million in 2021, US$75.4 million in 2020 and US$140.2 million in 2019.

The following chart sets forth the Company's estimated capital expenditures for the 2022 calendar year, which are subject to change and may differ from the actual capital expenditures.

Estimated capital expenditures by year, as of December 31, 2022 (US$ millions)	
Fleet commitments[1]	534
Pre-delivery payments (PDP)[2]	(27)
Other expenditures[3]	1,067

1 The amount of Fleet commitments presented includes all the committed deliveries with estimates regarding (i) changes in scheduled delivery dates; (ii) conversion of certain aircraft types and (iii) aircraft of which we do not expect to take delivery, regardless of the financing that the aircraft will have upon arrival, thus representing the sum of aircraft capex and future sale and leasebacks.

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 on balance fleet, projects and others, plus purchases of intangible assets.

Safety

In this chapter

Number 1 priority

The safety of passengers, employees, and communities is a key value for LATAM. Their management adheres to the Safety, Quality, and Environment Policy, which establishes the guidelines applicable to the group, and follows the parameters established by the International Civil Aviation Organization (ICAO).

6.17

reports for every 100 flights on the incident and deviation notification platform.

Ongoing improvement of procedures, constant monitoring of performance, and team engagement strengthen the safety culture.

Safety indicators on flights, maintenance and cargo activities, land operations and those related to airport infrastructure are monitored by the Vice President of Security, reported monthly to the CEO, and are part of the Board's agenda.

The constant presence of this value in its in-house campaigns raises awareness of the importance of safe behavior and an online platform receives notifications of incidents and detours. The information is used for the construction of a risk map and for improvement plans. In 2021, the platform received an average of 6.17 reports per 100 flights.

Security Management System

Several actions make up the Security Management System, whose interaction allows you to track your performance in all areas, identify risk situations in advance, and make decisions to mitigate them in a coordinated and rapid manner, thus allowing you to achieve concrete results.

The information that feeds the system is acquired primarily from employee-delivered safety reports, automated data collection systems, and audits. In this sense, audits are divided into three groups: Periodic internal audits, which assess the maturity of the operational processes implemented; Internal audits based on IOSA (IATA Operational Safety Audit) guidelines, which aim to ensure that all subsidiaries comply with certification parameters; and IOSA recertification audits, which can be performed every two years, if in-person, or annually, if performed remotely. All of LATAM's subsidiaries have been certified since 2007.

The matrix of risk factors and criticality is systematically updated, considering an analysis of the group's internal data, as well as the historical analysis of the global behavior of the airline industry.

Flight Data

A computer system collects 96.5% of the information of each flight; it processes the data automatically to identify deviations in operational procedures and to guide preventive maintenance actions. LATAM analyzes deviations causes in detail and adopts corrective measures.

The time to receive and process flight data has been significantly reduced with improved processes and constant fleet monitoring. This is proven by data comparison: In 2019, this measurement began, with 75% of the flight data processed within the first three days, and in 2021, it was possible, in the same period, to process 93.1% of the information. For 3G-equipped aircraft, data download and processing is immediate at the end of the flight.

The coverage of the system has been increasing since its commissioning in 2016, collecting a greater number of parameters and with greater accuracy. It went from covering 1,280 measurements per second to a total of 4,000 in 2021.

The data feed the Operational Safety monitoring panel, where it is possible to see the differentiated execution: by route, by airport, by fleet, by type of deviation, etc. The reports are sent weekly to the managers of each fleet.

There is also pilot segmented information, whose data is available in the Pilot LATAM application. Through it, pilots can view the details of their performance, access incidents identified during flights, deviations from planning, and compare it to the average of the fleet to which they belong. Pilot data is treated with absolute confidentiality.

Safety II

In 2021, progress was made on the implementation of the Safety II or Data Learning for Safety (DLS) concept. LATAM has been a pioneer in the sector in the use of routine operation data in the development, analysis, and action plans to improve operational safety. The group has matured its capacity to collect and analyze data between different areas and factors that interact in the operation, such as: scheduling, maintenance, meteorology, training, planning, and fatigue, among others, by permanently adding new data sources that may affect operating performance.

At the end of 2021, the first module of the project became operational, consisting of an information panel focused on approaches. With this instrument, LATAM accesses and correlates the different databases, allowing it to analyze the variables with potential to affect operating performance.

Thanks to this approach to data, the group has been able to extract valuable information from its operations, considering more than six data sources, which are now correlated for an analysis that has never been achieved before, with more than 65 terabytes of information per year generated on flights. In addition, the speed of data processing and analysis has improved dramatically, reducing periods that took weeks or even months to just minutes. In 2022, LATAM will seek to further strengthen the data collection and inputting process in the different databases, as well as to strengthen the development of its tools to improve its analysis capacity within the large volume of information.

Aircraft maintenance in LATAM hangar.

COVID-19 HEALTH MEASURES

- *Mandatory use of masks for passengers and crew on all flights*
- *Hand sanitizer available on all flights*
- *Social distancing measures on boarding and landings*
- *Temperature control*
- *Temporary suspension of service on board domestic and short-haul flights*
- *Less interaction between crew and passengers on long-haul flights*
- *Segmentation of employee transportation to airports*

Airport Security

LATAM follows national and international standards and invests in the continuous improvement of its processes so that passengers and transported cargo arrive safely at their destinations.

The focus of work during 2021 was on three axes:

- **Adaptation to the pandemic:** Attention to governments' restrictions, which impacted the closure of borders, and implementation of new protocols targeting inadmissible passengers (the result of non-compliance with health requirements) and disruptive passengers (those who do not comply with the required indications);
- **Technology**: updating and strengthening of remote monitoring systems, which complement physical safety measures, to support operations according to current regulations; and
- **Profiling:** These are pilot tests that allow a profile of the passengers, at certain points of origin, to be made in order to avoid inadmissible passengers in recurring destinations.

Disruptive passengers

By 2018 and 2019, the rate of disruptive passengers was 0.4 per 100,000 passengers in the industry. In 2021, this number rose to 0.8%, 26% of which are passengers who do not respect the rules related to restrictions implemented due to the COVID-19 pandemic, followed by 18% of people who cause trouble due to alcohol abuse.

Throughout the year, LATAM held talks in support of the cabin operation through which it provided tools to handle cases of disruptive passengers from a psychological perspective, along with strengthening procedures for operational areas, through meetings and communiqués.

Emergency Response Plan

This plan determines which resources and people should be activated in the event of an air emergency, considered as an accident with deceased persons. Its objective is to support the affected people and their families, to play a role as facilitator with the aeronautical authorities in the investigations, to maintain communication with the different stakeholders, and to ensure the continuity of the operation.

Emergency Committees, ground team workgroups, and volunteers are activated to support affected people and their families. There are local committees in eight subsidiaries of the group: Chile, Brazil, Peru, Colombia, Ecuador, United States, Paraguay, and Spain.

Emergency drills and training are conducted annually in all subsidiaries within the framework of the Safety Weeks. Given the remote-working scenario, training and exercise activities were also adapted to this format. In addition, the company operates with the online platform for training humanitarian aid volunteers.

During 2021, online training of volunteers has reached more than 3,000 employees and the exercises brought together more than 270 executives.

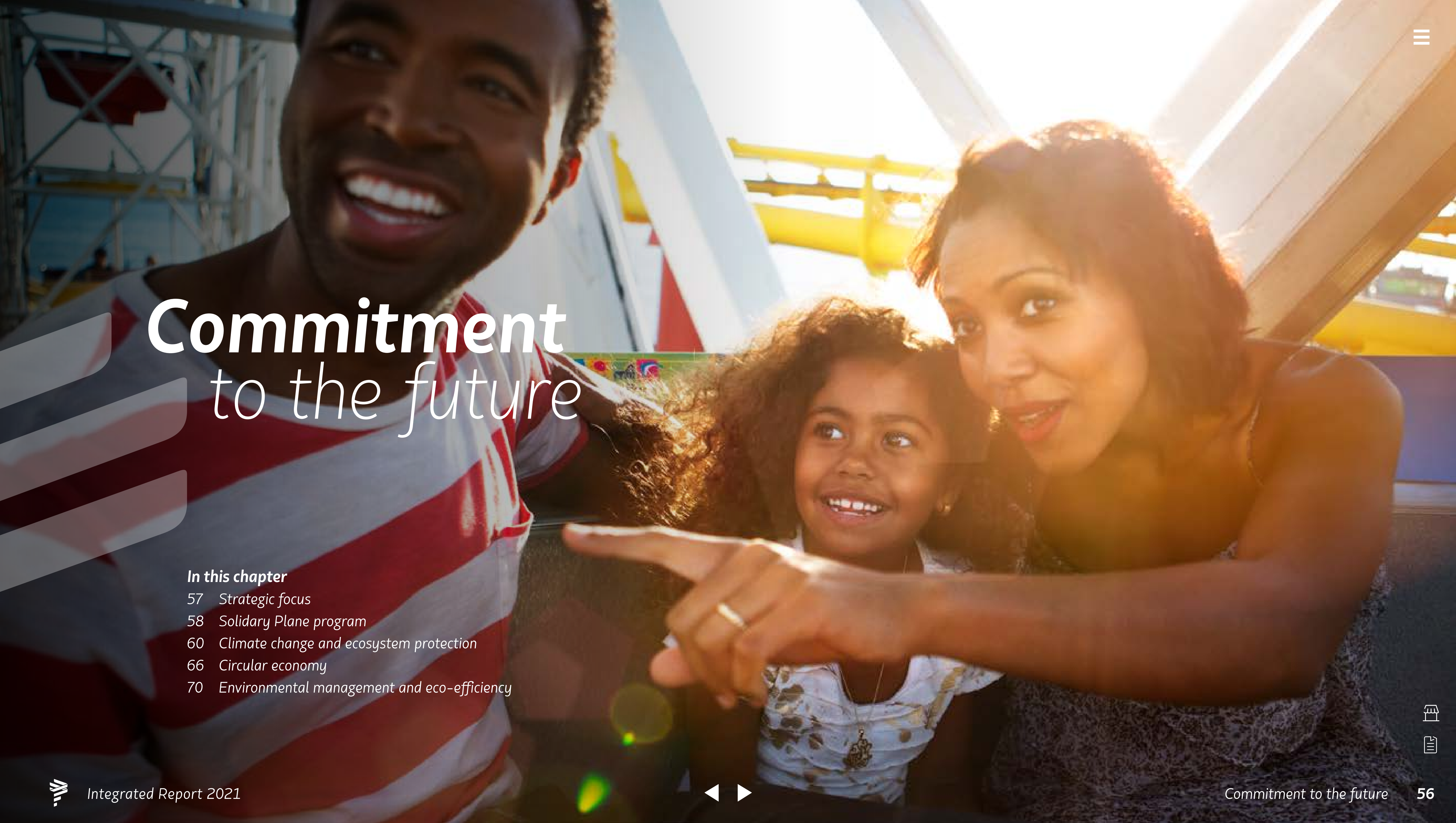
More than

3,000

employees in Emergency Response online training plan.

Snapshot

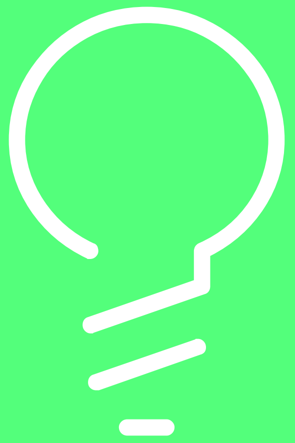
	2019	2020	2021
Emergency Response			
Members of the emergency team	3,787	2,814	2,240
People trained	1,563	746	3,400



Commitment *to the future*

In this chapter

Strategic *focus*



LATAM seeks to be an asset that promotes the social, environmental, and economic development of the region. To achieve this, it maintains the connection with the demands and desires of the people, and works collaboratively in the search for collective solutions.

This is the basis of its new sustainability strategy, which brings together commitments and serves as a compass for the group's progress over the next 30 years. The strategy, launched in 2021, represents the evolution of the work that LATAM has developed for years to respond to the climate, social, and health needs of the region.

The strategy is the result of a broad process of reflection and rethinking carried out throughout 2020 and involving LATAM's main strategic stakeholders. Through more than 30 meetings held in Brazil, Colombia, Ecuador, Peru and Chile, LATAM held talks with clients, employees, students, academia, researchers, experts, representatives of non-governmental organizations, and entities from different productive sectors to know their expectations, priorities, and vision for the future. The exchange of ideas enabled LATAM to define how to contribute actively to building a fairer society for today and for future generations.

The new strategy strengthens the group's role as an asset to the countries where it operates. The main initiatives undertaken in 2021, in the passenger and cargo business units, to reach the commitments are explained in the next pages.

COMMITMENT AND TARGETS

- *To be **carbon neutral** in ground and air operations by 2050*
- ***To offset** 50% of domestic air emissions by 2030*
- *To be a **zero waste to landfill** group by 2027*
- *To eliminate **single-use plastics** throughout the operation by 2023*
- *To promote the **Avion Solidario** (Solidary Plane) program, which contributes through its expertise and connectivity to the benefit of society in South America*

Everyone's Commitment
To drive these commitments in the organization, LATAM implemented the Sustainability Ambassadors program, made up of employees who promote and communicate new sustainability initiatives, generate awareness, and encourage a sustainable culture and lifestyle.

The 350 ambassadors in 15 countries have the opportunity to participate in training workshops, knowledge-sharing spaces, and challenges associated with the implementation of sustainability programs. In addition, LATAM has a recognition plan for training courses and participation in high-value activities associated with the strategy.

More information:
Outlook on Sustainability (page 14)

Solidary Plane *program*

Through the *Avión Solidario* program, created in 2011, LATAM Airlines Group S.A. makes available to the company its structure, connectivity and capacity for passenger and cargo transportation free of charge in South America.

The program operates in three fields of action: it supports health needs, promotes the preservations of natural resources, and provides assistance in the face of natural disasters. It is enhanced through agreements and alliances with different organizations, foundations, and government agencies. During 2021, with the aim of generating a stronger support structure, focused on deep and long-term changes, new strategic alliances were formed.

In the case of Brazil, in addition to the new alliances established in 2021 within the Avion Solidario program, LATAM supports the work of other non-governmental organizations: Amigos do Bem, Ampara Animal, Alto Arapiuns, Associação Caatinga, Embaixadores da Educação, FAS, Gastromotiva, Gerando Falcões, Instituto Mara Gabrilli, Instituto Tênis, Junior Achievement, Make a Wish, Marcos Rossi, Rodrigo Mendes, and SOS Bosque Atlántico.

In addition, since 2018, through an agreement with the Brazilian Civil House, LATAM has provided courtesy tickets for the transportation of Venezuelan refugees within the country. Also, since 2000, it provides support for the transport of organs for transplants; in 2013, an agreement was signed with the Ministry of Health for the free transfer of organs, tissues, and bone marrow in national territory.

Network of agreements and alliances

	Health	Environment	Disaster
Chile	Corporación de Ayuda al Niño Quemado (COANIQUEM) Fundación América Solidaria Fundación DKMS Fundación Fútbol Más Ministry of Health Telethon	Ministry of Environment Municipality of Easter Island	Fire brigade from Chile TECHO
Colombia	América Solidaria Regular Transplant Center (CRT) of the National Institute of Health Fundación Cardio Infantil Operación Sonrisa:	Panthera Colombia Schooner Bight Ethnic Association	Asociación de Bancos de Alimentos de Colombia
Peru	Alianza al Apoyo al Instituto Nacional de Enfermedades Neoplásicas (Alinen) Asociación de Ayuda al Niño Quemado (Aniquem) Food Bank Operación Sonrisa: National Organ Transplant Organization	Turismo Cuida Apeco	Hombro a hombro
Brazil	Brazilian Association for the Defense of Women, Children and Youth (ASBRAD) Instituto de Apoyo al Quemado (AIQ)	Brazilian Institute for the Environment and Renewable Natural Resources (IBAMA)	National Civil Defense
Ecuador	Red Cross National Institute for Organ Donation and Transplants Operación Sonrisa: Sociedad de Lucha Contra el Cáncer (Solca)-Hope	Silversea	Red Cross

SHARED VALUE: THREE FRONTS OF ACTION

Health

At the end of 2020, LATAM made itself available to the governments of the countries where it has domestic operations, for the free distribution of COVID-19 vaccines nationwide. The group's experience in the pharmaceutical transport business through its cargo subsidiaries, and the corresponding certifications in the field, were key for regional governments to entrust to LATAM the efforts of transporting vaccines.

In 2021, nearly 208 million vaccines were transported in Brazil, Chile, Ecuador, and Peru. LATAM Airlines Brazil transported nearly 180 million vaccines free of charge, representing 61% of the total airborne doses in the country; in Peru, they totaled more than 26 million doses, representing 9 out of every 10 vaccines distributed internally in the country.

Beyond its contribution to combating the pandemic, Avion Solidario's work on health had other outstanding milestones. Examples are given below.

- In Chile and Brazil, the subsidiaries transported 911 organs and tissues and carried out 65 stem cell transfers.
- Galapagos Oncology Unit: LATAM Airlines Ecuador collaborated in the transfer of Solca's cargo and medical personnel for the inauguration of this hospital that offers gynecological health care focused on the prevention and detection of cervical and breast cancers in Ecuador.
- Support for the “Rodamos por una Sonrisa” (We roll for a smile) campaign in Colombia, which recorded the crossing of six cyclists from Bogota to Riohacha (more than 1,000 kilometers) in order to raise funds for the medical organization Operación Sonrisa. LATAM Airlines Colombia is a historical ally of that foundation, which offers specialized care to children with cleft palate. Since the beginning of this alliance in 2009 in Peru and in 2012 in Colombia, LATAM transports the team of doctors and volunteers for the days of assessment, surgery, and rehabilitation that have enabled surgical intervention in more than 6 thousand children in both countries.

Environment

In terms of the environment, LATAM transported 195 tons of recyclable materials from island territories, as a way of collaborating with the challenge of reverse logistics and the proper management of waste. In 2021, the Galapagos Islands in Ecuador joined Easter Island in Chile and San Andrés in Colombia, pioneers in the matter.

In addition, LATAM has established alliances with organizations related to the care of endangered species and together they achieved 192 transfers.

Disasters

The Avion Solidario was activated to support more than 165 flood-affected municipalities in southern Bahia in Brazil and transported basic food, drinking water, and toiletries and sanitation for 3,800 people and 2,000 animals, in conjunction with the Brazilian Red Cross and other civil society organizations.

The program also supported care to those affected by the earthquake in Peru. 2.3 tons of staple items were transferred to Piura in alliance with Hombro a Hombro (shoulder-to-shoulder), an organization that coordinates private business efforts for natural disaster prevention and care.

Snapshot

Solidarity Plane 203-1	2019	2020	2021
Health			
Air tickets donated	4,149	1,374	3,210
Organs, tissues, and stem cells transported	807	1,174	976
Medical supplies (t) – COVID-19	NA	395	59
Vaccine doses – COVID-19 (million)	NA	NA	207.7
Disaster			
Cargo transported as humanitarian aid (t)	87	525	2.7
Environment			
Animals rescued	93	143	192
Recyclable materials transported (t)	204		195

NA: Not applicable.

Climate change
and ecosystem protection

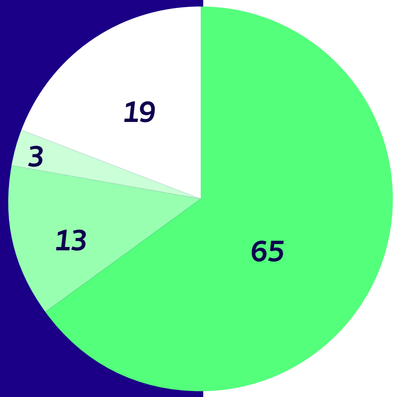
In climate change management, LATAM has set challenging targets for itself. As part of the launch of its sustainability strategy in May 2021, it announced its commitment to achieve carbon neutral growth taking 2019 as its base year, offset the equivalent of 50% of its domestic emissions by 2030, and be carbon neutral by 2050.

These commitments are the result of a cross-sectional assessment process that seeks to meet the target of the Paris Agreement of limiting the temperature increase to 1.5 degrees Celsius.

They are aligned with the air industry's strategy and commitment to climate change.

Likewise, as a sign of the commitment to a carbon neutral LATAM in 2050, 70 A320neo-family aircraft were integrated, which incorporate the latest technologies providing 20% more fuel efficiency, and thus, lower emissions of CO2, combined with a 50% reduction in nitrogen oxide emissions and a 50% reduction in the acoustic footprint.

INDUSTRY STRATEGY TO ACHIEVE ZERO NET CO_2 EMISSIONS BY 2050 (%)



- Sustainable Aviation Fuel (SAF)
- New technologies, electric and hydrogen
- Infrastructure and operating efficiencies
- Carbon capture and offset

LATAM ACTION FRONTS:

- ***Emissions offsetting:*** *Investment and support for conservation and reforestation projects in the region's strategic ecosystems and initiatives that involve clients in this effort.*
- ***Efficiency and emissions reduction:*** *Identify and implement measures for fuel economy and efficient use. Added to the development of its agenda to make the use of Sustainable Aviation Fuel (SAF) viable.*

Sectoral agreements

In October 2021, Roberto Alvo, CEO of LATAM Airlines Group S.A., participated in the 77th Annual General Meeting of the International Air Transport Association (IATA), in which a resolution was adopted whereby the air industry commits to achieve zero net CO_2 emissions by 2050, meaning that a total of 21.2 tons of carbon will be reduced by that year.

To fulfill this commitment, and aligned with the objective of the Paris Agreement, the industry is working on solutions, such as sustainable aviation fuels, technology and innovation, more efficient operations and infrastructure, and will rely on measures such as carbon capture and storage, and compensation schemes such as CORSIA.

CORSIA is the Compensation and Carbon Reduction Scheme in International Aviation through which the aviation industry regulates the greenhouse gas emissions of international civil aviation. CORSIA will contribute to stabilizing net emissions from international aviation at 2019 levels in the short and medium term.

OFFSETTING EMISSIONS

Latin America is home to six of the 10 most biodiversity-rich countries in the world, with one-third of the planet's freshwater, more than one-quarter of its forests and arable land, and 40% of the species on the whole of the Earth[1]. Beyond buying carbon credits to offset its emissions, LATAM has made a comprehensive commitment to the environment and has established a number of alliances that will allow it not only to purchase carbon credits for compensation, but also actively participate in the conservation strategies of projects that generate these credits.

To ensure that projects meet the highest standards and, in addition to carbon dioxide capture, have social, environmental, and economic co-benefits for communities, LATAM evaluates each initiative under a set of sustainability criteria prior to selection. This evaluation prioritizes those projects that contribute to the conservation and protection of biodiversity.

In the materialization of this strategy, it is worth noting the alliance of LATAM Group with CO2BIO, a project located in the Colombian Orinoco region spanning over 200 thousand hectares and seeking to protect the flooded savanna, one of the most threatened and underrepresented ecosystems in the country. This project has been promoted by Fundación Cataruben, with the support of the Natural Wealth Program of the United States Agency for International Development (USAID) and Panthera Colombia. Through conservation and rehabilitation actions, this initiative will capture 1 million tons of CO_2 during the 2021–2023 period, and has the potential to capture up to 2.8 million additional tons by 2025. These projections are updated according to the progress on the certification of new phases.

As part of the joint work on climate change management, during 2021, LATAM also developed the first phase of a collaboration with The Nature Conservancy (TNC) to plan conservation and reforestation actions in iconic ecosystems in the region.

1 TNC in Latin America - Annual Report 2019. Available at: https://www.nature.org/es-us/sobre-tnc/donde-trabajamos/tnc-en-latinoamerica/informe-anual-2019/

Colombian Orinoco region

How does LATAM offset its carbon footprint?

Working on collaborative conservation and offsetting projects in strategic ecosystems in South America.

In the region, there are ecosystems with high environmental value, capacity to absorb large amounts of CO_2, and which are the habitat of different species. These ecosystems are seriously threatened and collaborative work between communities, NGOs, and the private sector promotes their protection to prevent the release of CO_2 into the atmosphere.

IN 2021, THE WORK BEGAN WITH THE COLOMBIAN ORINOCO BASIN (CASANARE, VICHADA, ARAUCA, AND META) IN AN ALLIANCE WITH CO2BIO

1 million tons of carbon captured (initial range – 2021-2023)

What is the process?

1. By burning fossil fuels, carbon dioxide is released into the atmosphere, which contributes to climate change. At present, there are no alternative fuels in aviation that can replace JET A1 massively.

2. The community is organized to protect an ecosystem from deforestation or to reforest degraded areas.

3. An audit firm verifies the tons of CO_2 that are no longer issued or are captured, and the project is certified under a carbon standard; for each ton of CO_2 managed by the project, a carbon credit/bond is issued. The mechanism was proposed by the Kyoto Protocol as a global way to fight climate change and had its expanded implementation in the Paris Agreement, which supported the operation of a voluntary carbon market.

4. Project-holder communities receive income for preservation and reforestation activities through the sale of carbon credits to companies seeking to offset their emissions and, as in the case of LATAM, also support the preservation of ecosystems in the region.

5. LATAM joins initiatives that meet its sustainability criteria and enable it to contribute with actions that promote environmental, social, and economic joint benefits for communities and help to make the importance of the ecosystems they protect visible.

CO2BIO'S EXPERTISE IN THE REGION (2012-2020 RESULTS)

- Natural resource management in **209,500 ha**
- Preservation of **30,064 ha** of native forest and **63,328 ha** of wetlands.
- **1,440,180 t CO_2e** that have been prevented from being emitted into the atmosphere
- **141** local owners benefited from economic contribution by the preservation of forests and wetlands

WHY THE FLOODABLE SAVANNAS?

- **They have high carbon capture capacity**
- **They help control erosion**
- **They regulate the nutrient cycle and are key to maintaining soil productivity**

Orinoquía Colombiana

Fly Neutral 201-2
In addition to the alliance with major NGOs, associations, and authorities, LATAM developed the Fly Neutral program, which gives its corporate clients the opportunity to choose from a portfolio of high environmental value projects to offset the emissions generated in their air travel. As part of the proposal and commitment to conservation, LATAM Airlines matches the amount of tons offset by its corporate clients, through the 1+1 mechanism.

In the first phase of the Fly Neutral program, the passengers of the corporate segment (LATAM Corporate) can find out the carbon footprint of their itinerary and compensate through a portfolio of projects that seek to stop deforestation in strategic areas, conserve biodiversity, and strengthen capacities in communities.

In turn, LATAM cargo developed its carbon emissions calculator and established the structure that will enable it to collaborate with cargo clients in offsetting their shipments.

Selected projects
In 2021, LATAM Airlines Colombia offset 334,144 tons of carbon dioxide by purchasing carbon credits through the CO2Bio conservation initiative in the Colombian Orinoco region and the Carmen del Darien REDD+, Mutata REDD+, ACAPA BMF REDD+, Bajo Calima, and Bahia Malaga projects, located in the departments of Choco, Antioquia, Narino, and Valle del Cauca.

All projects selected by LATAM for emissions compensation ensure environmental, social and economic co-benefits for communities, such as in the case of Carmen del Darien REDD+, Mutata REDD+, which seek to protect forests in the Choco-Darien bioregion, considered of national and international importance due to the biodiversity they hold and for their ecosystem services.

EMISSIONS REDUCTION

Collaborative approach
LATAM joined as one of the pioneering airline groups of the Clean Flight program in Chile, promoted by the Civil Aeronautics Board and the Energy Sustainability Agency seeking, under a collaborative public-private approach, to improve the energy and environmental management of the air industry, identifying and implementing opportunities to reduce fuel consumption. Together with this, it will foster the use of cleaner technologies, such as sustainable aviation fuels.

LATAM Fuel Efficiency 201-2

LATAM has developed a number of actions that seek responsible fuel use. Initiatives focused on reducing consumption and operating efficiency to optimize its savings. In addition to fleet modernization, it has a fuel-efficient program, with more than 10 years of history, called LATAM Fuel Efficiency.

From 2012 to 2021, the group increased aviation fuel efficiency by 5.3% through the program. In 2020, the results were impacted by some pandemic procedures, such as increased use of the auxiliary engine (APU) on land and use of air conditioning throughout the landing to renew the cabin air. In 2021, gross savings totaled 8,314,052 gallons (1,090 TJ of energy), equivalent to US$24.5 million. The work has a positive impact on reducing the carbon footprint and also on reducing costs. 302-4

In search of a more efficient technology and operation, in 2018, LATAM implemented a pilot application that allows continuous monitoring of their flight performance according to the initiatives. At the beginning of 2021, it was clear that the impact generated is equivalent to a reduction in consumption of approximately one million gallons per year.

In addition, in 2021, it proposed to upgrade its A320-family fleet with the Airbus Descent Profile Optimization (DPO) feature, a fuel-saving enhancement to the aircraft's flight management system (FMS) performance database.

The group remained focused on improving ground and air operating procedures and fleet optimization and rejuvenation with the addition of new Airbus A320neo aircraft. These aircraft use more efficient engines, with 15% lower consumption, 8% lower operating cost, 50% lower emissions of nitrogen oxides (NOx), and lower acoustic impact than the previous version, A320, according to manufacturer data.

LATAM FUEL EFFICIENCY – RESULTS 2021

302- 4, 305-5

Avoided consumption of

8,314,052

gallons of fuel, which is equivalent to

79,553

tons of GHG emissions

US$24.5

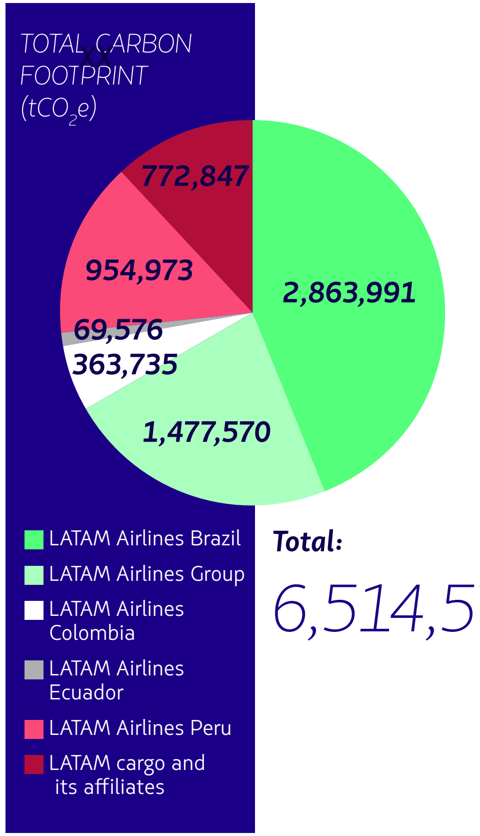
million saved

SUSTAINABLE FUEL

The use of sustainable aircraft fuels (SAF) and innovative new propulsion technologies are the main pillars for achieving a carbon neutral air industry by 2050. Along this line, LATAM's SAF strategy is focused on Brazil, Chile and Colombia, which have the greatest experience and potential for the development of biofuels and synthetic fuels, such as green hydrogen.

Carbon footprint

Annually, the group carries out its GHG (greenhouse gases) inventory according to ISO 14,064 guidelines. In 2021, LATAM's total carbon footprint reached slightly over 6,514,570 tons of CO_2e, a 15% increase compared to 2020. The net carbon footprint increased 11%, translating into 6,138,957 tons of CO_2e. The differences from the previous year are explained mainly by the restart of operations and the increase in coverage for the calculation of scope 3 in Brazil. 305-1



Total:

6,514,570 tCO_2e

Snapshot

Climate change	2019	2020	2021[2]
Total emissions (tCO_2e)	12,386,323	5,655,551	6,514,570
Net emissions (tCO_2e)	12,253,203	5,521,062	6,138,957
Emissions intensity in air operations (kg Co_2e and/100 RTK) 305-4	82.1	81.0	85.8
Emissions intensity in total operations (kg Co_2e and/100 RTK) 305-4	82.8	79.7	81.1
Rational fuel use (reduction compared to IATA average)[1]	5.7%	7.2%	4.6%
LATAM fuel efficiency (liters/100 RPK)	32.6	32.0	33.8
Passenger operations	3.0	3.2	3.4
Cargo operations	21.7	20.7	20.1

1 Based on average consumption in 2020, according to IATA data, representing 80% of world air traffic.

2 Due to the effects of the pandemic, domestic operations increased significantly in 2021 compared to international operations, resulting in a higher intensity of emissions. With the stabilization across the operation, this indicator will gradually decrease.

More information:

Greenhouse gases (page 164)

Significant atmospheric emissions (page 164)

Circular economy

LATAM has determined to eliminate single-use plastics by 2023 and to be a zero-landfill waste group by 2027. To achieve these goals, and in order to boost the circular economy within its processes, in 2021, it developed a detailed evaluation of its waste management, including analysis from the materiality of the inputs it employs in its operation.

Instead of a linear system (extraction >> production >> consumption) that ends with end-of-life discarding, it is working to ensure that the materials used in the operation are sustainable and that, after their use, rather than becoming waste, they are reintegrated into another production cycle as raw material for new products.

LATAM carried out an evaluation of its waste management whose goal was, among others, to identify the materials that generate significant impacts on the environment in order to define actions focused on their disposal, such as single-use plastics, which are widely used in the aviation industry.

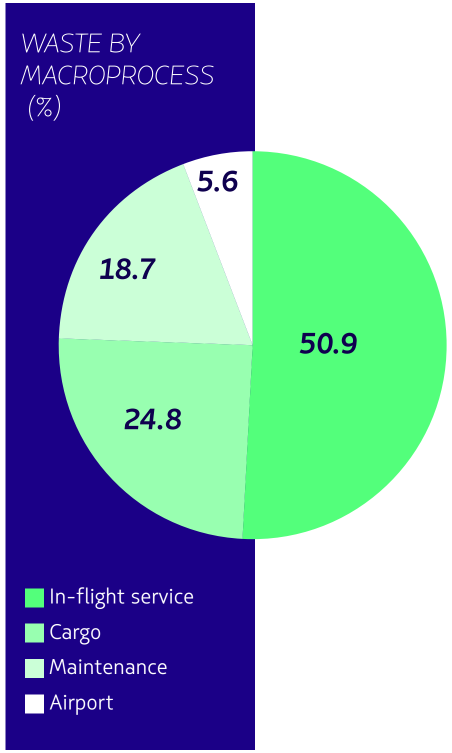
This diagnostic process began in 2021 and focused on the areas with the highest generation of waste such as Airport, Maintenance, In-flight Service, and Cargo. The results of this evaluation will support the definition of strategies to achieve the goals that LATAM has set out in circular economics.

Waste diagnosis

A diagnosis of LATAM's waste generation was developed in 2021 from an assessment of representative samples. The main waste-generating processes and main bases of the operation were taken and, extrapolating to the conditions of the pre-COVID operation (base year 2019), it was identified that LATAM generated about 11 thousand tons of solid waste.

According to the results of the diagnosis, plastic generation is one of the critical elements in In-flight Service, and since this macroprocess has the greatest weight in the group's waste matrix, in line with the goals defined by LATAM, the single-use plastic disposal will be prioritized by 2022, which will allow us to reach 2023 with its full elimination.

The life cycle assessment that began in 2021 will be essential to feed the group's circular economy strategy, and in 2022, LATAM will continue to strengthen this process with the implementation of a waste follow-up and monitoring system.



WASTE MANAGEMENT

Rethinking processes

In 2021, LATAM defined a structure focused on migrating to the circular economy model in which, in addition to moving forward with process evaluation, it considers a line of action to rethink and redesign processes and products that guarantee a more sustainable experience for passengers. In this development, one of the most significant results was the redesign of LATAM's amenity kits and the gradual change of materials.

The *amenity kits*, which are initially available on the Santiago de Chile - Madrid and Sao Paulo - Miami routes, contain local items that generate less impact on the planet: bamboo toothbrushes with caps made of sugar cane, reusable eye masks and socks, and vegan and *cruelty-free* products made by Brazilian craftswomen. In addition, with the aim of showcasing the artistic and cultural wealth of our region, the *kits* are delivered in a reusable and collectable bag designed by South American artists. Gradually, they will be implemented on other routes.

Paperless

LATAM continues to advance in the implementation of digital processes that allow it to be more efficient, provide better service, and reduce the impact on the environment. This is the case with the elimination of magazines on its aircraft where, through digitization, in addition to avoiding the consumption of paper as a resource and the generation of waste, it further significantly contributes to reduce emissions as a result of lower fuel consumption.

In-flight service

In order to optimize the amount of food that is loaded on each flight and reduce waste linked to the In-flight Service, LATAM has an automated food ordering system that allows catering service providers to load only the amount of food required, based on confirmed booking passengers. This service is implemented on international flights.

In addition, in coordination with catering providers, measures are implemented to take advantage of some elements on board. Based on their characteristics, those that are not opened or delivered may be loaded on another flight.

Aeronautical material

In the reconfiguration and modernization of LATAM's fleet, aeronautical materials and elements are removed: seats, *galleys*, floor mats, among others. To ensure their proper management and in accordance with current regulations, LATAM takes advantage of them so that they can be reused in the operation or in other companies. For example, in the case of seats, a campaign was triggered to enable employees to purchase and use them in their homes. Last, for materials that cannot be reused, agreements were made with recycling providers to ensure that waste from these materials does not reach landfills.

Waste and the air industry

Information on the volumes of waste generated in the air industry is limited. According to an IATA study, conducted at Heathrow Airport in London, England, in 2012 and 2013 a typical passenger generated 1.43 kilos of cabin garbage per flight. This is an average that includes short- and long-haul international flights from different airlines.

In the industry, they recognize the importance of reducing, recycling, and reusing cabin waste from their aircraft. However, actions to control pollution are subject to each country, which in turn have sanitary measures that inhibit them with the aim to protect local agriculture, in many cases requiring waste to be incinerated or buried instead of reused or recycled.

According to information published by IATA, cabin waste could double in the next 10 years, should the industry continue without intelligent regulation. That is why it is important to simplify and harmonize cabin waste management and to promote technical solutions that reduce industry costs and contribute to the circular economy. IATA is sharing best practices with its airlines, catering *companies, airports, and regulators, and commissioned a study proposing the adoption of regulation that allows waste to be reused and recycled while maintaining animal health controls.*

Ground Operations

- **Pallet Reutilization:** In LATAM Cargo, initiatives are gradually being incorporated to reuse pallets in good condition, repair those that are damaged, and reuse those in poor condition, turning them into furniture for the operations lounge or signage for cargo warehouses.

- **Composting:** At Chile's maintenance base, almost 40 tons of organic material were composted in a project started in 2021.

- **In-Facility Recycling:** In the hangars, cargo warehouses, and LATAM offices, recycling initiatives are implemented to reduce the amount of waste being carried to landfills and from which 862.9 tons of waste have been recycled in 2021.

Uniform recycling

An initiative that was born in Peru in 2018 and allows LATAM to take over and give a second life to the discarded uniforms. This program not only minimizes the impact on the environment with the conversion of textile waste, but also creates the possibility of building a more sustainable community through partnerships, employment generation, and the encouragement of responsible consumption.

LATAM Airlines Peru is allied to SISAN craftswomen, enterprising women who use textiles as an input to produce handcrafts that highlight the iconographies of the Pachacamac sanctuary. Its products are sold at the Pachacamac Museum, as well as through the LATAM Pass miles redemption catalog.

The proven success of this initiative enabled Ayacucho to expand in the Peruvian sierra in 2021, and work is being done on the implementation and development of pilot projects in Brazil, Chile, Ecuador, and Colombia.

To achieve efficient and sustainable development that impacts the economy and empowerment of women, revaluing local culture, this program includes training in soft skills such as leadership and teamwork; self-esteem and economic independence and family planning; and in business management with the following topics: exploration of business ideas, the foundations of a business and basic finances, introduction to marketing, and/or virtuality and marketing. In Peru, there are already more than 30 skilled craftswomen.

Between 2018 and 2019, LATAM donated 8,013 garments, equivalent to 1.3 tons of fabric, achieving a reduction of 26 tons of CO_2 emissions to the environment. For 2020 and 2021, the donation of approximately 3,000 garments (0.5 tons of fabric) involved a reduction of 9 tons of CO_2 emissions to the environment.

The SISAN craftswomen at the Pachacamac Museum.

Pilot in Colombia

In partnership with the World Women's Corporation, the "Colombia, an Ancestral Journey" collection was launched, using the textile waste of the uniforms of the crew and agents to manufacture new products required by different areas across the group. The pieces have artisan participations from communities representing the country: Emberas, Kunas, Wayuu and Zenus.

Recycle Your Trip

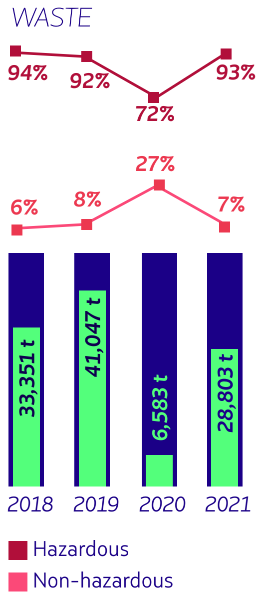
Through the Recycle Your Trip program, LATAM mobilizes passengers and *catering* providers toward recycling waste generated on board by passengers on domestic flights. The process begins when the crew collect the waste in the LATAM trolley and segregate it between aluminum (cans), glass (spirits and juices), and plastics (bottles and cups). Once the aircraft has landed, the material is separated and delivered to the catering provider, who sees that it is transferred to different recycling centers.

Launched in Chile in 2019, the program was suspended in 2020 because of the pandemic and resumed in May 2021. Since then, it has progressively spread to other subsidiaries, reaching Ecuador in September. Implementation in Peru, Colombia, and Brazil is planned for the first half of 2022 because in-flight services are not yet permitted as a result of the pandemic.

LATAM performance

Total waste generated in 2021, according to on-site generation including hazardous liquid waste, was 28.8 thousand tons, an increase of 338 per cent over the previous year. About 3.9% of that total was sent for recycling. This increase is mainly due to the reactivation of operations.

Destination of waste (t) 2021 306-3, 306-4 and 306-5	*Hazardous*	*Non-hazardous*
Waste not intended for disposal	**298.78**	**823.24**
Preparation for reuse	0.15	0
Recycling	88.54	774.43
Other recovery operations	210.09	48.81
Waste intended for disposal	**26,539.63**	**1,141.74**
Incineration (with energy recovery)	37.66	0
Incineration (no energy recovery)	46.29	0
Transfer to landfill	515.50	1,141.74
Other disposal operations	25,940.17	0



Environmental management and eco-efficiency

To fulfill the commitments made as part of its sustainability strategy, and within the framework of environmental management, LATAM Airlines Group S.A. implemented a transparent and auditable system that allows it to keep environmental variables in mind in all the processes of the group, and that has environmental certification (IEnvA) across the operation.

IEnvA is IATA's environmental assessment program for the aviation sector and is designed to independently assess and improve the environmental management of an airline. Membership is voluntary and involves two stages: the first one includes the environmental management system, the commitment of senior management, and the mapping of relevant legal-environmental requirements and of environmental aspects and impacts of activities; the second, more advanced stage includes the definition of goals, audits, operating programs and controls, and the training of teams.

Since 2020, three operations had already been certified: LATAM cargo in Miami, United States under ISO 14001/2015, LATAM Airlines Colombia, and Chile, under IEnvA stage 1 and 2, respectively. During 2021, certification was achieved for the group's 9 carriers, both in cargo and in passengers, under stage 1, and IEnvA stage 2 certification is expected to be achieved across the company during 2022.

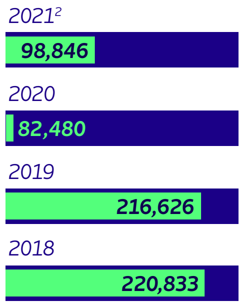
As part of the evolution of its environmental management system, LATAM renewed its Safety, Quality, and Environment Policy to more specifically include the guidelines linked to environmental management and the control of the organization's environmental impacts.

More information:
Sustainability policy

Eco-Efficiency

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

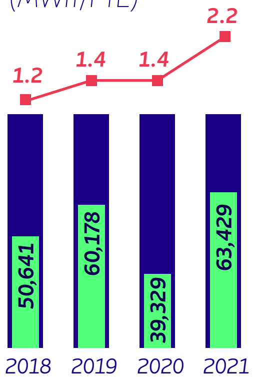
WATER WITHDRAWAL (m³)[1] 303-3



1 Supply is obtained from the municipal networks of the various countries of operation, without LATAM's direct collection of water. The indicator covers 100% of the operation.

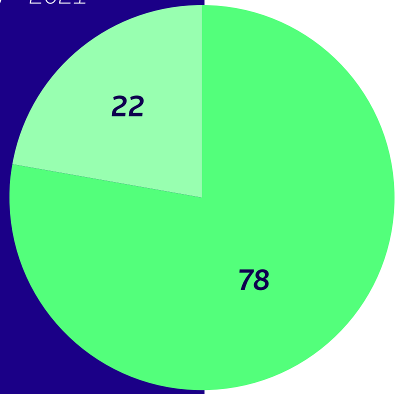
2 100% corresponds to fresh water and 97% comes from regions that may become water-stressed.

ELECTRICAL ENERGY CONSUMPTION (MWh) AND ENERGY INTENSITY (MWh/FTE)



FTE: full-time employee.

ELECTRIC ENERGY CONSUMPTION (%)– 2021



Renewable sources
Non-renewable sources

Total: 63,429 MWh

Internal energy consumption (TJ) 302-1	2018	2019	2020	2021
Non-renewable energy				
Jet Fuel	157,940.61	166,786.63	76,826.10	88,734.84
Gasoline	6.90	9.64	3.97	24.32
Diesel	178.10	118.63	97.74	118.5
Liquefied petroleum gas	7.60	8.35	6.28	5.41
Natural gas	0.41	0.42	0.29	0.11
Electricity[1]	106.12	55.19	35.96	50.47
Total non-renewable energy	**158,239.74**	**166,978.86**	**76,970.35**	**88,933.7**
Renewable energy				
Ethanol	0.25	20.65	0.20	0.56
Electricity[1]	76.18	161.44	105.62	177.87
Total renewable energy	**76.44**	**182.09**	**105.83**	**178.43**
TOTAL	**158,316.17**	**167,316.18**	**77,076.18**	**89,112.08**

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. The values reported (years 2018, 2019, and 2020) differ from the information in the Integrated Report 2020 due to a correction in the conversion factor.

Snapshot

Eco-Efficiency	2019	2020	2021
Energy 302-1, 302-3			
Energy consumption – ground and air operations (TJ)	167,316	77,076	89,112
Energy intensity (MWh/100 RTK)[1]	0.4	0.6	0.8
Water consumption (m³)	216,626	82,480	98,846
Waste disposal (t)	41,047	6,583	28,803
Environmental Management System (EMS)			
Units with EMS/Total units	91%	91%	95%
Units with certified EMS/total units	3%	3%	90%

1 Considering internal and external consumption.

Employees

In this chapter

Cultural *transformation*

Faced with the 2021 change scenario, the group sought to strengthen employee ties with the aim of ensuring that everyone shares the same outlook towards an increasingly better, simpler, and more transparent LATAM. As part of this process, internal dialog forums were expanded and work on cultural transformation intensified.

Discussions on topics such as leadership, sustainability, diversity and inclusion, among others, were added to the regular agenda of dialogs. The meetings, led by the Vice President of Human Resources and leaders from different areas of the group, were open to all stakeholders, leading to a more complete view of how these subjects are perceived and how LATAM is expected to address them.

On parallel, the internal leadership index was adjusted with the inclusion of variables to measure group progress toward its objectives of simplicity and transparency, as well as compliance with expected timely *feedback* practices, team meetings, 1 to 1 meetings, and a culture of recognition of good actions, among others. In addition, there is a measurement from the team itself toward their superiors, which makes it possible to extract a 360° view of the leader's performance, which has the fundamental role of driving overall development.

ONGOING DIALOG

LATAM News: *Weekly meeting between leaders and teams*

Expanded: *Periodic meetings conducted by the Vice Presidents*

1:1 Accompaniment: *specific conversations between the employee and their leader to support the individual development process*

Growth and development

Throughout the year, more than 665 thousand hours of training were carried out, divided into more than one thousand updated and 500 new courses, representing a total investment of US$11.6 million. Average training hours per employee reached 36.3 hours, an increase of 21% compared to 2020.

This type of initiative opens up spaces for teams' professional growth. In 2021, more than 2 thousand individuals were promoted, 3.2 thousand changed responsibilities, and more than 50% of the positions generated in the year were occupied by internal personnel.

The turnover rate was 22.5%, down from 53.7% in 2020, when the largest adjustments in the operation occurred in response to the global crisis resulting from the pandemic.

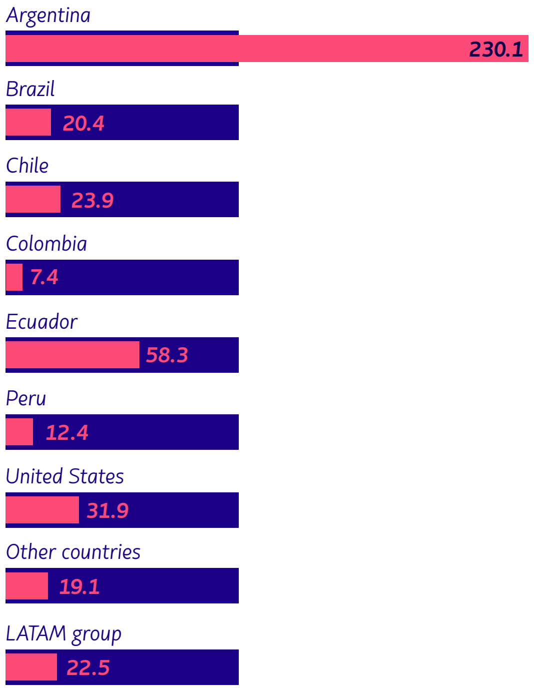
Training (hr/employee) 404-1	2021
By professional category	
Management	13.1
Maintenance	35.0
Operations	47.4
Command crew	12.6
Cabin crew	52.8
Sales	9.4
By gender	
Men	33.8
Women	40.3
Total	**36.3**

More than

85%

of the employees participated in one or more training opportunities in 2021.

LATAM GROUP AND AFFILIATES TURNOVER RATE (%) 401-1



Care for employees

LATAM has developed more than 7 thousand specific actions that ensure the well-being of employees and even with special benefits, such as loans, guidance in cases of serious illness, family problems, disasters, and accidents of a child, among others.

ORGANIZATIONAL HEALTH

In 2021, LATAM had its best Organizational Health Index (OHI) since 2014, when it began using that tool. The result of the year rose by two points to 77. The accrued growth over the last five years was 14 points. In addition to being among the 25% best results of all the companies that conduct the survey (first quartile), as in other years, the group stood out particularly in topics such as Health and Commitment, External Orientation, and Leadership & Management. A total of 25,321 people voluntarily participated in the survey, which corresponds to 77% of the total allocation in September, when the survey was conducted.

Internal perception

60%

of the employees believe that LATAM is doing things better than before.

Around

70%

identify that progress is being made towards being a fairer, more empathic, transparent, and simple company with employees and clients in mind.

More information:

Hirings and turnover (page 165)

Organizational Health Index (page 165)

Team profile

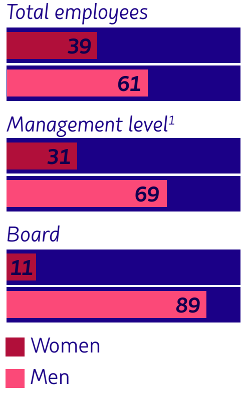
More than 29,000 employees of 44 nationalities make up the staff of LATAM Airlines Group, operating in more than 18 countries, over 137 airports, and communicating in three languages (Spanish, Portuguese, and English). This diversity generates an environment where different views stimulate initiative and innovation. 102-7

44 **nationalities**

In more than 18 **countries**

Languages: Spanish, Portuguese, English

GENDER DIVERSITY (%)



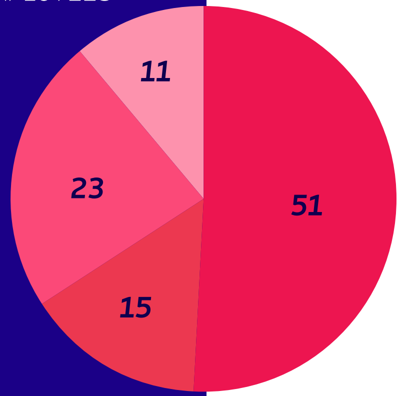
1 Management level: Positions of assistant manager, manager, senior manager, director, and vice president.

Female presence	
In all management positions (% of total management positions)	**31%**
Managers and assistant managers	30%
Vice presidents and CEO	1%
In revenue-generating positions (Sales managers and assistant managers)	**3%**

LATAM group Diversity Commitments

- *For LATAM, no gender is predominant over another, so the company will work actively to ensure that the gender distribution of the group's employees is 60% - 40% by 2030 (excluding those areas where applicants have been mostly of one gender).*
- *Active efforts will be made for gender distribution (such as through agreements with study centers).*
- *Work will be done to get persons with disabilities (PWD) to represent at least 5% of workers in the group by 2030 (excluding populations that by regulation do not allow PWD and where there have been no PWD applicants).*
- *The group is committed to enhancing diversity among professionals.*

LATAM EMPLOYEES



Operations
Support
Pilots and co-pilots
Other crew members

Total: 29,114

Salary comparison women/men[1]	
Board members[2]	1.0
Top management: CEO, vice presidents, directors, and senior management	0.90
Managers and assistant managers (considering financial incentives as well as the base salary)	0.98
Managers and assistant managers (only base salary)	0.95
Middle management (bosses and analysis) and other employees	0.91

1 The calculation uses average salaries for women/average salaries for men.

2 The Board's salary is determined by the Shareholders' Meeting. It is equal for all board members, except the chairman, and it is based solely on their participation in the meetings.

Occupational health and safety 403-7

For LATAM Airlines Group, occupational health and safety management is a process of ongoing improvement, which considers stages of identification, prevention and mitigation of risks in the various environments and operations, internal performance monitoring, and identification of good practices.

Actions taken in 2021 to ensure a safe work environment include:

- **Occupational safety work plan:** focused on inspections of critical hazards, such as work at height, confined spaces, or mobile equipment;
- **Inspection Plan:** implemented in Brazil for personal protective equipment and lifelines for maintenance activities;
- **Work safety plan in the cargo network:** more than 20 actions focused on four pillars: infrastructure, procedures, culture, and risk management;
- **Safety Practice Index (SPI):** implemented for cargo operations at the Santiago and Miami airports; and
- **Management Dashboards:** an accident-free day dashboard and a proactive occupational safety indicator panel is implemented in Cargo.

Performance on the monitored indicators was positive, maintaining good results in 2020. The API (Action Plan Index), which manages the effectiveness of potential risk mitigation plans (all identified and different severity levels) remained stable at 94%, and the injury rate was 0.48.

Snapshot

People management	2019	2020	2021
Total employees	**41,729**	**28.396**	**29.114**
Turnover rate[1]	13.7%	53.7%	2.5%
Average hours of training	37.1	30.9	36.3%
Internal movements			
Middle management (heads and analysts)	74%	84%	NA
Executives	91%	91%	NA
OHI survey			
Result	74	75	77
Quartile	1	1	1
Occupational health and safety 403-9			
Work-related injuries (total | rate)[2]	310| 0.74	148.5| 0.42	134.5| 0.48
Lost days (total | rate)[3]	5,232| 12.5	1,943| 5.47	1,505| 5.32
Deaths (total | rate)[4]	0| 0	0| 0	0| 0
High-consequence related injuries (total | rate)[5]	NA	3| 0.01	0| 0
Recordable work-related injuries (total | rate)[6]	NA	145.5| 0.41	134.5| 0.48

NA: information not available.

1 Employees who left the group (voluntarily, by dismissal, retirement, or death in service) during the year/Total employees by December 31.

2 Work injuries with interruption of work. Note: Accidents related to some critical risk and high-impact events (accidents resulting in over 100 days lost) represent 1.5 in the calculation. Rate calculation formula: total injuries with work interruptions/average no. of employees x 100.

3 Includes work interruptions related to occupational diseases, accidents, or deaths. The days lost are computed in accordance with the local legislation in each country. Colombia and the United States start to count from the day after the accident; the other countries count from the day when the accident occurred. The indicators do not cover commuting accidents. Rate calculation formula: total lost days/average no. of employees x 100.

4 Includes road accidents in cases where transportation is carried out by LATAM.

5 Injury resulting in death or injury such that the worker cannot fully recover the state of health from before the accident within 6 months. The rate calculation uses the formula: Injuries/Average no. of employees X 100. This indicator began to be monitored in that way in 2020.

6 Injury, illness, or work-related sickness with some of the following results: days of work leave, labor restriction or transfer to other positions, medical treatment beyond first aid; or serious injury or illness diagnosed by a doctor or other health care professional to those same results. The rate calculation uses the formula: Injuries/Average no. of employees X 100.

More information:

Team Profile (page 165)
Diversity (page 166)
Occupational Safety (page 166)

Clients

In this chapter

Close, digital, *and flexible*

The client is at the center of LATAM's work, and the group works to provide the most options to suit their needs, such as different kinds of fares and services that can be purchased as a complement.
The commitment to deliver the best experience at all stages of interaction – purchase, airport, after-sales, and on board – also involves the use of technology. As a result of a digital transformation initiated by LATAM three years ago, clients can manage the main services with just one *click*.

In 2021, the group reviewed all instances related to the customer experience searching for opportunities to apply new technologies that provide agility, facilitate access, and lead to greater satisfaction, which was achieved through collaborative work between different areas of the business. For LATAM, technology is part of the way of working, the business, and its constant transformations.

SOME DIGITAL SOLUTIONS

- ***LATAM App:*** *Flight information, date change, seat selection, use of augmented reality to verify that the carry-on baggage meets the boarding requirements*
- ***Automatic check-in*** *(for domestic flights) and digital self-check-in at kiosks or via the App*
- ***Self bag drop*** *(available at 20 airports in eight countries) and digital payment in case of excess baggage*
- ***Wi-Fi connectivity:*** *Available on domestic flights in Brazil (narrow body fleet)*
- ***LATAM Play:*** *LATAM's in-flight entertainment platform was expanded in 2021 through an exclusive agreement with HBO Max to offer films and series to passengers*

Digital tools halved the rate of contact center calls per passenger.

The early check-in process (automatic or kiosk) reduced assisted check-in by 36% throughout the year. In the last quarter of 2021, only 10% of clients checked in at the physical counter, as 90% managed to receive their boarding pass automatically.

LATAM Wallet
LATAM Wallet is an electronic wallet that provides more proximity and transparency to the processing of refunds or ticket exchanges because it allows clients to maintain balances of money to be used with the airline; in addition, it provides the ability to serve clients who do not have electronic means of payment through digital platforms.

Data Intelligence
LATAM applies advanced analytics and *machine learning* tools to gain insight into its operation and clients to generate benefits and improvements in both the user experience and daily operational processes. Fraud prevention, aircraft fueling optimization and flight experience customization are some of the improvements that can be achieved.

As part of its data management policy, LATAM adheres to the strictest regulations such as the European or Brazilian one, complying with the various regulations known as the General Data Protection Regulation (GDPR).

The main technological risks, security incidents, and the progress of the strategic cybersecurity plan are periodically presented to the Board and the Directors' Committee by the Group's Chief Information Officer (CIO), Chief Technology Officer (CTO), and Chief Information Security Officer (CISO). Senior management continuously supports the cybersecurity program by facilitating funding and the appropriate organizational structure for its compliance and implementation.

As in previous years, there were no cases of consumer data violations in 2021.

Custom campaigns
LATAM also applies technologies in digital marketing to generate customized campaigns using machine learning models with important results, such as:

- Reduced digital advertising costs by USD$2.5 million
- USD$1.5 million increase in revenue per campaign
- Reduced campaign creation time from 1 week to a matter of hours

From the data center to the cloud
Throughout the year, the group moved forward with the transfer of applications to the cloud, a project that began in 2017 and is expected to be completed in 2023. The goal is to simplify the ecosystem of technology platforms and consolidate applications for a much simpler and more robust infrastructure.

LATAM Airlines is the region's first Google Cloud partner, enabling it to work with service startups, support local economies differently, and better respond to services that operate from those platforms. In addition, migration to the cloud reduces greenhouse gas emissions.

REAL TIME INFORMATION

Each crew has a smartphone that allows them to perform from technical handling to understanding who the passenger is in-flight, trying to move toward customizing the travel experience.

New alliances
LATAM cargo has experienced the same reality, which implemented in the international business an *online* portal that allows clients to self-manage their cargo in a simple and agile way and have full visibility of the entire logistic process of their shipment. It is estimated that, in 2022, it will be enabled for domestic markets.

In this context, the group also formed alliances with two marketplaces: Webcargo and cargo.one, becoming the region's first air cargo carrier to decentralize its distribution channels. Thus, starting in the second quarter of 2022, it will be possible to book on LATAM cargo to and within South America from Europe and North America instantly with a few clicks on cargo.one.

It is all about offering clients more alternatives so they can schedule their shipments through LATAM cargo in the way they feel most comfortable, diversifying distribution channels and offering the best direct booking options.

Customer service

Pandemic constraints resulted in an extra challenge in providing information to clients. To meet the growing demand for customer services, LATAM quickly implemented a new support tool that simplifies access to information when answering calls. With clients in mind, new channels were also launched:

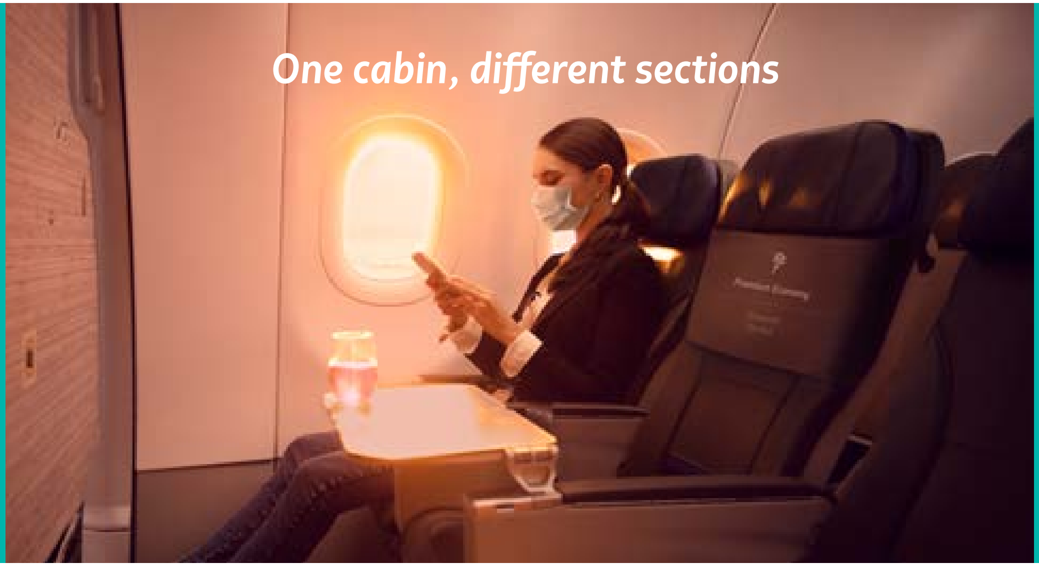
- **WhatsApp:** Provides up-to-date flight information and even when to board.
- ***Website:*** A Restrictions Information section was created, which gathers the updated rules for flying in each country where the group operates.

LATAM Pass

The group operates the LATAM Pass Frequent Flyer program, with 39 million members. Accrued points can be exchanged for airplane tickets or other services, which vary by category, such as cabin upgrades and baggage allowance. 102-2

LATAM Corporate Partner

At the end of 2021, LATAM launched the LATAM Corporate Partner program, focused on corporate customers. Each company enrolled in the program is assigned one of four categories – Classic, Superior, Plus, and Elite – each of which considers different benefit packages ranging from the economic ones, such as discounts or the accumulation of miles on business trips. To facilities like prioritization at the airport.



One cabin, different sections

By moving forward with the cabin transformation project, which will reach the entire narrow body fleet by 2023 and the wide body fleet by 2025, LATAM responds to the needs and expectations of different customer segments. The retrofits aim to improve the experience of passengers who require greater comfort, particularly on long-haul flights, and to offer a product with competitive fares.

In 2021, the project allowed the launch of the premium economy domestic fare: the front row seats have more room between them, and passengers have exclusive areas to store carry-on baggage, larger individual screens, and preferential boarding. The back of the plane is destined to optimize the cost-benefit ratio for passengers seeking lower prices.

By the end of 2021, the new cabins were available on 117 aircraft and an additional 50 aircraft are expected by 2022.

On-time performance

LATAM maintained its commitment to flight punctuality and in 2021 it obtained 92% DEP15 punctuality (industry benchmark that analyzes flights departing up to 15 minutes after the scheduled time). With this result, 2 percentage points above its 2020 results, LATAM was recognized as the world's most punctual airline group by OAG, a global benchmark in information and analytics for the airline industry.

Satisfaction

Systematically, LATAM measures clients' levels of perception about the operation and service through *the Net Promoter Score* (NPS), which enables it to understand strengths, weaknesses, and generate improvements in its processes with clients in mind.

Passenger operation has specific measurements related to Digital Experience, Flight Experience and Contact Center. The 2021 results maintained the upward trend of recent years and reached 49 points, 9 more than in 2020 and a cumulative increase of 16 points since 2019. 3% of the passengers answered the survey.

The growth in NPS is due to the increase in punctuality rates in recent years and improvements in service, with the implementation of the new cabin configurations, the new Premium Economy cabin on domestic flights and, in 2021, the return of the in-flight service on flights in Chile and Ecuador. Clients also evaluated LATAM on issues of safety and the teams' friendliness. The NPS of the digital experience reached 46 points.

The NPS indicator for LATAM Cargo and its cargo subsidiaries was 30 points, up 12 points from 2020. This is mainly explained by clients' assessment of LATAM's role in fulfilling and maintaining operational continuity despite the difficulties of the health crisis.

Snapshot

Clients	*2019*	*2020*	*2021*
LATAM PASS (Enrolled - Millions)	30	38	39
Technology			
Self bag drop	NA	35%	80%
Easy check-in (automatic or digital self-check-in)	79.4%	87%	90%
On Time performance[1]			
OTP DEP0	NA	NA	79%
OTP DEP15	88%	90%	92%
OTP ARR15	87%	90%	91%
OTP ARR15 – domestic flights	88%	90%	92%
OTP ARR15 – international flights	85%	85%	86%
Net Promoter Score (NPS) – -100 to +100 scale			
Passenger	33	40	49
Cargo	32	18	30

NA: information not available.

1 Percentage of flights departing exactly at the scheduled time (DEP0) ou with a delay of up to 15 minutes (DEP15); and percentage of flights arriving with a delay up to 15 minutes (ARR15).

Suppliers

In this chapter

Supply *chain*

More than 8 thousand suppliers make up the network of partners of the LATAM group, with a total volume of acquisitions of around US$4.60 billion in 2021. Most of them are concentrated in Brazil (44%) and Chile (15%).

8,052

Suppliers make up the LATAM supply chain.

The group maintains a close relationship with its suppliers, with transparency, commitment, and the search for joint evolution as the essential pillars. Active communication with them was essential to be able to circumvent the onslaught of the pandemic.

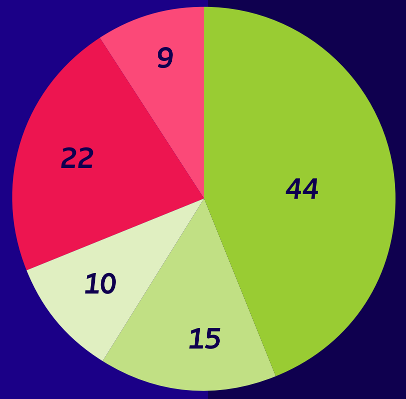
The year 2021 was marked by the operational recovery of the markets, where the collaboration that has been carried out with suppliers to anticipate demand and deliver to passengers took the spotlight. Communication with suppliers has also been very important to maintain pre-pandemic service levels and ensure the good business relationship while LATAM develops its financial reorganization plan.

It is important to note that the main suppliers are partners in LATAM's strategy to be more sustainable and implement measures for recycling and purchasing compostable products.

Supplier management follows guidelines on quality and regularity of supply, competitive prices, legal compliance, and good social and environmental 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.

Chain Profile 102-9

GEOGRAPHIC DISTRIBUTION[1] (%)

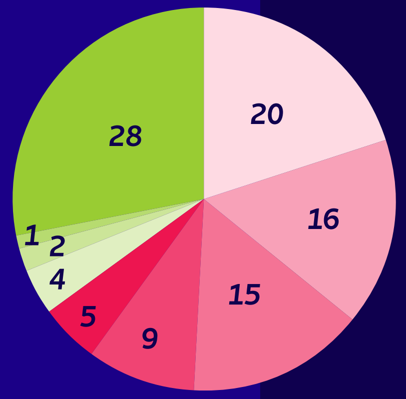


- Brazil
- Chile
- United States
- Other countries in America
- Other continents

Total: 8,052 suppliers

1 Based on the location of the company*s headquarters.

PURCHASE VOLUMES (%)



- Fuel
- Engines, fleet, financiers and LATAM Travel
- Technical purchases
- Other non-technical purchases
- Technology and systems
- Ground handling[2]
- Infrastructure
- Supply and catering
- Others

Total: US$ 4.61 billion

2 Ground handling services for aircrafts, passengers, and cargo.

TECHNICAL CATEGORIES (DIRECTLY RELATED TO THE OPERATION)

- *Fuels*
- *Fleet and engines*
- *Engineering services, consumables and rotables*
- *PMA (part manufacturer approval): wheels, brakes, tires, and avionics*
- *In-flight entertainment*
- *Seats, materials, and finishes*
- *Sales*
- *Major components, e.g. landing trains; repair, exchange, and rental of some components offered in the pool system by suppliers; and non-pool purchases (tools and other types of components)*

NON-TECHNICAL CATEGORIES

- *Airport suppliers*
- *Management*
- *Supply and catering*
- *Infrastructure; hotels and uniforms*
- *Marketing*
- *Professional Services*
- *Technology and systems*
- *Transportation*

Main suppliers

LATAM's main suppliers are aircraft manufacturers Airbus and Boeing.

Suppliers of aircraft accessories, spare parts, and aircraft components are also relevant partners, including: Pratt & Whitney, MTU Maintenance, Rolls-Royce, CFM International, General Electric Commercial Aviation Services Ltd., General Electric Celma, General Electric Engines Service and Honeywell (engines and auxiliary power units, APU); Recaro, Thompson Aero Seating (seats); Honeywell and Rockwell Collins (avionics and APU); Air France/ KLM, Lufthansa Technik, and Etihad (maintenance, repair, and operations components- MRO); Panasonic, Intelsat, and Safran Innovation (in-flight entertainment); Safran Landing Systems and AAR Corporation (landing trains and brakes); UTC Aerospace and Nordam (engine mount).

Fuel suppliers are Air BP Copec, Axion, Petrobras, Petroperu, Repsol, Terpel, World Fuel Services and YPF, among others.

Joint development

Thanks to the joint work with suppliers, the group has been able to make progress in sustainability, as happened with the Recycle Your Trip in Chile and Ecuador.

In the case of Chile, the elements segregated on board finish their recycling process in the units of the catering provider, who removes the waste and deposits it at the clean points available in their facilities. Likewise, in Ecuador, it is the cleaning staff who collect the already segregated waste and transfer it to the airport recycling point. This is how the joint work between the group and the partners has allowed not only the fulfillment of this program, but has also taught them how to segregate the elements so that they can indeed be recycled—achievements that, without doubt, are the result of a shared commitment to sustainability.

Moreover, in 2021, progress was made on the design and development of the new materials to be used on board – in order to meet the goal of eliminating single-use plastics by the end of 2023 – by projecting their implementation during 2022. The measures worked on aim for the removal of bags from rest elements, glasses, cutlery, and lids, among other materials.

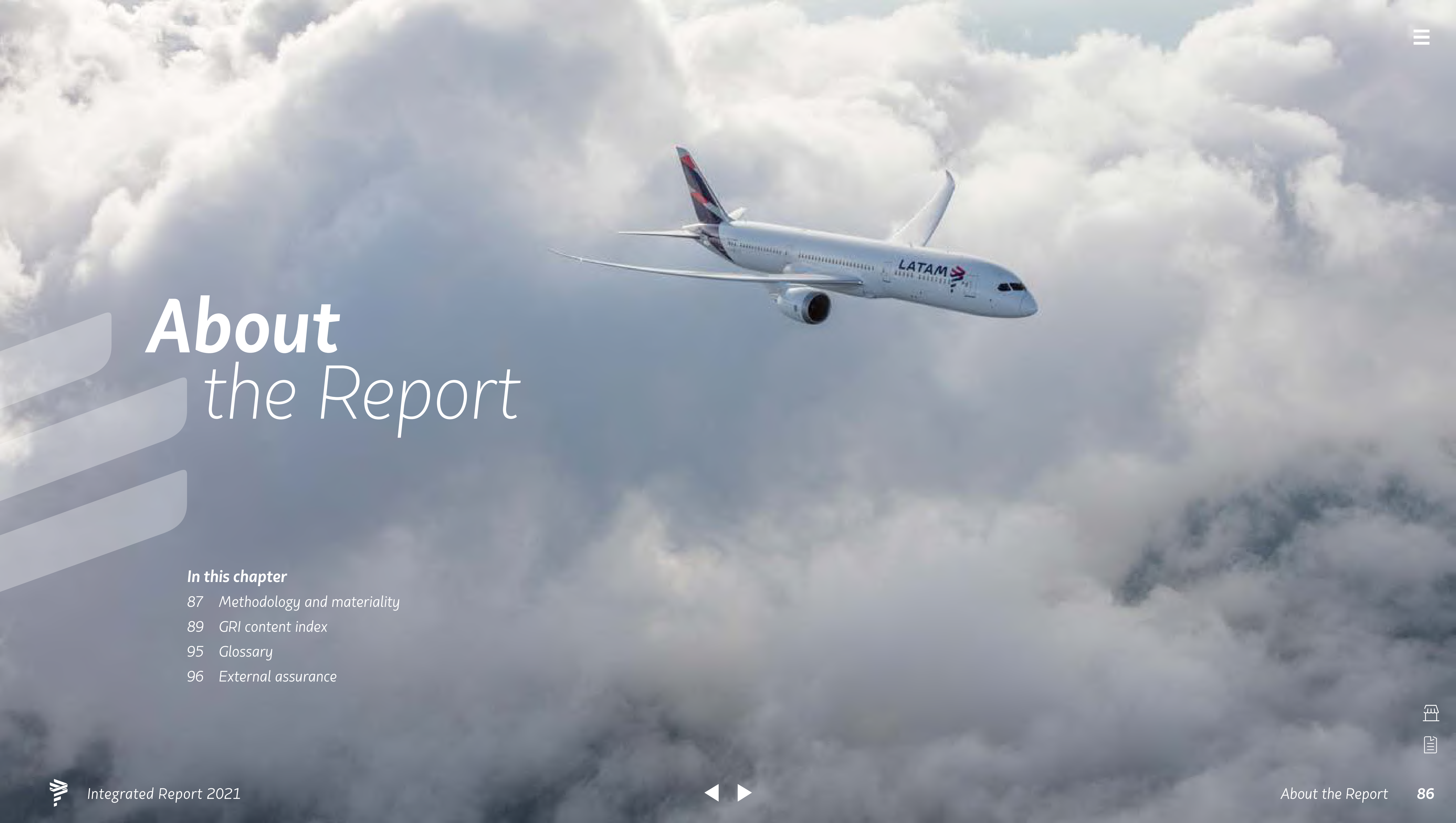
At the same time, the group is exploring new recycling initiatives that contribute to meeting the target of zero landfill waste by 2027. This is the case of a project that seeks to reuse materials and/or items that are no longer used after the cabin renovation. As an example, we should mention the reutilization of seats in the fleet to build LATAM furniture, their donation for educational projects and/or for the benefit of communities, or their reintegration into the production chain, turning them into resources instead of waste.

And, in order to continuously improve management with suppliers, the group is developing a strategy to learn firsthand what shortcomings they may have, considering as a first step the implementation of a survey in the first quarter of 2022.

Snapshot

Supply chain	**2019**	**2020**	**2021**
Total LATAM suppliers 102-10	15,341	9,013	8,052
Most representative suppliers[1]			
Share of the supplier base	13%	11%	11%
Share in acquisitions volume	69%	89%	91%
Identification of potential risks			
% of categories subjected to sustainability risk analysis	100%	100%	100%
Preventive analyses carried out in the international database systems (% of the total base)	9,427 (61%)	6,680 (74%)	5,370 (67%)
Suppliers considered high risk in sustainability aspects (% of those analyzed)	110 (1.1%)	178 (3%)	148 (3%)
Detailed evaluations based on the system alerts (% of the high-risk group)	110 (100%)	178 (100%)	148 (100%)
Monitoring and management			
Audits performed	249	122	270
Suppliers with agreed mitigation plans (% of the audited group)	192 (77%)	112 (92%)	280 (100%)
Action plans	1,616	717	1,056
Contracts terminated due to noncompliance	0	0	0

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.



About the Report

In this chapter

Methodology *and materiality*

The LATAM Integrated Report 2021 covers all LATAM companies, and concerns the period from January 1 to December 31, 2021. The document has been prepared in accordance with the Global Reporting Initiative (GRI) Standards Essential Option, following the Integrated Reporting Principles of the International Integrated Reporting Council (IIRC) and the legal and accounting standards applicable to annual financial performance reporting.

The contents and indicators linked to the GRI standards were subjected to external verification by Deloitte (see page 96). PwC audited the Consolidated Financial Statements of LATAM and its affiliates (see page 169), which include the consolidated financial statements as at December 31, 2020 and 2021, available starting on page 168. 102-56

The content selection 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 analyzed the main economic, environmental, and social impacts of the business and the expectations of the main LATAM stakeholders.

About 2,400 responses from employees, clients, and suppliers to an *online* survey, and the sustainability issues that are part of the investor and shareholder policies and publications of the group[1], various regulatory authorities[2], air industry representatives[3], civil society organizations[4], and sustainability benchmarks[5] were taken into account. Press news on LATAM in 2017 was also analyzed. 102-40, 102-42, 102-43, 102-46

Next, 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.

The list of topics is revalidated annually as part of the management and planning processes. A new materiality definition process is planned for 2022 and will involve further consultations with stakeholders.

Material topics	Groups that prioritized topic 102-44
Health and safety in the air and on the ground	Government, customers, employees and suppliers
Ethics and anti-corruption	Press, customers, employees, suppliers and investors
On-time performance	Customers, employees and suppliers
Economic and financial sustainability	Press, customers, employees, suppliers and investors
Developing employees	Customers, employees and suppliers
Mitigating climate change	Customers, employees and suppliers
Customer focus	Press, customers, employees and suppliers
Destination network	Press, customers, employees and suppliers
Relations with authorities	Civil society organizations, industry associations, clients, employees, suppliers, and investors
Sustainable tourism	Customers and employees

1 Main investors and shareholders of the group when the process was carried out: 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 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 with which LATAM maintains relations: 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.

Material topic 102-47	Limits 103-1	
	Where does the impact occur?	Organization involvement
Health and safety in the air and on the ground	The impact is seen inside the organization, mainly affecting the aircraft, airports, and other operational facilities.	LATAM determines different levels of management according to the type of event. There is a dedicated team that prepares the organization to manage emergencies on an ongoing basis.
Ethics and anti-corruption	The impact is seen inside the organization, affecting all employees and third parties, as well as the overall society.	LATAM has implemented a wide-ranging compliance program to manage impacts and minimize risks.
On-time performance	The impact is on LATAM's main activity; that is, the flights it operates, affecting passenger perceptions and the business as a whole.	LATAM can manage a significant portion of the impacts, such as delays due to maintenance, air crew management, and others. Some impacts are external to the organization, such as weather conditions, air traffic limitations and congestion at airports.
Economic and financial sustainability	The main impact is seen inside LATAM, and it can affect the brand, the loyalty program, the implementation of the business strategy, commercial relations, and others.	LATAM can adjust or restructure its strategy, even if most of the factors are beyond its control. The group has a policy to manage and mitigate financial risks.
Developing employees	The impact is throughout LATAM 's operations. Human resources management is directly linked with corporate performance.	LATAM manages employee talent and fosters commitment to corporate strategy.
Mitigating climate change	The main impact is on the environment and comes mainly from the use of fuel, which contributes to overall greenhouse gas emissions and, to a lesser extent, to the worsening of local air quality.	The impact is the result of the group's operations, which is the reason why LATAM has a strategy for monitoring and managing climate change. Moreover, the group is attentive to opportunities to incorporate new technologies and best practices that influence this issue.
Customer focus	The impact occurs inside LATAM and with its clients, affecting market share and customer spending on the group.	LATAM plays a key role in managing this impact, mainly with regard to its capacity to anticipate existing risks.
Destination network	The development and growth of the destination network benefits the cities served, generating economic development through the reduced cost of doing business and transporting cargo, as well as increasing tourism.	LATAM plays a key role in managing and monitoring the factors that may influence this issue.
Relations with authorities	The impact from a change in the regulatory environment is seen inside the organization, affecting all the operations, and outside the organization, affecting the sector as a whole.	LATAM's role is to identify and monitor how decisions by public authorities may affect the development of the group and the airline industry, as well as connectivity in a country or region, and clients.
Sustainable tourism	The impact is on the destinations served by LATAM.	The capacity to manage this issue varies in accordance with LATAM's share in the total passenger traffic to a given location. The group strives to play an active role in promoting a balance between tourism and the preservation of the local culture and environment.

GRI
content index

102-55

GRI 101: Foundation 2016		
GRI 102: General disclosures 2016		
DISCLOSURE	**PAGE/RESPONSE**	
102-1 Name of the organization	LATAM Airlines Group S.A.	
102-2 Activities, brands, products, and services	The main services offered are the transportation of passengers and cargo, and the frequent flyer program; there are no cases of banned services in any of the markets operated. A full description is provided on pages 13, 80, and 99.	
102-3 Location of headquarters	Santiago, Chile	
102-4 Location of operations	24 and 25	
102-5 Ownership and legal form	31 and 36	
102-6 Markets served	24 and 25	
102-7 Scale of the organization	47 and 75	
102-8 Information on employees and other workers	165	
102-9 Supply chain	84	
102-10 Significant changes in the organization and its supply chain	31 and 85	
102-11 Precautionary Principle or approach	LATAM does not formally adopt the principle of precaution, but it does incorporate potential operational impacts and risks to consumers and the company into its planning. All the group's services–routes, schedules, maintenance activities, and loyalty programs–are in compliance with the applicable legislation.	
102-12 External initiatives	15	
102-13 Membership of associations	116	
102-14 Statement from senior decision makers	10	Global Compact: 1 and 2
102-16 Values, principles, standards and norms of behavior	36	

GRI 102: General disclosures 2016		
DISCLOSURE	**PAGE/RESPONSE**	
102-17 Mechanisms for advice and concerns about ethics	37	
102-18 Governance structure	33	
102-40 List of stakeholder groups	37 and 87	
102-41 Collective bargaining agreements	44% of employees are unionized and 83% are covered by collective bargaining agreements. This coverage reaches 100% among the command crew and 98% among the cabin crew.	Global Compact: 3
102-42 Identifying and selecting stakeholders	87	
102-43 Approach to stakeholder engagement	In addition to the approach described in Methodology and materiality (page 87), management of LATAM's routine relations with stakeholders is presented in the chapters on Commitment to the future/Solidary Plane program, Employees, Clients, and Suppliers.	
102-44 Key topics and concerns raised	87	
102-45 Entities included in the consolidated financial reports	The report includes all affiliates. The full list of entities included in the Financial Statements is available on page 168.	
102-46 Defining report content and topic coverage	87	
102-47 List of material topics	88	
102-48 Restatements of information	It was necessary to restate several previously published environmental indicators to correct errors or update the calculation methodology. Each case is clearly indicated.	
102-49 Changes in reporting	None.	
102-50 Reporting period	From January 1 to December 31, 2021	
102-51 Date of latest report	April 2021	
102-52 Reporting cycle	Annual	
102-53 Contact point for questions regarding the report	investorrelations@latam.com and sostenibilidad@latam.com	
102-54 Claims of reporting in accordance with the GRI Standards	This report has been prepared in accordance with the GRI Standards: Core option	
102-55 GRI content index	89	
102-56 External assurance	96	

GRI Standard	Disclosure	Page/Response	Global Compact
Material topic: Health and safety in the air and on the ground			
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its boundaries	88	–
	103-2 The management approach and its components	52 and 76	–
	103-3 Evaluation of the management approach	53, 55 and 76	–
GRI 403: Occupational health and safety 2018	403-7 Prevention and mitigation of impacts on the health and safety of workers directly linked to business relations	76	–
	403-9 Work-related injuries	76 and 166	–
Material topic: Ethics and anti-corruption			
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its boundaries	88	10
	103-2 The management approach and its components	36 and 37	
	103-3 Evaluation of the management approach	37	
GRI 205: Anti-corruption 2016	205-2 Communication and training about anti-corruption policies and procedures	36	
	205-3 Confirmed incidents of corruption and actions taken	There were no relevant cases on the matter. 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.	
GRI 206: Anti-competitive behavior	206-1 Legal actions related to anti-competitive behavior, anti-trust, and monopoly practices	There were no significant fines; that is, worth over US$50 million, or that could paralyze the operation or affect the group's image.	–
GRI 417: Marketing and labeling	417-3 Incidents of non-compliance concerning marketing communications		–
GRI 419: Socioeconomic compliance 2016	419-1 Non-compliance with laws and regulations in the social and economic area		10

GRI Standard	Disclosure	Page/Response	Global Compact
Material topic: On-time performance			
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its boundaries	88	–
	103-2 The management approach and its components	81	–
	103-3 Evaluation of the management approach	81	–
Not applicable	OTP (on-time performance)	81	–
Material topic: Economic and financial sustainability			
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its boundaries	88	–
	103-2 The management approach and its components	45 and 48	–
	103-3 Evaluation of the management approach	47	–
GRI 203: Indirect economic impacts 2016	203-2 Significant indirect economic impacts	13	–
Material topic: Developing employees			
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its boundaries	88	3, 4 and 5
	103-2 The management approach and its components	73 and 74	
	103-3 Evaluation of the management approach	74 and 165	
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	74 and 165	
GRI 404: Training and education 2016	404-1 Average hours of training per year per employee	74	
Not applicable	Organization Health Index (OHI)	74 and 165	1, 2 and 6

GRI Standard	Disclosure	Page/Response	Global Compact
Material topic: Mitigating climate change			
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its boundaries	88	7, 8 and 9
	103-2 The management approach and its components	57 and 60	
	103-3 Evaluation of the management approach	65	
GRI 201: Economic performance 2016	201-2 Financial implications and other risks and opportunities due to climate change	63 and 64	7 and 9
GRI 302: Energy 2016	302-1 Energy consumption within the organization	71	
	302-3 Energy intensity	71	
	302-4 Reduction of energy consumption	64	
GRI 305: Emissions 2016	305-1 Direct GHG emissions (Scope 1)	65 and 164	8 and 9
	305-2 Indirect GHG emissions from energy generation (Scope 2)	164	
	305-3 Direct GHG emissions (Scope 3)	164	
	305-4 GHG emissions intensity	65 and 164	
	305-5 GHG emissions reduction	64	
GRI 306: Waste 2020	306-3 Waste generated	69	7 and 8
	306-4 Waste diverted from disposal	69	
	306-5 Waste directed to disposal	69	
Material topic: Customer focus			
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its boundaries	88	–
	103-2 The management approach and its components	25, 78 and 81	–
	103-3 Evaluation of the management approach	10, 21 and 81	–
Not applicable	Net Promoter Score (NPS)	81	–

GRI Standard	Disclosure	Page/Response	Global Compact
Material topic: Destination network			
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its boundaries	88	–
	103-2 The management approach and its components	13, 23 and 25	–
	103-3 Evaluation of the management approach	23, 24 and 25	–
Not applicable	Connectivity	24 and 25	–
Material topic: Relations with authorities			
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its boundaries	88	10
	103-2 The management approach and its components	37 and 117	
	103-3 Evaluation of the management approach	37 and 91	
GRI 415: Public policy 2016	415-1 Political contributions	37	
Material topic: Sustainable tourism			
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its boundaries	88	–
	103-2 The management approach and its components	14, 58 and 59	–
	103-3 Evaluation of the management approach	59	–
GRI 203: Indirect economic impacts 2016	203-1 Infrastructure investments and services supported	59	–
Other monitored GRI standards			
GRI 303: Water and effluents 2018	303-3 Water withdrawal	71	–
GRI 305: Emissions 2016	305-6 Emissions of ozone-depleting substances (ODS)	164	–
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	164	–

Glossary

ABEAR: Brazilian Airlines Association
ADR: American Depositary Receipts
AENOR: Spanish Standards and Certification Association
AFP: Chilean Pension Fund Managers
ALTA: Latin American and Caribbean Air Transport Association
ANAC: National Civil Aviation Agency – Brazil
API: Action Plan Index
APU: Auxiliary power unit
ASK: available seat-kilometer – equivalent to the number of seats available multiplied by the distance flown
ATAC: Colombian Air Transportation Association
ATAG: Air Transport Action Group
ATK: available ton-kilometers – equivalent to the capacity available in tons multiplied by the distance flown
B3: Brazilian Stock Exchange
CEIV Pharma: Center of Excellence of Independent Validators Pharma
CEO: executive director
CMF: Financial Market Commission (Chile)
CORSIA: Carbon Compensation and Reduction Scheme for International Aviation
CVM: Brazilian Securities Commission
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
DJSI: Dow Jones Sustainability Index
EBITDA: Earnings before interest, tax, depreciation, and amortization
EBITDAR: Earnings before interest, tax, depreciation, amortization, and aircraft rentals
EMS: Evironmental Management System
GEI: greenhouse gases
LPG: liquefied petroleum gas
GRI: Global Reporting Initiative
HEPA: High-Efficiency-Partition Arrestors, filters with high efficiency in particle retention. They are used in air circulation systems in aircraft and remove more than 99.9% of the impurities, such as viruses and bacteria, from the air
IAG: Internacional Airlines Group
IASB: International Accounting Standards Board
IATA: International Air Transport Association
ICAO: International Civil Aviation Organization
IEnvA: IATA Environmental Assessment
IFRS: International Financial Reporting Standard
IIRC: Integrated International Reporting Council
ILO: International Labor Organization
IOSA: IATA Operational Safety Audit
IPCC: Intergovernmental Panel on Climate Change
JBA: Joint Business Agreement
LSA: Chilean Corporations Act
MRO: Maintenance, Repair, and Operation
NPS: Net Promoter Score
NYSE: New York Stock Exchange
OECD: Organization for Economic Cooperation and Development
OHI: Organizational Health Index
OPEC: Organization of Petroleum Exporting Countries
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)
PMA: Part Manufacturing Approval – Suppliers of parts certified by aeronautical agencies
PTO: Public tender offer
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
TPI: third-party intermediary
UN: United Nations Organization

External assurance

102-56

Deloitte.

INDEPENDENT REVISION REPORT OF LATAM
INTEGRATED REPORT 2021

Mr. 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 2021:

Scope

Limited assurance engagement of the adherence of the contents and indicators included in the 2021 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 2021 Integrated Report.
- √ Analysis of the adherence of the contents of the 2021 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 GRI Standards indicators included in the 2021 Report, and its adequate gathering from the data provided by LATAM information sources.

Conclusions

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

102-1	102-2	102-3	102-4	102-5	102-6	102-7	102-8	102-9	102-10
102-11	102-12	102-13	102-14	102-15	102-16	102-17	102-18	102-40	102-41
102-42	102-43	102-44	102-45	102-46	102-47	102-48	102-49	102-50	102-51
102-52	102-53	102-54	102-55	102-56	103-1	103-2	103-3	201-2	203-1
203-2	205-2	205-3	206-1	302-1	302-3	302-4	303-3	305-1	305-2
305-3	305-4	305-5	305-6	305-7	306-3	306-4	306-5	401-1	404-1
403-7	403-9	415-1	417-3	419-1					

√ Regarding the verified indicators, we can say that no aspect has arisen to lead us to believe that the Integrated Report 2021 LATAM has not been prepared in accordance with the GRI Standards in those areas identified in the scope.

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 2021 Integrated Report, as well as its contents are under LATAM responsibility, which is in charge of the definition, adaptation, and maintenance of the management and internal control systems from who the information is obtained.

Our responsibility is to issue an independent report based on the procedures applied in our review.

This report has been prepared exclusively by LATAM's request, in accordance with the terms established in the Engagement Letter.

We have developed our work according to the standards of Independence established in the Code 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 28, 2022.

The scope of a limited assurance engagement is essentially inferior to a reasonable assurance engagement, thus, we are not hereby providing opinion about the 2021 LATAM Integrated Report.

Christian Durán
Partner
March 31, 2022

Appendices

In this chapter

LATAM Airlines Group S.A.
RUT: *89.862.200-2*
Address: *Santiago*
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.

PROPERTIES, PLANTS, AND EQUIPMENT

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 the central region of the capital, 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.

Brazil

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.

Profile
WHO WE ARE

TRADEMARKS AND PATENTS

The group uses various trademarks, which are duly registered before the relevant bodies in the various countries where they carry out their operations or which are their origin and/or destination, in order to distinguish and market their products and services in said country. Among the main brands are: LATAM Airlines, LATAM Airlines Brazil, LATAM Airlines Chile, LATAM Airlines Colombia, LATAM Airlines Ecuador, LATAM Airlines Peru, LATAM Cargo, LATAM PASS, and LATAM Travel, to name a few. 102-2

ADDITIONAL INFORMATION

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

General insurance: covering various risks that could affect the company's equity, which is protected by a multi-risk insurance (including risk of fire, theft, information equipment, security remittances, and others, based on the coverage of all risks), car insurance, air and maritime transport insurance, and civil liability insurance. Moreover, the company has life and accident insurance contracts covering the group's staff.

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

Suppliers: in 2021, 15 suppliers individually represented over 10% of their category: Orbital, Acciona and Talma (airport), Unilode Aviation Solutions (local administration), Gate Gourmet and LSG Sky Chefs (sourcing), Expeditors and Transportation Redvan (transportation), Facebook, Google Inc. and Graphene (marketing), CAE and Amil (employee services), Hotel Miami BL Partners (hotels), and Everfit S.A. (uniforms).

Operations
FLEET

	Length (m)	Wingspan (m)	Seats	Cruise speed (km/h)	Maximum takeoff weight (kg)
Short-haul fleet/ narrow-body aircraft					
Airbus A319-100	33.8	34.1	144	830	70,000
Airbus A319-200	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	174	830	89,000
Long-haul fleet/ wide-body aircraft					
Airbus A350-900	66.8	64.8	348	903	280,000
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 fleet	**Length (m)**	**Wingspan (m)**	**Cargo volume (m^3)**	**Cruise speed (km/h)**	**Maximum takeoff weight (kg)**
Boeing 767-300F	54.9	47.6	445.3	851	186,880

SHAREHOLDERS' AGREEMENTS[1]

Following the combination of LAN and TAM in June 2012, TAM S.A. continues to exist as a subsidiary of Holdco I and a subsidiary of LATAM, and LAN Airlines S.A. has been redesignated as "LATAM Airlines Group S.A."

Prior to the consummation of the business combination, LATAM Airlines Group, the Cueto Group, today a major shareholder, entered into several shareholders' agreements with TAM, the Amaro Group (acting through TEP Chile) and Holdco I, establishing agreements and restrictions relating to corporate governance in an attempt to balance LATAM Airlines Group's interests, as the owner of substantially all of the economic rights in TAM, and those of the Amaro Group by prohibiting the taking of certain specified material corporate actions and decisions without prior supermajority approval of the shareholders and/or the board of directors of Holdco I or TAM. These shareholders' agreements also set forth the parties' agreement regarding the governance and management of the LATAM Airlines Group following the consummation of the combination of LAN and TAM.

Governance and Management of LATAM Airlines Group

We refer to the shareholders' agreement among the Cueto Group and the Amaro Group (acting through TEP Chile), which sets forth the parties' agreement concerning the governance, management and operation of the LATAM Airlines Group, and voting and transfer of their respective LATAM Airlines Group common shares and TEP Chile's voting shares of Holdco I, as the "Cueto Amaro shareholders' agreement." We refer to the shareholders' agreement between LATAM Airlines Group S.A. and TEP Chile, which sets forth agreements concerning the governance, management and operation of the LATAM Airlines Group, as the "LATAM Airlines Group-TEP shareholders' agreement." The Cueto Amaro shareholders' agreement and the LATAM Airlines Group-TEP shareholders' agreement set forth the parties' agreement on the governance and management of the LATAM Airlines Group following the effective time.

This section describes the key provisions of the Cueto Amaro shareholders' agreement and the LATAM Airlines Group-TEP shareholders' agreement. The description of the LATAM Airlines Group-TEP shareholders' agreement summarized below and elsewhere in this annual report on Form 20-F is qualified in its entirety by reference to the full text of such shareholders' agreements, which has been filed as exhibit to this annual report on Form 20-F.

Composition of the LATAM Airlines Group Board

Since April 2017, there are no restrictions in the Cueto Amaro shareholders' agreement nor in the LATAM Airlines Group-TEP shareholders' agreement regarding the composition of LATAM Airlines Group's board of directors. Therefore, once elected in accordance with Chilean regulation, members of the LATAM Airlines Group's board of directors have the right to appoint any member as the chairman of LATAM Airlines Group's board of directors, from time to time, in accordance with the LATAM Airlines Group's by-laws. Accordingly, on May, 2017, on May 14, 2019 and on April, 30, 2020, Mr. Ignacio Cueto Plaza was elected as President of the Board.

On April 1, 2020 and on April 17, 2020 respectively Mr. Juan José Cueto Plaza and Mr. Carlos Heller Solari resigned from the LATAM Airlines Group's board of directors, and as their replacements, the board of directors appointed Mr. Enrique Cueto Plaza and Mr. Enrique Ostalé Cambiaso respectively. Both of them were elected by the shareholders on the Ordinary Meeting of April, 30th 2020.

Recently, on September 7, 2020 Mr. Giles Agutter resigned from the LATAM Airline's Group's board of directors, and as his replacement, the board of directors appointed Mr. Alexander D. Wilcox on October 6, 2020 until the next Ordinary Shareholders' Meeting of LATAM which should take place during the first quarter of 2021, instance in which the election and renewal of the whole Board of Directors will take place.

Management of the LATAM Airlines Group

On September 10, 2019, LATAM announced that Enrique Cueto Plaza, Chief Executive Officer of LATAM ("CEO LATAM") since June 2012, who left this position as of March 31, 2020, was being replaced as of such date by Mr. Roberto Alvo, current Chief Commercial Officer of LATAM. The CEO LATAM is the highest ranked officer of LATAM Airlines Group and reports directly to the LATAM board of directors. The CEO LATAM is charged with the general supervision, direction and control of the business of the LATAM Airlines Group and certain other responsibilities set forth in the LATAM Airlines Group-TEP shareholders' agreement. After any departure of the current CEO LATAM, our board of directors will select his or her successor after receiving the recommendation of the Leadership Committee.

1 On December 1, 2021 and January 5, 2022, the companies TEP Chile S.A. and TEP Aeronautica S.A., part of the Amaro Group, sold off the last shares they held in the Company, respectively, relinquishing their stake in LATAM.

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

SHAREHOLDERS' AGREEMENTS

Governance and Management of Holdco I and TAM

We refer to the shareholders' agreement between us, Holdco I and TEP Chile, which sets forth our agreement concerning the governance, management and operation of Holdco I, and voting and transfer of voting shares of Holdco I, as the "Holdco I shareholders' agreement" and to the shareholders' agreement between us, Holdco I, TAM and TEP Chile, which sets forth our agreement concerning the governance, management and operation of TAM and its subsidiaries following the effective time, as the "TAM shareholders' agreement." The Holdco I shareholders' agreement and the TAM shareholders' agreement set forth the parties' agreement on the governance and management of Holdco I, TAM and its subsidiaries (collectively, the "TAM Group") following the combination of LAN and TAM.

This section describes the key provisions of the Holdco I shareholders' agreement and the TAM shareholders' agreement. The description of the Holdco I shareholders' agreement and the TAM shareholders' agreement summarized below and elsewhere in this annual report on Form 20-F are qualified in their entirety by reference to the full text of the aforementioned shareholders' agreements, which have been filed as exhibits to this annual report on Form 20-F.

Composition of the Holdco I and TAM Boards

The Holdco I shareholders' agreement and TAM shareholders' agreement generally provide for identical boards of directors and the same chief executive officer at Holdco I and TAM, with LATAM appointing two directors and TEP Chile appointing four directors (including the chairman of the board of directors).

The Cueto Amaro shareholders' agreement provides that the persons elected by or on behalf of the Cueto Group or the Amaro Group to our board of directors must also serve on the boards of directors of both Holdco I and TAM.

Management of Holdco I and TAM

The day-to-day business and affairs of Holdco I will be managed by the TAM Group CEO under the oversight of the board of directors of Holdco I. The day-to-day business and affairs of TAM will be managed by the TAM Diretoria under the oversight of the board of directors of TAM. The TAM Diretoria will be comprised of the TAM Group CEO, the TAM CFO, the TAM COO and the TAM CCO, currently the CEO of TAM, will be the initial CEO of Holdco I and TAM, or the "TAM Group CEO" and any successor CEO will be selected by LATAM from three candidates proposed by TEP Chile. The TAM Group CEO will have general supervision, direction and control of the business and operations of the TAM Group (other than the international passenger business of the LATAM Airlines Group) and will carry out all orders and resolutions of the board of directors of TAM. The initial chief financial officer of TAM, or the "TAM CFO," has been jointly selected by LATAM and TEP Chile and any successor CFO will be selected by TEP Chile from three candidates proposed by LATAM. The chief operating officer of TAM, or the "TAM COO," and chief commercial officer of TAM, or the "TAM CCO," will be jointly selected and recommended to the TAM board of directors by the TAM Group CEO and TAM CFO and approved by the TAM board of directors. These shareholders' agreements also regulate the composition of the boards of directors of subsidiaries of TAM.

Following the combination, TAM continues to be headquartered in São Paulo, Brazil.

Supermajority Actions

Certain actions by Holdco I or TAM require supermajority approval by the board of directors or the shareholders of Holdco I or TAM which effectively require the approval of both LATAM and TEP Chile before the specified actions can be taken. Actions that require supermajority approval of the Holdco I board of directors or the TAM board of directors include, as applicable:

- to approve the annual budget and business plan and the multi-year business (which we refer to collectively as the "approved plans"), as well as any amendments to these plans;
- to take or agree to take any action which causes, or will reasonably cause, individually, or in the aggregate, any capital, operating or other expense of any TAM Company and its subsidiaries to be greater than (i) the lesser of 1% of revenue or 10% of profit under the approved plans, with respect to actions affecting the profit and loss statement, or (ii) the lesser of 2% of assets or 10% of cash and cash equivalents (as defined by IFRS) as set forth in the approved plan then in effect, with respect to actions affecting the cash flow statement;
- to create, dispose of or admit new shareholders to any subsidiary of

SHAREHOLDERS' AGREEMENTS

the relevant company, except to the extent expressly contemplated in the approved plans;

- to approve the acquisition, disposal, modification or encumbrance by any TAM company of any asset greater than $15 million or of any equity securities or securities convertible into equity securities of any TAM Company or other company, except to the extent expressly contemplated in the approved plans;
- to approve any investment in assets not related to the corporate purpose of any TAM company, except to the extent expressly contemplated in the approved plans;
- to enter into any agreement in an amount greater than $15 million, except to the extent expressly contemplated in the approved plans;
- to enter into any agreement related to profit sharing, joint ventures, business collaborations, alliance memberships, code sharing arrangements, except as approved by the business plans and budget then in effect, except to the extent expressly contemplated in the approved plans;
- to terminate, modify or waive any rights or claims of a relevant company or its subsidiaries under any arrangement in any amount greater than $15 million, except to the extent expressly contemplated in the approved plans;
- to commence, participate in, compromise or settle any material action with respect to any litigation or proceeding in an amount greater than $15 million, relating to the relevant company, except to the extent expressly permitted in the approved plans;
- to approve the execution, amendment, termination or ratification of agreements with related parties, except to the extent expressly contemplated in the approved plans;
- to approve any financial statements, amendments, or any accounting, dividend or tax policy of the relevant company;
- to approve the grant of any security interest or guarantee to secure obligations of third parties;
- to appoint executives other than the Holdco I CEO or the TAM Director or to re-elect the then current TAM CEO or TAM CFO; and to approve any vote to be cast by the relevant company or its subsidiaries in its capacity as a shareholder.

Actions requiring supermajority shareholder approval include:

- to approve any amendments to the by-laws of any relevant company or its subsidiaries in respect to the following matters: (i) corporate purpose; (ii) corporate capital; (iii) the rights inherent to each class of shares and its shareholders; (iv) the attributions of shareholder regular meetings or limitations to attributions of the board of directors; (v) changes in the number of directors or officers; (vi) the term; (vii) the change in the corporate headquarters of a relevant company; (viii) the composition, attributions and liabilities of management of any relevant company and (ix) dividends and other distributions;
- to approve the dissolution, liquidation, or winding up of a relevant company;
- to approve the transformation, merger, spin-up or any kind of corporate re-organization of a relevant company;
- to pay or distribute dividends or any other kind of distribution to the shareholders;
- to approve the issuance, redemption or amortization of any debt securities, equity securities or convertible securities;
- to approve a plan or the disposal by sale, encumbrance or otherwise of 50% or more of the assets, as determined by the balance sheet of the previous year, of Holdco I;
- to approve the disposal by sale, encumbrance of otherwise of 50% or more of the assets of a subsidiary of Holdco I representing at least 20% of Holdco I or to approve the sale, encumbrance or disposition of equity securities such that Holdco I loses control;
- to approve the grant of any security interest or guarantee to secure obligations in excess of 50% of the assets of the relevant company; and
- to approve the execution, amendment, termination or ratification of acts or agreement with related parties but only if applicable law requires approval of such matters.

SHAREHOLDERS' AGREEMENTS

Voting Agreements, Transfers and Other Arrangements

Voting Agreements

The Cueto Group and TEP Chile have agreed in the Cueto Amaro shareholder's agreement to vote their respective LATAM Airlines Group common shares as follows:

- the parties agree to vote their LATAM Airlines Group common shares to assist the other parties in removing and replacing the directors such other parties elected to the LATAM Airlines Group board of directors;
- the parties agree to consult with one another and use their good faith efforts to reach an agreement on all actions (other than actions requiring supermajority approval under Chilean law) to be taken by the LATAM board of directors or the LATAM shareholders, and if unable to reach such agreement, to follow the proposal made by our board of directors;
- the parties agree to maintain the size of the LATAM Airlines Group board of directors at a total of nine directors and to maintain the quorum required for action by the LATAM Airlines Group board of directors at a majority of the total number of directors of the LATAM Airlines Group board of directors; and
- if, after good faith efforts to reach an agreement with respect to any action that requires supermajority approval under Chilean law and a mediation period, the parties do not reach such an agreement, then TEP Chile has agreed to vote its shares on such supermajority matter as directed by the Cueto Group, which we refer to as a "directed vote."

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

Pursuant to the Cueto Amaro shareholders' agreement, the Cueto Group and TEP Chile are subject to certain restrictions on sales, transfers and pledges of the LATAM Airlines Group common shares and (in the case of TEP Chile only) the voting shares of Holdco I beneficially owned by them. Except for a limited amount of LATAM Airlines Group common shares, neither the Cueto Group nor TEP Chile were permitted to sell any of their LATAM Airlines Group common shares, and TEP Chile was not permitted to sell its voting shares of Holdco I, until June 2015. Since then, sales of LATAM Airlines Group common shares by either party are permitted, subject to (i) certain limitations on the volume and frequency of such sales and (ii) in the case of TEP Chile only, TEP Chile satisfying certain minimum ownership requirements. On or after December 31, 2021, TEP Chile may sell all of its LATAM Airlines Group common shares and voting shares of Holdco I as a block, subject to (x) approval of the transferee by the LATAM board of directors, (y) the condition that the sale not have an adverse effect, and (z) a right of first offer in favor of the Cueto Group, which we refer to collectively as "block sale provisions." An "adverse effect" is defined in the Cueto Amaro shareholder's agreement to mean a material adverse effect on our and Holdco I's ability to own or receive the full benefits of ownership of TAM and its subsidiaries or the ability of TAM and its subsidiaries to operate their airline businesses worldwide. The Cueto Group has agreed to transfer any voting shares of Holdco I acquired pursuant to such right of first offer to LATAM for the same consideration paid for such shares.

In addition, TEP Chile may sell all LATAM Airlines Group common shares and 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 or if TEP Chile is required to make two or more directed votes during any 24-month period at two meetings (consecutive or not) of the shareholders of LATAM Airlines Group held at least 12 months apart and LATAM Airlines Group has not yet fully exercised its conversion option described below. 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.

SHAREHOLDERS' AGREEMENTS

In addition, after December 31, 2021 and after the occurrence of the full ownership trigger date TEP Chile may sell all or any portion of its LATAM Airlines Group common shares, subject to (x) a right of first offer in favor of the LATAM Controlling Shareholders and (y) the restrictions on sales of LATAM Airlines Group common shares more than once in a 12-month period.

In addition, after December 31, 2021 and after the occurrence of the full ownership trigger date, TEP Chile may sell all or any portion of its LATAM Airlines Group common shares, subject to (x) a right of first offer in favor of the Cueto Group and (y) the restrictions on sales of LATAM Airlines Group common shares more than once in a 12-month period.

The Cueto Amaro shareholders agreement provides certain exceptions to these restrictions on transfer for certain pledges of LATAM Airlines Group common shares made by the parties and for transfers to affiliates, in each case under certain limited circumstances.

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) 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 Cueto Amaro shareholders' agreement and 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. 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.

On or after December 31, 2021, and after we have fully converted all of our shares of non-voting stock of Holdco I into shares of voting stock of Holdco I as permitted by Brazilian law and other applicable laws, we will have the right to purchase all of the voting shares of Holdco I held by the controlling shareholders of TAM for an amount equal to their then current tax basis in such shares and any costs incurred by them to effect such sale, which amount we refer to as the "sale consideration." If we do not timely exercise our right to purchase these shares or if, after December 31, 2021, we have the right under applicable law in Brazil and other applicable law to fully convert all the shares of non-voting stock of Holdco I beneficially owned by us into shares of voting stock of Holdco I and such conversion would not have an adverse effect but we have not fully exercised such right within a specified period, 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.

IGNACIO CUETO PLAZA

Chairman of the Board

Rut: 7.040.324-2

Mr. Ignacio Cueto has served as a member of LATAM Airlines Group's board of directors and as Chairman since April 2017 and was re-elected to the board of directors of LATAM in April 2019 and April 2020. Mr. Cueto's career in the airline industry extends over 30 years. In 1985, Mr. Cueto assumed the position of Vice president of Sales at Fast Air Carrier, a national cargo company of that time. In 1985, Mr. Cueto became Service Manager and Commercial Manager for the Miami sales office. Mr. Cueto later served on the board of directors of Ladeco (from 1994 to 1997) and LAN (from 1995 to 1997). Mr. Cueto served as President of LAN Cargo from 1995 to 1998, as Chief Executive Officer-Passenger Business from 1999 to 2005, and as President and Chief Operating Officer of LAN since 2005 until the combination with TAM in 2012. Mr. Cueto later served as LAN's CEO until April 2017. Mr. Cueto also led the establishment of the different affiliates that LATAM has in South America, as well as the implementation of key aliances with other airlines. Mr. Cueto is a member of the Cueto Group. As of February 28, 2021, Mr. Cueto shared in the beneficial ownership of 99,381,777 common shares of LATAM Airlines Group (16.39% of LATAM Airlines Group's outstanding shares) held by the Cueto Group.

ENRIQUE CUETO PLAZA

Vice-Chairman of the Board

Rut: 6.694.239-2

Mr. Enrique Cueto has served as 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 ("CEO"), since the combination between LAN and TAM in June 2012. From 1983 to 1993, Mr. Cueto was Chief Executive Officer of Fast Air, a Chilean Cargo airline. From 1993 to 1994, Mr Cueto was a member of the board of LAN Airlines. Thereafter, Mr. Cueto held the position of CEO of LAN until June 2012. Mr. Cueto is member of the International Air Transport Association ("IATA") Board of Governors. He is also member of the Board of the Endeavor foundation, an organization dedicated to the promotion of entrepreneurship in Chile, and Executive Member of the Latin American and Caribbean Air Transport Association ("ALTA"). Mr. Cueto is the brother of Mr. Ignacio Cueto, Chairman of the board. Mr. Cueto is also a member of the Cueto Group. As of February 28, 2021, Mr. Cueto shared in the beneficial ownership of 99,381,777 common shares of LATAM Airlines Group (16.39% of LATAM Airlines Group's outstanding shares) held by the Cueto Group.

ENRIQUE OSTALÉ CAMBIASO

Director

Rut: 8.681.278-9

Mr. Enrique Ostalé joined LATAM Airlines Group's Board of Directors in April 2020. He was Chairman of the Board of Walmart Chile S.A up to March, 2021 and he is currently the Chairman of the Board of Walmart Mexico and Central America SBA, until April 2022, as publicly announced. Prior to this role, he was Executive Vice president and Regional Chief Executive Officer – U.K, Latin America and Africa, at Walmart International. Mr. Ostalé assumed this expanded regional role in April 2017 after serving previously as CEO of Walmart Latin America, India and Africa (2016- 17), as CEO of Walmart Mexico, Central America and Latin America (2013-16) and President and CEO of Walmart Chile (2006-13), when he led the successful transition of D&S S.A into what is today Walmart Chile, following its acquisition by Walmart Inc. in 2009. Mr. Ostalé holds an undergraduate degree in economics and business administration from Adolfo Ibáñez University and a Master of Science in Accounting and Finance from the London School of Economics.

BOARD: COMPOSITION AND RÉSUMÉS

NICOLÁS EBLEN HIRMAS
Director
Rut: 15.336.049-9

Mr. Nicolás Eblen has served on LATAM's board of directors since April 2017 and was re-elected to the board of directors of LATAM in April 2019 and April 2020. Mr. Eblen currently serves as CEO of Inversiones Andes SpA, a position he has held since 2010. In addition, he serves on the board of directors of Granja Marina Tornagaleones S.A., Río Dulce S.A., Patagonia SeaFarms Inc., SalmonChile A.G., and Sociedad Agrícola La Cascada Ltda. Mr. Eblen holds a Bachelor's degree in Industrial Engineering, major in Computer Science from Pontificia Universidad Católica de Chile and a Master in Business Administration from Harvard Business School. As of February 28, 2021, the Eblen Group had the beneficial ownership of 27,644,702 common shares of LATAM Airlines Group (4.56% of LATAM Airlines Group's outstanding shares).

HENRI PHILIPPE REICHSTUL
Director
Rut: 48.175.668-5

Mr. Henri Philippe Reichstul joined LATAM's board of directors in April 2014 and was reelected to the board of directors of LATAM in April 2019 and April 2020. Mr. Reichstul is a Brazilian citizen and has served as President of Petrobras and the IPEA (Institute for Economic and Social Planning) and Executive Vice president of Banco Inter American Express S.A. Currently, in addition to his roles as Administrative Board member of TAM and LATAM Group, he is also a member of the board of directors of Repsol and chairman of the board of Fives, among others. Mr. Reichstul is an economist with an undergraduate degree from the Faculty of Economics and Administration, University of São Paulo, and postgraduate work degrees in the same discipline–Hertford College–Oxford University.

PATRICK HORN
Director
Rut: 6.728.323-6

Mr. Patrick Horn has served on LATAM Airlines Group's board of directors since April 2019 and was reelected in April 2020. He is currently a Member of the Economic Council of the Universidad de los Andes and director of non-profits such as Aportes Chile. He has more than 35 years' experience as an executive, both in Chile and abroad, in companies including British American Tobacco Co., Unilever, Compañía Sudamericana de Vapores and Grupo Ultramar, where he was also director of subsidiaries. Mr. Horn graduated as an Industrial Civil Engineer from the Pontificia Universidad Católica de Valparaiso and holds a Master of Science in Industrial Engineering from the Georgia Institute of Technology, U.S. He has participated in executive programs at the training centers of British American Tobacco Co. and Unilever in London, and at Kellogg Business School. He also completed a business management program (PADE) at the Universidad de los Andes Business School (ESE).

ALEXANDER WILCOX

Director

Rut: foreigner

Mr. Alexander Wilcox has served on LATAM Airlines Group's board of directors since October 2020. Mr. Wilcox resides in the United States and has broad experience in the aviation industry where he held executive positions in several airlines between 1996 and 2005. Mr. Wilcox is a cofounder and the CEO of JSX, a public charter commuter air carrier in the U.S. Mr. Wilcox attended the University of Vermont and earned a BA in Political Science and English.

EDUARDO NOVOA

Director

Rut: 7.836.212-K

Mr. Eduardo Novoa has served on LATAM's board of directors since April 2017 and was reelected to the board of directors of LATAM in April 2019 and April 2020. In addition, Mr. Novoa serves on the board of directors of Cementos Bio-Bio, Grupo Ecomac, ESSAL and is a member of the advisory board of STARS and Endeavor. He was also a member of the board of directors of Esval, Soquimich, Grupo Drillco, Techpack, Endesa-Americas, Grupo Saesa, Grupo Chilquinta, and several companies in the region that were subsidiaries of Enersis and AFP Provida. He has also been a member of the board of Amcham-Chile, the Association of Electric Companies, YPO-Chile, Chile Global Angels and several Start-Ups. Between 1990 and 2007 he was an executive of several companies such as CorpGroup, Enersis, Endesa, Blue Circle, PSEG and Grupo Saesa. Mr. Novoa has a Bachelor of Business and Administration from the Universidad de Chile and a Master in Business Administration from the University of Chicago. He has participated in executive programs at Harvard, Stanford and Kellogg and was professor of finance and economics at several universities in Chile.

SONIA VILLALOBOS

Director

Rut: 21.743.859-4

Mrs. Sonia J.S. Villalobos joined the Board of LATAM Airlines in August 2018 and was reelected to the board of directors of LATAM in April 2019 and April 2020. Mrs. Villalobos is a Brazilian citizen and a regular member of the board of directors of Petrobras and Telefónica Vivo. She is a founding partner of the company Villalobos Consultoria since 2009 and a professor of post-graduate courses in finance at Insper since 2016. Between 2005 and 2009, she was the Manager of Funds in Latin America, in Chile, managing mutual and institutional funds of Larrain Vial AGF. From 1996 to 2002, she was responsible for Private Equity investments in Brazil, Argentina and Chile for Bassini, Playfair & Associates, LLC. As of 1989 she was Head of Research of Banco Garantia. She graduated in Public Administration from EAESP/FGV in 1984 and obtained a Master in Finance from the same institution in 2004. She was the first person to receive the CFA certification in Latin America, in 1994. As a volunteer, she participates in the Board of the CFA Society Brazil, a non-profit association that brings together nearly 1,000 professionals who hold the CFA (Chartered Financial Analyst) certification in Brazil.

ANNUAL REPORT OF THE BOARD COMMITTEE'S ADMINISTRATION

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 2021.

I COMPOSITION OF THE DIRECTOR'S COMMITTEE

The Company's Board Committee comprises Messrs. Eduardo Novoa Castellón, Patrick Horn García, and Nicolás Eblen Hirmas, who are deemed independent members under US legislation. Under Chilean legislation, the former two are deemed independent members. The Board Committee is chaired by Mr. Eduardo Novoa Castellón.

The members were chosen in the Ordinary Shareholders Meeting held on April 20, 2021, and they will hold office for a two-year term, pursuant to the provisions of the Company's bylaws.

II. COMMITTEE'S ACTIVITY REPORT

During financial year 2021, the Directors' Committee met on 57 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 exiting Chapter 11.

Below, is a report of the main issues discussed.

Examination and review of balance sheet and financial statements

The Board Committee examined and reviewed the Company's financial statements as at December 31, 2020, as well as at the end of the quarters ended on March 31, June 30, and September 30, 2021, in extraordinary Board meetings held on March 9, May 6, August 9, and November 09, 2021, respectively, including the examination of the corresponding reports from the Company's external auditors, *PriceWaterhouseCoopers Consultores*, Auditores y Cía. Limitada ("PwC"), who participated in the four sessions to deliver their opinion on the quality of the Company's external auditors.

Review of reports on impairment of the cash generating unit

At the meetings of February 9, April 12, April 30, July 12, and October 18, 2021, The Directors' Committee addressed issues related to the impairment test and 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 2020, analysis of evidence of impairment at March 31, 2021, impairment test at March 31, evidence analysis at June 30, and September 30, 2021, 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 08, 2021, the Committee examined the existing wage systems and compensation plans for the Company's main executives and workers.

Internal Audit

In ordinary meetings held on January 20, March 17, May 10, July 30, September 3, October 18, and December 10, 2021, topics regarding the Internal Audit were reviewed. The status of the Internal Audit Plan carried out during 2020 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 2021 workplan 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 18, May 10, and November 8, 2021, discussed the plan to be followed regarding SOX standards for certification during 2021. Also, a report was issued including the SOX certification results obtained during 2020, related relevant issues to be considered during 2021, Company projects that, due to their relevance, could have an impact regarding SOX standards, the main environmental impacts of the COVID-19 and Chapter 11 contingency controls, and a timeline to be followed regarding this certification during 2021.

External Audit Services – *External Audits Workplan*

- In the meeting held on June 7, 2021, External Auditor PWC presented the workplan to be followed regarding the External Audit during 2021, addressing topics related to the regulatory requirements in terms of communication and project deliverables, the composition of the PWC team rendering these services to the Company, 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. The economic proposal is also reported on the basis of management's request regarding the possibility of postponing the tender of the external audit services for one year.

- In the ordinary meeting held on June 7, 2021, External Auditors Ernst & Young ("EY"), in charge of the external audit of LATAM Airlines Brazil, discussed the team, scope, and work timeline of the review, the main issues to be addressed during 2021, the internal control-SOX issues, and the next steps to be followed. The economic proposal is also reported on the basis of management's request regarding the possibility of postponing the tender of the external audit services for one year.

Corporate Risk Management

In the sessions held on January 20 and December 10, 2021, risk-related matters were reviewed, including, in the last session, the Company's risk map in the new low-activity environment, due to the COVID-19 pandemic and Chapter 11.

Safety

In the sessions of the Directors' Committee on January 18, April 12, and July 12, 2021, various security issues were discussed, including physical and air security, cybersecurity, and the anti-fraud model in *E-business*, among others.

Compliance

In the ordinary meetings held on March 8 and September 13, 2021, 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 for the Organization, the development of policies and rules, training and communications, controls by country of the status of Third Party Intermediaries ("TPIs"), identification and management of Compliance risks, and a report on Compliance at the corporate level, among others.

LATAM Policies

The sessions held on August 9, November 8, and December 20, 2021 analyzed both modifications to existing policies and some new policies, including the Information Security Policy, Information Classification Policy, Credit and Credit Risk Policy, Safety, Health and Environment Policy, Social Networking Policy, Social Media Policy, and Diversity and Inclusion Policy.

Examination of reports pertaining to the Related-Party Transactions Policy ("RPT", for its Spanish acronym)

In the Committee meetings held on July 12, 2021, the reporting obligation established in the RPT Policy was fulfilled, 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 background on DIP (debtor in possession) financing under Chapter 11 proceeding

In the meetings of the Directors' Committee held on March 4, March 26, September 2, September 7, September 21, September 23, October 7, October 14, and October 21, 2021, the Directors' Committee reviewed and analyzed the background presented with regard to the tranche B DIP (debtor in possession) Financing under the Chapter 11 proceeding, complying with the regulations concerning related-party transactions, in the corresponding cases. Likewise, the drafts associated with said DIP financing were discussed in the sessions held on June 7, November 8, and December 20, 2021.

Review of background related to the Reorganization Plan under the Chapter 11 proceeding

In the Directors' Committee meetings held on March 4, June 10 and 30, July 28, August 26, September 2, 7, 16, 21, and 30, October 7, 14, 21, and 28, November 4, 5, 10, 12, 18, 23 and 26, and December 9, 16, 23, and 30, 2021, the Directors' Committee reviewed and analyzed the background they were presenting regarding the reorganization and financing plan (the "Reorganization Plan") in the context of the Chapter 11 proceeding in the United States. The Plan was submitted to the Court on November 26, 2021.

Corporate Governance Practices

In the Directors Committee meeting held on September 13, 2021, the work

ANNUAL REPORT OF THE BOARD COMMITTEE'S ADMINISTRATION

plan and the necessary adjustments to the questionnaire provided for in Annex I to General Standard ("NCG", for its Spanish acronym) No. 385 of the Chilean Financial Markets Commission (CMF, for its Spanish acronym) were revised, whereby LATAM's corporate governance practices for the period were analyzed and examined. At the session held on December 20, 2020, Directors were then informed of the issuance of the CMF's NCG No. 461, which repeals NCG No. 385 and modifies NCG No. 30 to include information regarding corporate governance practices in the Annual Report as of December 31, 2022, establishing a new plan to comply with the changes to this regulation, which considers the inclusion in the 2021 Report of the main body of the Company's corporate governance practices, including the Company's Corporate Practices Manual and the Manual for Manual for Handling Relevant Information for the Markets.

Board Committee Recommendations

On the other hand, the Directors' Committee issued the recommendations stated further ahead in this annual management report regarding the appointment of the Company's External Auditors and private risk rating agencies for 2021.

Report of Activities by Board Committee Meeting

The Board Committee met at the times mentioned below, with a brief list of the topics examined at each of these meetings:

1) Ordinary meeting n° 217 – 01/18/2021
- Update on Fleet Negotiation and DIP Topics.
- Risks-Sustainability Management.
- Safety Management.
- Status of SOX Certification.

2) Extraordinary meeting n°109 – 01/20/2021
- Results of the Work Plan 2020 Internal Audit.
- Update Risk and Internal Control Pillar.

3) Extraordinary meeting n°110 – 2/09/2021
- Review of the MOR for December 2020 in the framework of compliance with obligations under the Chapter 11 proceeding.
- Update *impairment test* and *going concert*.

4) Extraordinary meeting n°111 – 26/02/2021
- Review of the MOR for January 2021 in the framework of compliance with obligations under the Chapter 11 proceeding.

5) Extraordinary meeting n°112 – 3/04/2021
- Update of topics requested from advisors on reorganization plan to exit from Chapter 11.
- Analysis of the possibility of Tranche B DIP financing (debtor in possession).

6) Ordinary meeting n° 218 – 3/08/2021
- Legal issue in Brazil.
- Company executive and worker salary systems and compensation plans.
- Update on Fleet Negotiation and DIP Topics.
- Compliance issues.
- Corporate Topics (Proposal of external auditors and private risk rating agencies for 2021).
- Annual report of the Directors' Committee's management.

7) Extraordinary meeting n°113 – 3/09/2021
- Review of Financial Statements up to 12/31/2020.

8) Extraordinary meeting n°114 – 3/17/2021
- Deloitte Presentation-- Internal Audit Transformation Plan.
- Progress of Internal Audit Transformation Plan.
- Proposal of Internal Audit Plan 2021.

9) Extraordinary meeting n°115 – 3/26/2021
- Matters relating to Chapter 11.

10) Extraordinary meeting n°116 – 3/30/2021
- Review of the MOR for February 2021 in the framework of compliance with obligations under the Chapter 11 proceeding.

11) Ordinary meeting n° 219 – 4/12/2021
- Update on Fleet Negotiation and DIP Topics.
- Indications of impairment related to the financial statements as at 3/31/2021.
- Cybersecurity Update.
- Internal Audit topics.

12) Extraordinary meeting n°117 – 4/30/2021
- Impairment test related to the Financial Statement as at 3/31/2021.

13) Extraordinary meeting n°118 – 5/06/2021
- Review of the MOR for March 2021 in the framework of compliance with obligations under the Chapter 11 proceeding.
- Review of Financial Statements up to 12/03/2021.

14) Ordinary meeting n° 220 – 5/10/2021
- Project ONE OPS.
- Update on Fleet Negotiation and DIP Topics.
- Planning of SOX 2021.
- Internal Audit topics.

15) Extraordinary meeting n°119 – 5/31/2021
- Review of the MOR for April 2021 in the framework of compliance with obligations under the Chapter 11 proceeding.

16) Ordinary meeting n° 221 – 6/07/2021
- Evaluation of the Internal Audit and Control Integration Process by the CEO.
- Update on Fleet Negotiation and DIP Topics.
- 2021 Plan External Auditors EY.
- 2021 Plan External Auditors PwC.

17) Extraordinary meeting n°120 – 6/10/2021
- Information on the LATAM Reorganization Plan.

18) Extraordinary meeting n°121 – 6/29/2020
- Review of the MOR for May 2021 in the framework of compliance with obligations under the Chapter 11 proceeding.

19) Extraordinary meeting n°122 – 6/30/2021
- Update on LATAM Reorganization Plan.

20) Ordinary meeting n° 222 – 7/12/2021
- Update on Fleet Negotiation and DIP Topics.
- Tax issues.
- Indications of impairment related to the financial statements as at 6/30/2021.
- E-Business LATAM Anti-Fraud Model.
- Out-of-court agreement with the National Economic Prosecutor's Office ("FNE", for its Spanish acronym) in Chile.

21) Extraordinary meeting n°123 – 7/28/2021
- Update on LATAM Reorganization Plan.

22) Extraordinary meeting n°124 – 7/30/2021
- Deloitte consulting Kick off – Support to the Audit and Risk Transformation Plan.
- Progress of Internal Audit Transformation Plan.

23) Ordinary meeting n° 223 – 8/09/2021
- Update on Fleet Negotiation and DIP Topics.
- Derivatives
- Company Processes and Controls for Risks Derived from the Chapter 11 Proceeding.
- LATAM policy updates.
- Legal issues.

24) Extraordinary meeting n° 125 – 8/09/2021
- Review of the MOR for June 2021 in the framework of compliance with obligations under the Chapter 11 proceeding.
- Review of Financial Statements up to 06/30/2021.

25) Extraordinary meeting n° 126 – 8/26/2021
- Update on LATAM Reorganization Plan.

26) Extraordinary meeting n° 127 – 8/31/2021
- Review of the MOR for July2021 in the framework of compliance with obligations under the Chapter 11 proceeding.

27) Extraordinary meeting n° 128 – 9/02/2021
- Update on LATAM Reorganization Plan.

28) Extraordinary meeting n° 129 – 9/03/2021
- Deloitte Consulting progress – Support to the Internal Audit and Risk Transformation Plan.

29) Extraordinary meeting n°130 – 9/07/2021
- Update on LATAM Reorganization Plan.

30) Ordinary meeting n° 224 – 9/13/2021
- Update on Fleet Negotiation and DIP Topics.
- Update on Compliance Matters.
- Project Restart – Unified cargo business system.
- Analysis of information required by General Rule N° 385 of the Financial Market Commission (CMF).

31) Extraordinary meeting n° 131 – 9/16/2021
- Update on LATAM Reorganization Plan.

32) Extraordinary meeting n° 132 – 09/21/2021
- Update on LATAM Reorganization Plan.

33) Extraordinary meeting n° 133 – 09/23/2021
- Update on LATAM Reorganization Plan.

34) Extraordinary meeting n° 134 – 09/30/2021
- Update on LATAM Reorganization Plan.

35) Extraordinary meeting n°135 – 10/01/2021
- Review of the MOR for August 2021 in the framework of compliance with obligations under the Chapter 11 proceeding.

36) Extraordinary meeting n° 136 – 10/07/2021
- Update on LATAM Reorganization Plan.

37) Extraordinary meeting n° 137 – 10/14/2021
- Update on LATAM Reorganization Plan.

38) Ordinary meeting n° 225 – 10/18/2021
- Update on Fleet Negotiation and DIP Topics.
- Update of Manual for Handling Relevant Information for Markets
- Indications of impairment related to the financial statements as at 9/30/2021.
- SAP/Hana Project (Brownfield).
- Deloitte Consulting progress – Support to the Internal Audit and Risk Transformation Plan.

39) Extraordinary meeting n° 138 – 10/21/2021
- Update on LATAM Reorganization Plan.

40) Extraordinary meeting n° 139 – 10/28/2021
- Update on LATAM Reorganization Plan.

41) Extraordinary meeting n° 140 – 11/04/2021
- Update on LATAM Reorganization Plan.

42) Extraordinary meeting n° 141 – 11/05/2021
- Update on LATAM Reorganization Plan.

43) Ordinary meeting n° 226 – 11/08/2021
- Update on Fleet Negotiation and DIP Topics.
- Credit and Credit Risk Policy.
- Accounting provisions.
- SOX status.
- LATAM policy updates.

44) Extraordinary meeting n°142 – 11/09/2021
- Review of the MOR for September 2021 in the framework of compliance with obligations under the Chapter 11 proceeding.
- Review of Financial Statements up to 09/30/2021.

45) Extraordinary meeting n° 143 – 11/10/2021
- Update on LATAM Reorganization Plan.

46) Extraordinary meeting n° 144 – 11/12/2021
- Update on LATAM Reorganization Plan.

47) Extraordinary meeting n° 145 – 11/18/2021
- Update on LATAM Reorganization Plan.

48) Extraordinary meeting n° 146 – 11/23/2021
- Update on LATAM Reorganization Plan.

49) Extraordinary meeting n° 147 – 11/26/2021
- Update on LATAM Reorganization Plan.

50) Extraordinary meeting n° 148 – 11/30/2021
- Review of the MOR for October 2021 in the framework of compliance with obligations under the Chapter 11 proceeding.

51) Extraordinary meeting n° 149 – 12/09/2021
- Update on LATAM Reorganization Plan.

52) Extraordinary meeting n° 150 – 12/10/2021
- Deloitte Consulting progress – Support to the Internal Audit and Risk Transformation Plan.
- Progress of Internal Audit Transformation Plan.
- Status of the Audit Plan 2021.
- Risk Pillar Status.

53) Extraordinary meeting n° 151 – 12/16/2021
- Update on LATAM Reorganization Plan.

54) Ordinary meeting n° 227 – 12/20/2021
- Update on Fleet Negotiation and DIP Topics.
- Possible revision of cargo contract with related party.
- Topic Environment, Health, and Safety Management (EHS)
- General STANDARD n° 385.
- LATAM policy updates.
- Topic Remuneration – Corporate Incentive Plan.

55) Extraordinary meeting n° 152 – 12/23/2021
- Update on LATAM Reorganization Plan.

56) Extraordinary meeting n° 153 – 12/30/2021
- Review of the MOR for November 2021 in the framework of compliance with obligations under the Chapter 11 proceeding.

57) Extraordinary meeting n° 154 – 12/30/2021
- Update on LATAM Reorganization Plan.

ANNUAL REPORT OF THE BOARD COMMITTEE'S ADMINISTRATION

III. DIRECTORS COMMITTEE COMPENSATION AND SPENDING

The Company's Ordinary Shareholders' Meeting held on April 20, 2021, 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. This proposal meant changing the remuneration that was approved for the previous year, whereby the Directors who are members of the Directors' Committee will be paid per session they attend.

For purposes of the operation of the Directors' Committee and its advisors, Law number 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 sense, said Ordinary Shareholders' Meeting approved maintaining the same budget approved in past years of 2,880 UF. During 2021, this spending budget was not used.

IV. RECOMMENDATIONS FOR THE DIRECTORS' COMMITTEE

IV.1 Proposal for Appointment of External Auditors.

In the meeting of the Directors' Committee held on March 8, 2021 and in accordance with Article 50 bis, section eight, paragraph two, of Law No. 18,046 on Limited Corporations, they agreed to propose to the Company's Board of Directors, based on an analysis of the work of the external auditors and the 2020 performance evaluation of the audit firms presented by Management, to continue with the external auditors already elected and ratified at the Company's Ordinary Shareholders' Meeting held on April 30, 2020, namely PWC for the parent company, EY for Brazil, and PWC for the SSC (other Spanish-speaking countries where LATAM operates), considering, moreover, that the contract signed with PWC as a result of the tender for the External Audit services, held in 2018 by the Company, is currently in force and that it includes the rendering of these services for the periods 2019, 2020, and 2021. The above proposal was approved by the Company's Shareholders' Meeting held on April 20, 2021.

IV.2 Proposal of Private Risk-Rating Agencies

In its meeting held on March 8, 2021, and in accordance with Article 50 bis, section 8, paragraph two, 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, 2021. 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 Ratings Services.

MAIN EXECUTIVES

ROBERTO ALVO
CEO LATAM Airlines Group
RUT: 8.823.367-0

Mr. Roberto Alvo is LATAM's Chief Executive Officer ("CEO"), a position he holds since March 31, 2020, prior to which he worked as LATAM's Chief Commercial Officer ("CCO"), since May 2017, and was responsible of the Group's passenger and cargo revenue management, with all the commercial units reporting to him. Previously, he was Vice president of International and Alliances at LATAM Airlines since 2015, and Vice president of Strategic Planning and Development since 2008. Mr 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 2001, Mr. 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.

HERNÁN PASMAN
Chief Operating Officer and Maintenance
RUT: 21.828.810-3

Mr. 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 a head of strategic planning and financial analysis of the technical areas. Between 2007 and 2010, Mr. Pasman was the Chief operating officer of LAN Argentina, then, in 2011 he served as Chief Executive Officer for LAN Colombia. Prior to joining the company, between 2001 and 2005, Mr. Pasman was a consultant at McKinsey & Company in Chicago. Between 1995 and 2001, Hernan held positions at Citicorp Equity Investments, Telefonica de Argentina and Argentina Motorola. Mr. Pasman holds a Civil Engineering degree from ITBA (1995) and an MBA from Kellogg Graduate School of Management (2001).

RAMIRO ALFONSÍN
Chief Financial Officer
RUT: 22.357.225-1

Mr. Ramiro Alfonsín is LATAM's Chief Financial Officer ("CFO"), a position he holds since July 2016. Over the past 16 years, before joining LATAM, he worked for Endesa, a leading utility company in Spain, Italy and Chile, having served as Deputy Chief Executive Officer and Chief Financial Officer for their Latin American operations. Before joining the utility sector, he worked for five years in Corporate and Investment Banking for several European banks. Mr. Alfonsín holds a degree in business administration from Pontificia Universidad Católica.

MARTIN ST. GEORGE
Chief Commercial Officer
RUT: foreigner

Mr. Martin St. George joined LATAM Airlines Group in 2020 as Chief Commercial Officer after a 30+ year career in the airline industry in both North America and Europe. Prior to joining LATAM, he operated an airline strategy consulting practice, where he served airline and travel-industry clients in the United States, the Caribbean and Europe, including a role as interim Chief Commercial Officer at Norwegian Air Shuttle ASA. From 2006 to 2019, he worked for JetBlue Airways, filling roles in marketing, network and ultimately serving as Chief Commercial Officer at JetBlue. Mr. St. George holds a degree in Civil Engineering from the Massachusetts Institute of Technology.

MAIN EXECUTIVES

JULIANA RIOS
Chief Digital and IT Officer
RUT: foreigner

Juliana Rios brings over 20 years of expertise in services and technology in finance and airline industries. Her experience covers business transformation, M&A, digitization, IT, and management of large-scale projects such as PSS migration. In her current role as Chief Digital and IT Officer she leads LATAM Airlines Digital transformation efforts whilst maintaining the applications and infrastructure of the company operating successfully. Before joining LATAM Airlines in 2015, Juliana was a senior executive at Banco Santander in Brazil heading the retail business strategy and customer experience. She led integration programs in Brazil, Italy and the Netherlands. Juliana holds a university diploma in business administration and a MBA in corporate management from IBMEC, Brazil.

JUAN JOSE 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 degree 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 the LATAM group as Director of Corporate Affairs and Sustainability, reporting directly to the CEO of LATAM group, and where he coordinates the corporate strategy of Public Affairs, External Communications, and Sustainability.

PAULO MIRANDA
Customers Vice president
RUT: foreigner

Mr. Paulo Miranda is LATAM's Customers Vice president, a position he holds since May 2019. Mr. Miranda has over 20 years of experience in the aviation industry with different positions first at Delta Air Lines in the United States and then at Gol Linhas Aereas in Brazil. In his last role, Mr. Miranda was responsible for customer experience, having previously worked in finance, alliances as well as on the negotiation and implementation of joint ventures. Mr. Miranda holds a Business Administration degree from the Carlson School of Management at the University of Minnesota, USA.

EMILIO DEL REAL
Human Resources Vice president
RUT: 9.908.112-0

Mr. Emilio del Real is LATAM's Vice president of Human Resources, a position he assumed in August 2005. Between 2003 and 2005, Mr. del Real was the Human Resources Manager of D&S, a Chilean retail company. Between 1997 and 2003 Mr. del Real 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. Mr. del Real has a degree in Psychology from the Universidad Gabriela Mistral.

JUAN CARLOS MENCIO
Vice president of Legal Affairs and Compliance
RUT: 24.725.433-1

Mr. Juan Carlos Menció is Vice president of Legal Affairs and Compliance for LATAM Airlines Group a position he holds since September 1, 2014. Mr. Menció previously held the position of General Counsel for North America for LATAM Airlines Group and its related companies, 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. Mr. Menció 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.

MEMBERSHIP OF ASSOCIATIONS

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 2021, financial contributions to the different entities totaled US$1.3 billion. The entities that received the largest contributions were: Associação Brasileira das Empresas Aéreas (Abear), International Air Transport Association (IATA), and Sindicato Nacional das Empresas Aeroviárias (SNEA).

Argentina

- Cámara de Compañías Aéreas en Argentina (JURCA)

Brazil

- American Chamber of Commerce – Brasil (Amcham 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 de Comunicação Empresarial (Aberje)
- Flight Safety Foundation (FSF)
- G100 Brasil (G100 Brasil)
- International Air Transport Association (IATA)
- Junta dos Representantes das Companhias Aéreas Internacionais do Brasil (Jurcaib)
- Sindicato Nacional das Empresas Aeroviárias (Snea)

Chile

- American Chamber of Commerce – Chile (AMCHAM Chile)
- Asociación Chilena de Aerolíneas (ACHILA)
- Asociación Latinoamericana y del Caribe de Transporte Aéreo (ALTA)
- Centro de Estudios Públicos
- Federación de las Empresas de Turismo de Chile (Fedetur)
- Fundación Chilena del Pacífico
- Global Compact
- Instituto Chileno de Administración Racional de Empresas (ICARE)
- International Air Transport Association (IATA)
- 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 de Pichincha
- Club 30%
- Global Compact

Peru

- American Chamber of Commerce – Peru (AMCHAM Peru)
- Asociación de Empresas de Transporte Aéreo Internacional (AETAI)
- Asociación Peruana de Empresas Aéreas (APEA)
- 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)

REGULATION

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, will be 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 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.

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;

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- maintaining the National Aircraft Registry;
- 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).

We have obtained and maintain 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, 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

REGULATION

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, 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 add a fuel charge. In the case that a fuel surcharge is charged, it must be part of the fare, but shall be informed separately on the 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 LANDECO 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.

As a condition to the combination between LAN and TAM in June 2012, the antitrust authorities in Chile and Brazil each imposed certain mitigation measures as part of their approval of the merger transaction. Furthermore, the association was also submitted to the antitrust authorities in Germany, Italy and Spain. All these jurisdictions granted unconditional clearances for this transaction. The merger was filed with the Argentinean antitrust authorities; approval is still pending. 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:

- exchange of certain slots in the Guarulhos Airport at São Paulo, Brazil;
- 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;
- execution of interline agreements with airlines operating the Santiago-São Paulo, Santiago-Río de Janeiro and Santiago-Asunción routes;
- certain capacity and other transitory restrictions applicable to the Santiago-São Paulo route;
- certain amendments to LAN's self-regulatory fare plan approved by the TDLC with respect to LAN's domestic passenger business;
- 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

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otherwise, or to elect not to participate in any global airline alliance;

- 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;

- 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;

- 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;

- 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;

- certain restrictions regarding incentives to travel agencies;

- 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;

- 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

- 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 Airlines 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 doesn't belong to a global airline alliance.

LATAM Airlines Group S.A. and Delta Air Lines successfully reached an agreement on the implementation, along with certain mitigation measures for their TransAmerican 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.

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.

Santiago, February 26, 2021

MATERIAL FACT

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 material facts of LATAM Airlines Group S.A. ("LATAM Airlines" or the "Company"):

- As informed, LATAM Airlines started 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 Procedure").

- LATAM has to prepare and deliver a Monthly Operating Report ("MOR"), as part of the reporting obligations it has to comply with under the Chapter 11 Procedure.

- Considering the abovementioned, we hereby make available for your Commission and for the market the MOR corresponding to the month of January 2021, dated as of today, included in the following link https://www.latamreorganizacion.com/en/publications/.

- 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 under the Chapter 11 Procedure.

In consequence and without prejudice of the limitations detailed in the MOR, we state that the information contained in this report, solely prepared for complying with obligations under the Chapter 11 Procedure, has not been audited, has a limited scope and covers a limited period of time for it is subject to material changes as the quarter advances along with the regulatory processes of the quarterly financial statement's preparation, included the limited revision by the external auditors, if applicable.

Santiago, March 30, 2021

MATERIAL FACT

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 material facts of LATAM Airlines Group S.A. ("LATAM Airlines" or the "Company"):

- As informed, LATAM Airlines started 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 Procedure").

- LATAM has to prepare and deliver a Monthly Operating Report ("MOR"), as part of the reporting obligations it has to comply with under the Chapter 11 Procedure.

- Considering the abovementioned, we hereby make available for your Commission and for the market the MOR corresponding to the month of February 2021, dated as of today, included in the following link https://www.latamreorganizacion.com/en/publications/.

- 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 under the Chapter 11 Procedure.

In consequence and without prejudice of the limitations detailed in the MOR, we state that the information contained in this report, solely prepared for complying with obligations under the Chapter 11 Procedure, has not been audited, has a limited scope and covers a limited period of time for it is subject to material changes as the quarter advances along with the regulatory processes of the quarterly financial statement's preparation, included the limited revision by the external auditors, when applicable.

Santiago, March 31, 2021

MATERIAL FACT

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 30, 2021, and agreed to schedule the Company's Annual Shareholders' Meeting (the "Meeting") for April 20, 2021, at 3pm, in Camino a Lampa 9978, Santiago, which will be carried out remotely, exclusively in digital format as detailed below, with the objective of deciding upon the following resolutions:

1. Annual Report, Balance Sheet and Financial Statements for the year 2020; situation of the Company; and respective External Audit Firm's report
2. Election of the Board of Directors
3. Board Compensation for the 2021 Fiscal Year
4. Compensation and budget of the Audit Committee for the 2021 Fiscal Year
5. Appointment of the External Auditing Firm
6. Appointment of the Risk Rating Agencies
7. Determination of the newspaper for publications to be made by the Company
8. Account of transactions with related parties
9. 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 14, 2021, 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 6pm the day before the Meeting at https://autenticacion.dcv.cl/ or send an email to juntaslatam@latam.com 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 5, 13 and 15, 2021.

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 5, 2021. 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 5, 2021, in order to do so. Information related to the designation of the external auditing firm for the fiscal year 2021 to be proposed at the Annual Shareholders' Meeting will also be available alongside these documents.

Santiago, April 20, 2021

MATERIAL FACT

In accordance with the provisions of articles 9 and 10 of Law No. 18,045 on the Securities Market, and on the General Rule No. 30 of 1989, duly authorized, I inform you as a material fact that in the Ordinary Shareholders' Meeting of LATAM Airlines Group S.A. held today, April 20, 2021, the shareholders of LATAM elected the new Board of Directors of the company, which will last for two years.

The following persons were elected as board members:

1. Sonia J.S. Villalobos;
2. Enrique Ostalé Cambiaso;
3. Nicolás Eblen Hirmas;
4. Alexander D. Wilcox;
5. Henri Philippe Reichstul;
6. Ignacio Cueto Plaza;
7. Enrique Cueto Plaza;
8. Patrick Horn García; and
9. Eduardo Novoa Castellón

The board members indicated as numbers 8 and 9 were elected as Independent Board Members, in accordance with article 50 bis of Law No. 18,046 of the Corporations Law.

Santiago, April 27, 2021

MATERIAL FACT REPORT - APPOINTMENT OF CHAIRMAN AND VICE PRESIDENT AND BOARD COMMITTEE

In accordance with the provisions of articles 9 and 10 of Law No. 18,045 of the Securities Market, and of the General Rule No. 30, I inform you the following as material facts of LATAM Airlines Group S.A.:

I. Chairman and Vice President. At a Board Session held today, Mr. Ignacio Cueto Plaza and Mr. Enrique Cueto Plaza were appointed as Chairman and Vice President, respectively.

II. Board Committee. In the same session, and as disposed in the Article 50 bis of Corporations Law N°18,046, it was registered that the Board Committee will be composed of the following Board Members: Mr. Eduardo Novoa Castellón (independent), Mr. Patrick Horn García (independent) and Mr. Nicolás Eblen Hirmas.

Santiago, May 06, 2021

MATERIAL FACT

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 material facts of LATAM Airlines Group S.A. ("LATAM Airlines" or the "Company"):

- As informed, LATAM Airlines started 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 Procedure").
- LATAM has to prepare and deliver a Monthly Operating Report ("MOR"), as part of the reporting obligations it has to comply with under the Chapter 11 Procedure.
- Considering the abovementioned, we hereby make available for your Commission and for the market the MOR corresponding to the month of March 2021, dated as of today, included in the following link https://www.latamreorganizacion.com/en/publications/.
- 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 under the Chapter 11 Procedure.

In consequence and without prejudice of the limitations detailed in the MOR, we state that the information contained in this report, solely prepared for complying with obligations under the Chapter 11 Procedure, has not been audited, has a limited scope and covers a limited period of time for it is subject to material changes as the quarter advances along with the regulatory processes of the quarterly financial statement's preparation, included the limited revision by the external auditors, if applicable.

Santiago, May 31, 2021

MATERIAL FACT

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"):

- As informed, LATAM Airlines began 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 Proceedings").
- 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 abovementioned, we hereby make available for your Commission and for the market the MOR corresponding to the month of April 2021, dated as of today, included in the following link https://www.latamreorganizacion.com/en/publications/.
- 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.

In consequence and without prejudice of the limitations detailed in the MOR, we state that the information contained in this report, solely prepared for complying with obligations as part of the Chapter 11 Proceedings, has not been audited, has a limited scope and covers a limited period of time for it is subject to material changes as the quarter advances along with the regulatory processes of the quarterly financial statement's preparation, included the limited revision by the external auditors, if applicable.

Santiago, June 9, 2020

MATERIAL FACT

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") the following:

- As reported via Material Fact, on September 29, 2020, LATAM, certain entities of its business group, which are part of the reorganization process of LATAM in the United States ("Chapter 11 Proceedings"), and the other parties interested in the financing proposal approved by the United States Bankruptcy Court for the Southern District of New York, executed a contract titled Super-Priority Debtor-In-Possession Term Loan Agreement (the "DIP Credit Agreement") for an amount of up to US$ 2.45 billion.

- In addition, on October 8, 2020, as reported in a Material Fact, LATAM informed as part of the Chapter 11 Proceedings, that the first draw under the DIP Credit Agreement took place for an amount of US$ 1.15 billion.

- Given the extension of the health and travel restrictions imposed by the authorities in the different countries where the Company operates, as well as the analysis of the Company's liquidity position, LATAM's Board of Directors has agreed to inform, as part of the Chapter 11 Proceedings, that in an ordinary session held yesterday, June 8, 2021, a second draw request under the DIP Credit Agreement was agreed upon for an amount of US$ 500 million. These funds would be available 10 business days after the draw request is made.

Santiago, June 29, 2021

MATERIAL FACT

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"):

- As informed, LATAM Airlines began 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 Proceedings").

- 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 abovementioned, we hereby make available for your Commission and for the market the MOR corresponding to the month of May 2021, dated as of today, included in the following link https://www.latamreorganizacion.com/en/publications/.

- 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.

In consequence and without prejudice of the limitations detailed in the MOR, we state that the information contained in this report, solely prepared for complying with obligations as part of the Chapter 11 Proceedings, has not been audited, has a limited scope and covers a limited period of time for it is subject to material changes as the quarter advances along with the regulatory processes of the quarterly financial statement's preparation, included the limited revision by the external auditors, if applicable.

Santiago, August 9, 2021

MATERIAL FACT

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"):

- As informed, LATAM Airlines began 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 Proceedings").

- 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 abovementioned, we hereby make available for your Commission and for the market the MOR corresponding to the month of June 2021, dated as of today, included in the following link https://www.latamreorganizacion.com/en/publications/.

- 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.

In consequence and without prejudice of the limitations detailed in the MOR, we state that the information contained in this report, solely prepared for complying with obligations as part of the Chapter 11 Proceedings, has not been audited, has a limited scope and covers a limited period of time for it is subject to material changes as the quarter advances along with the regulatory processes of the quarterly financial statement's preparation, included the limited revision by the external auditors, if applicable.

Santiago, August 31, 2021

MATERIAL FACT

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"):

- As informed, LATAM Airlines began 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 Proceedings").

- 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 abovementioned, we hereby make available for your Commission and for the market the MOR corresponding to the month of July 2021, dated as of today, included in the following link https://www.latamreorganizacion.com/en/publications/.

- 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.

In consequence and without prejudice of the limitations detailed in the MOR, we state that the information contained in this report, solely prepared for complying with obligations as part of the Chapter 11 Proceedings, has not been audited, has a limited scope and covers a limited period of time for it is subject to material changes as the quarter advances along with the regulatory processes of the quarterly financial statement's preparation, included the limited revision by the external auditors, if applicable.

Santiago, September 9, 2021

MATERIAL FACT

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 such NDAs, the Company is furnishing the Cleansing Materials, as Exhibits 99.1, 99.2, 99.3 and 99.4 hereto.

Finally, it is reported that while discussions are ongoing, as of September 9, 2021, the Company had not yet reached an agreement with respect to the material terms of a potential restructuring transaction.

Santiago, September 9, 2021

MATERIAL FACT

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. Update on the LATAM's Chapter 11 Proceeding:

- As previously reported, LATAM and certain of its direct and indirect subsidiaries (collectively, such subsidiaries with LATAM, the "Debtors") have commenced a reorganization proceeding in the United States of America (the "Chapter 11 Proceeding") pursuant to the rules set forth in Chapter 11 (the "Chapter 11") of Title 11 of the United States Code (the "U.S. Bankruptcy Code"). As part of this reorganization process, LATAM is currently negotiating with various stakeholders in order to agree on the terms of a plan of reorganization and exit financing to successfully emerge from the Chapter 11 Proceeding in compliance with all applicable laws.

- In this context, over the past few months, LATAM has entered into non-disclosure agreements with various stakeholders, and has developed and made available to them certain material non-public information.

- Also in connection with the negotiations with these stakeholders, LATAM provided an indicative proposed structure for its reorganization which sought approximately US$5,000 millions of equity financing, and contemplated a consensual plan among stakeholders which required among other things, the compromise by stakeholders regarding their rights and compliance with both the U.S. Bankruptcy Code and Chilean law.

- As informed by a material fact dated as of the date hereof, in accordance with the terms of the aforementioned non-disclosure agreements and in furtherance of the process, on this date, LATAM has publicly disclosed certain materials that had been delivered to the counterparties (the "Cleansing Materials"). The Cleansing Materials include (i) the LATAM Exit Capital Raise Process Letter, (ii) the LATAM Illustrative Plan Term Sheet, (iii) the blowout Business Plan Presentation and (iv) Updated Blowout Materials – Draft Claim Estimates, all of which is currently publicly available at https://www.latamreorganizacion.com/en/publications/.

- In response to its requests for proposals, as of this date, LATAM has received certain non-binding exit capital and financing proposals (each such proposal, an "Exit Proposal") from its most significant claimholders and its majority shareholders. Each Exit Proposal contemplates raising new funds in excess of US$5,000 millions through the issuance of new debt and equity in LATAM, which would be backstopped by the parties making the proposal. In addition, in each Exit Proposal, the proponents contemplate that if such proposal is approved and implemented, it would result in the substantial dilution of LATAM's currently existing shares.

- LATAM will continue to discuss the Exit Proposals with their respective proponents, and will continue to engage in discussions regarding its reorganization plan with such proponents and other stakeholders, some of whom have agreed to remain under non-disclosure agreements.

- LATAM is focused on ensuring that any exit strategy allows it to emerge from the Chapter 11 Proceeding with a robust capital structure, adequate liquidity, and the ability to execute its business plan in a sustainable manner over time. Any plan will be implemented in accordance with the relevant requirements of the U.S. Bankruptcy Code and Chilean law.

- The Company will keep its shareholders and the market informed of the progress of the Chapter 11 Proceeding. In addition, and without limiting the generality of the foregoing, LATAM contemplates to summon its shareholders to an extraordinary shareholders meeting when appropriate, subject to the progress of the negotiations with the various stakeholders that are currently pending.

2. LATAM's Request to Extend the Exclusivity Periods:

- On this date, LATAM and its subsidiaries subject to the Chapter 11 Proceeding filed a motion with the Bankruptcy Court for the Southern District of New York (the "Court") seeking to extend the periods during which the Debtors will have the exclusive right to file a plan of reorganization from September 15, 2021 to October 15, 2021, and the exclusive right to solicit acceptances of a plan from November 8, 2021, to December 15, 2021 (collectively, the "Exclusivity Periods"). The Court is scheduled to consider the motion at a hearing to be held on September 23, 2021.

- This request will support the development of a plan of reorganization that satisfies the equity and debt needs, and will assist in the negotiation with the various stakeholders in the Chapter 11 Proceeding.

3. LATAM's Solicitation of Interest for Potential Tranche B Funding:

- As previously reported, the English-language financing agreement entered into in the context of the Chapter 11 Proceeding, denominated Super-Priority DebtorIn-Possession Term Loan Agreement (the "DIP Credit Agreement") provides for a possible Tranche B for up to US$750 million, subject to the Court's authorization and other customary conditions for this type of transactions. This is in addition to the existing US$1,300 million Tranche A facility and the US$1,150 million Tranche C facility.

- It is worth mentioning that LATAM continues to have availability under the Tranche A facility and the Tranche C facility, for US$424.5 millions and US$375.5 millions, respectively.
- Notwithstanding the foregoing, and in order to take advantage of favorable market conditions, LATAM is requesting proposals from parties interested in providing financing under Tranche B of the DIP Credit Agreement. Once such proposals are received, LATAM will consider such proposals with its advisors in due course.
- The Tranche B, if any, will be secured by the same assets that currently secure Tranche A and Tranche C; provided, however, that the Tranche A liens will be senior to the Tranche B liens, and the Tranche B liens will be senior to the Tranche C liens.

As indicated above, the Company will keep shareholders and the market informed on the progress of the Chapter 11 Proceeding.

Santiago, September 29, 2021

MATERIAL FACT

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 "DIP Credit Agreement") entered into in the context of the reorganization process of LATAM and certain of its direct and indirect subsidiaries in the United States of America (the "Chapter 11 Proceeding") contemplates a possible Tranche B for up to US$750 million, subject to the authorization of the Bankruptcy Court of the Southern District of New York hearing the Chapter 11 Proceeding (the "Court") and other customary conditions for this type of transaction. This is in addition to the $1.3 billion Tranche A facility and the $1.15 billion Tranche C facility currently existing thereunder.
- As informed by means of a material fact dated September 9, 2021, in order to take advantage of favorable market conditions, this is, lower financing costs under the DIP Credit Agreement, LATAM had requested proposals from parties interested in providing financing under the Tranche B facility of the DIP Credit Agreement in an amount up to US$750 million. This is notwithstanding that LATAM continues to maintain availability under the Tranche A and Tranche C facilities for US$424.5 million and US$375.5 million, respectively.
- In response to the above, LATAM has received various financing proposals which have been evaluated and negotiated in a timely manner by the Company together with its advisors. In this regard, the LATAM's Directors Committee, at meetings held on September 21 and 23, 2021, reviewed such financing proposals and recommended the Board of Directors to approve the proposal submitted by a group of financiers comprised of Oaktree Capital Management, L.P. ("OCM") and Apollo Management Holdings, L.P. ("Apollo") and certain funds, accounts and entities advised by OCM and Apollo (hereinafter, the "Tranche B DIP Financing Proposal"). At a meeting held on September 24, 2021, the Board of Directors -by unanimous vote of the independent directors-, resolved to approve the Tranche B DIP Financing Proposal, subject to the Court's approval. Notwithstanding, the aforementioned, LATAM could receive other financing proposals for Tranche B of the DIP Credit Agreement, which would be timely evaluated by the Company and its advisors.
- An amendment to the DIP Credit Agreement (the "Tranche B Amendment") to effectuate the Tranche B DIP Financing Proposal was submitted to the Court for approval on this same date. The Tranche B DIP Financing Proposal shall be subject to the terms and conditions set forth in the DIP Credit Agreement, except for the particularities of the Tranche B Amendment, which are indicated below:
  - Lenders: Group of lenders consisting of OCM and Apollo and certain funds, accounts and entities advised by OCM and Apollo.
  - Committed Amount: US$750 million, for principal amount.
  - Maturity Date: As well as the Tranche A facility and the Tranche C facility, the scheduled maturity date of the Tranche B Financing Proposal is April 8, 2022, subject to the possibility that LATAM may extend such maturity date

for an additional 60-day period in the event that LATAM's reorganization plan has been confirmed by an order of the Court but substantial consummation thereof is still pending under the rules of the Chapter 11 Proceeding. In addition, the Tranche B Amendment provides that the Tranche A and the Tranche B lenders have consented to an extension of the maturity date by LATAM in its sole discretion up to June 30, 2022. 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").

- It should be added that the possibility of extending the maturity date until June 30, 2022 under the terms indicated in the preceding paragraph does not apply to the Tranche C facility. Consequently, should LATAM desire to extend the maturity date of Tranche C facility until the aforementioned date, it will require the consent of the Tranche C creditors.

– Interest and Fees:

- *Interest*: 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 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").

- Loans whose interest is payable in cash at the end of each 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.

- Loans whose interest is 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.

– *Fees and Other Charges*:

- An availability fee (*Undrawn Commitment Fee*) payable in cash equal to 0.50% on the daily unused Tranche B commitment per annum, which will be calculated daily, and will be payable on the last business day of each quarter until the Maturity Date.

- A *Yield-enhancement Payment* payable in cash in an amount equal to 0.60% of the total Tranche B commitment, payable on the Tranche B closing date.

- If the scheduled maturity date is extended beyond June 30, 2022, a fee equal to 1% of the total Tranche B commitments (*Extension Fee*) payable in cash on the date on which the extension is made.

– It is worth mentioning that, as indicated above, given that the Tranche B DIP Amendment extends to Tranche A the possibility of extending the maturity date until June 30, 2022, the information provided in the material fact dated September 17, 2020 is hereby supplemented in the sense that the *Extension Fee* of the Tranche A facility would only accrue in the event that the scheduled maturity date is extended beyond June 30, 2022.

- In addition, the Tranche B Amendment contemplates a *Backend Fee* payable on the Maturity Date, calculated on the total Tranche B commitment at a percentage that varies depending on the Maturity Date. Such percentage shall be (i) 0.5% if it occurs after April 8, 2022 but on or before April 30, 2022; (ii) 0.8% if it occurs after April 30, 2022 but on or before June 30, 2022; and (iii) 1% if it occurs after June 30, 2022.

– Collateral and Preferences: Tranche B will be secured by the same assets that currently secure Tranche A and Tranche C under the DIP Credit Agreement; provided, however, that the collateral of Tranche A will be senior to the collateral of Tranche B, and the collateral of Tranche B will be senior to the collateral of Tranche C.

LATAM is awaiting the Court's decision in response to the Tranche B DIP Financing Proposal.

With this date, the reserve of the communication which was sent as Reserved Material Fact, on September, 25, 2021, is raised, which content is incorporated in this communication.

Santiago, October 1, 2021

MATERIAL FACT

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"):

- As informed, LATAM Airlines began 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 Proceedings").
- 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 abovementioned, we hereby make available for your Commission and for the market the MOR corresponding to the month of August 2021, dated as of today, included in the following link https://www.latamreorganizacion.com/en/publications/.
- 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.

In consequence and without prejudice of the limitations detailed in the MOR, we state that the information contained in this report, solely prepared for complying with obligations as part of the Chapter 11 Proceedings, has not been audited, has a limited scope and covers a limited period of time for it is subject to material changes as the quarter advances along with the regulatory processes of the quarterly financial statement's preparation, included the limited revision by the external auditors, if applicable.

Santiago, October 11, 2021

MATERIAL FACT

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.

Finally, it is reported that while discussions are ongoing, as of October 11, 2021, the Company had not yet reached an agreement with respect to the material terms of a potential restructuring transaction.

Santiago, October,11, 2021

MATERIAL FACT

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"), Securities Registration No. 306:

1. Update on LATAM's Chapter 11 Proceeding:

- As previously disclosed, in the context of the reorganization proceedings 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") pursuant to the rules set forth in Chapter 11 (the "Chapter 11") of Title 11 of the United States Code (the "U.S. Bankruptcy Code"), LATAM is currently negotiating with various interested parties to agree upon the terms of a plan of reorganization and financing to successfully emerge from the Chapter 11 Proceeding in compliance with all applicable laws.
- In the context of these negotiations, and as informed by a material fact dated September 9, 2021, LATAM (i) has entered into non-

MATERIAL FACTS

disclosure agreements with various stakeholders, and has developed and made available to them certain material non-public information; and (ii) has requested proposals from its most significant creditors and majority shareholders.

- In response to requests for proposals, as of this date, LATAM has received certain non-binding equity and debt financing proposals (each such proposal, an "Exit Proposal") from its most significant creditors and majority shareholders.

- As informed by a material fact dated as of the date hereof, pursuant to the terms of certain non-disclosure agreements and in furtherance of the process, on this date, LATAM has publicly disclosed the Exit Proposal submitted by a group of ad-hoc creditors (the "Ad-Hoc Creditor Group") represented by Moelis & Company and White & Case LLP (the "Disclosed Proposal"), as well as LATAM's Preliminary Issues List (the "Preliminary Issues List") in which the Company expressed certain concerns to the Ad-Hoc Creditor Group (hereinafter, the Disclosed Proposal together with LATAM's Preliminary Issues List , the "Disclosed Information"). The Disclosed Information is currently publicly available at https://www.latamreorganizacion.com/en/publications/.

- The Disclosed Proposal contemplates the raising of new funds of over US$5 billion through the issuance of new equity and debt, which would be partially backstopped by the proposing parties. If the Disclosed Proposal were to be approved and implemented according to its terms, it would result in a substantial dilution of LATAM's currently issued shares.

- The commercial concerns raised by LATAM in its Preliminary Issues List reflect the Company's focus on ensuring an appropriate amount of leverage and liquidity upon exit of the Chapter 11 Proceeding and throughout the business plan period, as well as compliance with all applicable laws including Chilean law, in the implementation of the plan. LATAM also identified concerns related the lack of detail on most of the key financing and backstop terms.

- LATAM continues to engage with significant claimholders and its majority shareholders with respect to Exit Proposals, and continues to focus on ensuring that any exit strategy allows it to emerge with a robust capital structure, adequate liquidity, the ability to successfully execute its business plan in a sustainable manner over time and in compliance with all applicable laws.

- In addition, and without limiting the generality of the foregoing, LATAM contemplates summoning its shareholders to an extraordinary shareholders' meeting when appropriate subject to the progress of the ongoing negotiations with the various stakeholders that are currently pending.

2. LATAM Exclusivity Periods:

- The Bankruptcy Court for the Southern District of New York (the "Court") hearing the Chapter 11 Proceeding has authorized the extension of the period during which the Debtors have the exclusive right to file the plan of reorganization until October 15, 2021, and the exclusive right to seek acceptance thereof until December 15, 2021 (collectively, the "Exclusivity Periods").

- In case it is necessary to request a new extension of the Exclusivity Periods, this will be duly requested to the Court and informed to your Commission and to the market.

Santiago, October 14, 2021

MATERIAL FACT

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"), Securities Registration No. 306:

- As previously disclosed, in the context of the reorganization proceedings 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") pursuant to the rules set forth in Chapter 11 (the "Chapter 11") of Title 11 of the United States Code (the "U.S. Bankruptcy Code"), LATAM is currently negotiating with various interested parties to agree upon the terms of a plan of reorganization and financing to successfully emerge from the Chapter 11 Proceeding in compliance with all applicable laws; and continues to focus on ensuring that any exit strategy allows the group to emerge from Chapter 11 with a robust capital structure, with the ability to successfully execute its business plan in a sustainable manner over time and in compliance with all the applicable laws.

- On this date, the Debtors filed a motion with the Bankruptcy Court for the Southern District of New York to extend the period during which they will have the exclusive right to file the plan of reorganization from October 15, 2021 to November 26, 2021, and the exclusive right to seek acceptance thereof from December 15, 2021 to January 26, 2022.

- This request supports the development of a plan of reorganization and will help in the negotiation with the various interested parties in the Chapter 11 Proceeding.

- The Group will keep its shareholders and the market informed about the progress of the Chapter 11 Proceeding. In addition, and without limiting the generality of the foregoing, LATAM contemplates summoning its shareholders to an extraordinary shareholders' meeting when appropriate subject to the progress of the ongoing negotiations with the various stakeholders that are currently pending.

Santiago, November 9, 2021

MATERIAL FACT REPORT

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"):

- As informed, LATAM Airlines began 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 Proceedings").

- 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 abovementioned, we hereby make available for your Commission and for the market the MOR corresponding to the month of September 2021, dated as of today, included in the following link https://www.latamreorganizacion.com/en/publications/.

- 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.

In consequence and without prejudice of the limitations detailed in the MOR, we state that the information contained in this report, solely prepared for complying with obligations as part of the Chapter 11 Proceedings, has not been audited, has a limited scope and covers a limited period of time for it is subject to material changes as the quarter advances along with the regulatory processes of the quarterly financial statement's preparation, included the limited revision by the external auditors, if applicable.

Santiago, November 10, 2021

MATERIAL FACT

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") the following:

- As previously reported, the Super-Priority Debtor-In-Possession Term Loan Agreement (the "DIP Credit Agreement") subscribed in the context of the reorganization process of LATAM and certain of its direct and indirect affiliates in the United States ("Chapter 11 Proceedings") contemplates an eventual Tranche B for up to US$750 million, subject to the approval of the United States Bankruptcy Court of the Southern District of New York that is familiar with the Chapter 11 Proceedings (the "Court") and other customary conditions for this type of transaction. This is in addition to the Tranche A financing for US$1.3 billion and the Tranche C financing for US$1.15 billion currently existent thereunder.

- As reported via Material Fact, on September 29, 2021, LATAM's Board – by unanimous vote of the independent directors- approved on September 24, 2021, an amendment to the DIP Credit Agreement (the "Tranche B Amendment") in order to implement a financing proposal for Tranche B submitted by a group of financiers comprised of Oaktree Capital Management, L.P. ("OCM") and Apollo Management Holdings, L.P. ("Apollo") and certain funds, accounts and entities advised by OCM and Apollo.

- Such Tranche B Amendment was approved by the Court on October 18, 2021.
- Finally, on November 10, 2021, it is expected that (i) the Tranche B Amendment will be subscribed, thereby incorporating Tranche B to the DIP Credit Agreement; and (ii) a new draw will be made under the DIP Credit Agreement for an amount of US$200 million. Such disbursement would be made in full by the Tranche B financiers in accordance to what was established in the DIP Credit Agreement.

Santiago, November 26, 2021

MATERIAL FACT

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, 99.2 and 99.3 hereto.

Finally, it is reported that the Company and the other Debtors have executed a Restructuring Support Agreement with the ad hoc Group of the Company's claimholders, Costa Verde Aeronáutica S.A. and Inversiones Costa Verda Ltda. y Cía en Comandita Por Acciones, Delta Air Lines, Inc., Qatar Airways Investment (UK) Ltd, Andes Aerea SpA, Inversiones Pia SpA and Comercial Las Vertientes SpA, which is attached as exhibit 99.1.

Santiago, November 26, 2021

MATERIAL FACT

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"), Securities Registration No. 306:

1. 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") pursuant to the rules set forth in Chapter 11 (the "Chapter 11") of the U.S. Bankruptcy Code, on this date, the Debtors have filed with the Bankruptcy Court for the Southern District of New York where the Chapter 11 Proceeding is pending (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. Such plan, in order to be implemented, must first be approved by the requisite creditors classes and confirmed by the Court in accordance with the U.S. Bankruptcy Code.

2. The restructuring contemplated in the Plan of Reorganization is supported by a group of unsecured creditors of LATAM represented by Evercore (the "Evercore Represented Creditors"). Additionally, and subject to the confirmation by their respective boards, such restructuring is also supported by (i) Delta Air Lines, Inc.; (ii) Qatar Airways Investment (UK) Ltd.; (iii) the Cueto group (i.e., Costa Verde Aeronáutica S.A. and Inversiones Costa Verde Ltda. y Cía. en Comandita Por Acciones); and (iv) the Eblen group (i.e., Andes Aérea SpA, Inversiones Pia SpA and Comercial Las Vertientes SpA). Hereinafter, the parties indicated in (i), (ii) and (iii), the "Backstop Shareholders".

3. The Plan of Reorganization contemplates, among other things:

A. A capital increase from the current approximate amount of US$3,146 million divided into 606,407,693 common shares to approximately the amount of US$13,602 million divided into approximately 606,407,693,000 common shares. This capital increase in the approximate amount of US$10,456 million will be carried out through (i) the issuance of new common stock (the "New Common Stock"), representing approximately US$800 million, and (ii) the issuance of shares intended

to support the issuance of three classes of new convertible notes (the "New Convertible Notes") and the potential conversion thereof into common shares of the Company, representing in the aggregate approximately US$9,656 million.
As a consequence of the foregoing, and notwithstanding the preemptive rights of LATAM's shareholders pursuant to applicable law, according to the terms and conditions of the Plan of Reorganization, the shares currently issued by the Company would represent approximately 0.1% of the total shares of LATAM after the reorganization.

The New Common Stock will be preemptively offered to all of the Company's shareholders, as required by current legislation. In addition, it should be noted that the placement of all of the New Common Stock is assured because, subject to the execution of commitment letters and definitive documentation, (i) the Backstop Shareholders have 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 (ii) the remaining US$400 million, to the extent not subscribed by the remaining shareholders' of LATAM, will be subscribed by the Evercore Represented Creditors, who have agreed to backstop the placement of the New Common Stock for up such amount in exchange for a payment of 20% calculated on such amount.

B. The New Convertible Notes issuance, in accordance with the details indicated below:

i. New Convertible Notes denominated "New Convertible Notes Class A" and "New Convertible Notes Class C" to be allocated in settlement of certain claims against LATAM existing as of the date of filing of the voluntary petition of relief under Chapter 11, to restructure such claims.

The difference between the two is that while the recipients of the New Convertible Notes Class A are unsecured creditors of LATAM who elect not to contribute new money to the Company (thereby receiving New Convertible Notes Class A in lieu of payment of their claims), the recipients of the New Class C Convertible Notes are unsecured creditors who elect to contribute new money, thereby receiving New Convertible Notes Class C in exchange for a combination of a settlement of their claims and a contribution of new money, at a rate of approximately US$0.921692 of new money for each US$1 of claims (the "Subscription Ratio").

As explained further below, the aggregate amount of the New Convertible Notes Class C is approximately US$6,816 million. As a result of the Subscription Ratio, should this New Convertible Notes Class C were subscribed in their entirety by unsecured creditors, such subscription would require (i) a new money contribution of approximately US$3,269 million; and (ii) a settlement of unsecured claims for approximately US$3,547 million. It should be added that the Evercore Represented Creditors, subject to the execution of commitment letters and definitive documentation, 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.

Finally, although the New Convertible Notes Class A and the New Convertible Notes Class C are structured to be delivered in settlement of existing claims, they will be preemptively offered to LATAM's shareholders as required by applicable law. In the event they are subscribed by such shareholders, the unsecured creditors that are otherwise beneficiaries thereof may receive in lieu of such New Convertible Bonds, distributions of the cash obtained from such subscription.

ii. "New Convertible Notes Class B" intended to raise new money, which will also be preemptively offered to all of the Company's shareholders. The placement of these bonds is fully backstopped by the Backstopping Shareholders, without the right to receive any payment in exchange for such commitment, subject to the execution of commitment letters and definitive documentation.

It is worth noting that the new money that will be obtained by the Company due to the placement of the New Convertible Notes Class B, the New Convertible Notes Class C and the New Common Stock will amount approximately to US$5,442 million.

C. The incurrence of new debt for approximately US$2,250 million and a new revolving credit facility for approximately US$500 million, which will be structured after a competitive process in the market in order to obtain the best financial conditions available at the time of contracting.

4. With respect to the New Common Stock:

A. Subscription Price: The price at which the New Common Stock will be offered will reflect a 13.73% discount with respect to the equity value of LATAM at the consolidated level ("LATAM's Equity Value"). However, to the extent LATAM's Equity Value set forth in the Plan of Reorganization is amended, the subscription price shall also be amended.

B. Placement Mechanics: As indicated, these shares will be preemptively offered to all of the Company's shareholders during the respective preemptive rights offering period (the "First POP"). The Backstop Shareholders have agreed to subscribe their respective pro-rata in the First POP without being entitled to any payment resulting from such commitment. In the event that after the expiration of the First POP, New Common Stock is still available, such stock will be preemptively offered to all shareholders of the Company who have participated in the First POP (including, without limitation, the Backstop Shareholders and other LATAM shareholders). As mentioned above, subject to the execution of binding commitment letters and definitive documentation, the Backstop Shareholders have agreed to backstop up to US$400 million of the New Common Stock without being entitled to any payment as a result of such commitment; provided, however, that the aggregate amount of shares that the Backstop Shareholders will have in LATAM as a result of the subscription of New Common Stock and the exercise of the conversion option of the New Convertible Notes Class B, shall not exceed 27% of the capital of the reorganized Company.

Finally, in the event that after the foregoing, New Common Stock is still available, the remainder will be subscribed by the Evercore Represented Creditors up to the amount of US$400 million, who have assumed such commitment in exchange for a payment of 20% calculated on such amount, subject to the execution of binding commitment letters and definitive documentation.

5. With respect to the New Convertible Notes Class A:

A. Amount of the Issue: Approximate amount of US$1,467 million.

B. Maturity Date: Payable in a single installment on December 31, 2121.

C. Interest: No interest will accrue.

D. Conversion Ratio: Conversion ratio of New Convertible Bonds Class A into shares of the Company at a ratio of 0.193333x; provided, however, that to the extent LATAM's Equity Value set forth in the Plan of Reorganization is amended, such conversion ratio shall also be amended.

However, the conversion ratio shall decrease by 50% in the event that the conversion option is exercised after the 60th day after the date on which the Plan of Reorganization becomes effective (the "Effective Date").

E. Distribution of New Convertible Notes Class A:To the extent that the New Convertible Notes Class A are not subscribed by the Company's shareholders during the respective preemptive rights offering period, the Plan of Reorganization contemplates that they will be allocated to unsecured creditors who do not opt to participate in the New Convertible Notes Class C, in settlement of their claims. It should be added that the Backstop Shareholders have agreed to waive their respective preemptive rights to subscribe for these instruments.

6. With respect to the New Convertible Notes Class C:

A. Amount of the Issue: Approximate amount of US$6,816 million, which to the extent fully subscribed by unsecured creditors would require (i) a new money contribution of approximately US$3,269 million; and (ii) acceptance of a settlement of their claims for approximately US$3,547 million.

B. Maturity Date: Payable in a single installment on December 31, 2121.

C. Interest: No interest will accrue.

D. Conversion Ratio: Conversion ratio of New Convertible Bonds Class C into shares of the Company at a ratio of 0.705506x; provided, however, that to the extent LATAM's Equity Value set forth in the Plan of Reorganization is amended, such conversion ratio shall also be amended.

However, the conversion ratio will decrease by 50% in case the conversion option is exercised after the 60th day from the Effective Date.

E. Distribution of New Convertible Notes Class C: To the extent that the New Convertible Notes Class C are not subscribed by the Company's shareholders during the respective preemptive rights offering period, the Plan of Reorganization contemplates that they will be subscribed by unsecured creditors who opt to participate in the New Convertible Notes Class C in exchange of (i) a settlement of their claims; and (ii) a new money contribution pursuant to the Subscription Ratio. It should be added that the Backstop Shareholders have agreed to waive their respective preemptive rights to subscribe for these instruments.

7. With respect to the New Convertible Notes Class B:

A. Amount of the Issue: Approximate amount of US$1,373 million in new money.

B. Maturity Date: Payable in a single installment on December 31, 2121.

C. Interest: Interest shall accrue payable in cash at a rate of 1% per annum; provided, however, that no interest shall accrue during the first 60 days from the Effective Date.

D. Conversion Ratio: Conversion ratio of New Convertible Bonds Class B into shares of the Company at a ratio of 1.159152x; provided, however, that to the extent LATAM's Equity Value set forth in the Plan of Reorganization is amended, such conversion ratio shall also be amended. This conversion ratio implies an implicit price per share equal to that of the New Common Stock.

However, the conversion ratio will decrease by 50% in the event that the conversion option is exercised after the fourth anniversary date plus 60 days from the Effective Date.

E. Lock-up Period: In the event that the conversion option is exercised within 60 days after the Effective Date, the shares received as a result of the conversion may not be transferred until the fourth anniversary from the Effective Date; provided, however, that such shares could be subjected to encumbrances during such period.

F. Subscription of New Convertible Notes Class B: To the extent that the New Convertible Notes Class B are not subscribed by the Company's minority shareholders during the respective preemptive rights period, they will be subscribed in their entirety by the Backstop Shareholders in their capacity as strategic shareholders, who have agreed to fully backstop the placement of the New Convertible Notes Class B that are not subscribed by the remaining shareholders of the Company, not demanding any backstop payment in exchange for such commitment.

8. The Plan of Reorganization also contemplates that LATAM's bylaws will be amended so that, during the two years following the Effective Date, the approval of any of the matters contemplated in Article 67 of Law No. 18,046 will require the affirmative vote of 73% of the voting shares, instead of two-thirds of the voting shares as provided therein.

9. In addition, the Plan of Reorganization also contemplates a number of customary elements for these type of transactions, including (i) the establishment of an incentive plan for the management of LATAM, the terms and conditions of which are to be determined; and (ii) the payment in full of the debtor-in-possession financing granted to the Company in the context of the Chapter 11 Proceeding with the new funds raised in connection with the transactions contemplated under the Plan of Reorganization.

10. As is customary in this type of restructuring, the various creditors and interest holders in the Chapter 11 Proceeding have been divided in the Plan of Reorganization into different classes. Some of these creditors or interest holders have been grouped into classes that are not impaired by the Plan of Reorganization because it is contemplated that their claims will be refinanced, paid, or otherwise treated in an unimpaired manner. Under the rules of Chapter 11, these interested parties are presumed to accept the Plan of Reorganization. On the other hand, there are other creditors and stakeholders that are grouped into classes that will be impaired by the Plan of Reorganization because their claims are restructured under the Plan of Reorganization. Under the rules of Chapter 11, these classes of interested parties will be entitled to vote, accepting or rejecting the Plan of Reorganization.

11. If the Plan of Reorganization is approved by the requisite creditor vote, confirmed by the Court and implemented, it will enable the Debtors to emerge from the Chapter 11 Proceeding with a robust capital structure, with adequate liquidity and will allow the Company to successfully execute its business plan in a sustainable manner over time.

12. The Company will keep its shareholders, creditors and the market informed on the progress of the Chapter 11 Proceeding. In addition, the Board of Directors of the Company has agreed to call an Extraordinary Shareholders' Meeting for December 23, 2021 in order to summon its shareholders on the Reorganization Plan and the next steps in the Chapter 11 Proceeding. The details of such shareholders' meeting will be informed to the shareholders through the applicable broadcast media as provided in applicable law.

Santiago, November 30, 2021

MATERIAL FACT

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"):

- As informed, LATAM Airlines began 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 Proceedings").
- 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 abovementioned, we hereby make available for your Commission and for the market the MOR corresponding to the month of October 2021, dated as of today, included in the following link https://www.latamreorganizacion.com/en/publications/.
- 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.

In consequence and without prejudice of the limitations detailed in the MOR, we state that the information contained in this report, solely prepared for complying with obligations as part of the Chapter 11 Proceedings, has not been audited, has a limited scope and covers a limited period of time for it is subject to material changes as the quarter advances along with the regulatory processes of the quarterly financial statement's preparation, included the limited revision by the external auditors, if applicable.

Santiago, December 23, 2021

MATERIAL FACT

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:

- 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 and November 10, 2021, LATAM informed that the first, second and third draws under the DIP Credit Agreement took place for an amount of US$ 1,150 million, US$ 500 million and US$ 200 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$ 100 million. This disbursement would be made in full by the Tranche B financiers in accordance with the provisions of the DIP Credit Agreement.

Santiago, December 30, 2021

MATERIAL FACT

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"):

- As informed, LATAM Airlines began 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 Proceedings").
- 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 abovementioned, we hereby make available for your Commission and for the market the MOR corresponding to the month of November 2021, dated as of today, included in the following link https://www.latamreorganizacion.com/en/publications/.
- 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.

In consequence and without prejudice of the limitations detailed in the MOR, we state that the information contained in this report, solely prepared for complying with obligations as part of the Chapter 11 Proceedings, has not been audited, has a limited scope and covers a limited period of time for it is subject to material changes as the quarter advances along with the regulatory processes of the quarterly financial statement's preparation, included the limited revision by the external auditors, if applicable.

RISK FACTORS

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 CHAPTER 11 PROCEEDINGS

We and a substantial number of our consolidated subsidiaries filed voluntary petitions for relief under Chapter 11 of the Bankruptcy Code, and we are subject to the risks and uncertainties associated with our Chapter 11 proceedings.

As a consequence of our Chapter 11 filings, the operations and our ability to develop and execute our business plan, as well as our continuation as a going concern, will be subject to the risks and uncertainties associated with bankruptcy. These risks include our ability to:

- confirm and consummate a plan of reorganization with respect to our Chapter 11 proceedings;
- obtain sufficient financing, including for working capital whether from additional debtor-in-possession financing, exit financing or otherwise, and emerge from bankruptcy and execute our business plan post-emergence, as well as comply with the terms and conditions of that financing;
- maintain our relationships with our creditors, suppliers, service providers, customers, directors, officers and employees; and
- maintain contracts that are critical to our operations on reasonably acceptable terms and conditions.

We will also be subject to risks relating to, among others:

- the high costs of bankruptcy proceedings and related fees;
- the ability of third parties to seek and obtain court approval to (i) terminate contracts and other agreements with us, (ii) shorten the exclusivity period for us to propose and confirm a Chapter 11 plan or to appoint a Chapter 11 trustee or (iii) convert the Chapter 11 proceedings to Chapter 7 liquidation proceedings; and
- the actions and decisions of our creditors and other third parties who have interests in our Chapter 11 proceedings that may be inconsistent with our plans.

Any delays in our Chapter 11 proceedings increase the risks of our inability to reorganize our business and emerge from bankruptcy and may increase our costs associated with the reorganization process.

Because of the many risks and uncertainties associated with a voluntary filing for relief under Chapter 11 and the related proceedings, we cannot accurately predict or quantify the ultimate impact that events that occur during our Chapter 11 proceedings may have on us and there is no certainty as to our ability to continue as a going concern.

It is impossible to predict with certainty the amount of time that we could spend in our Chapter 11 proceedings or to assure parties in interest that a plan of reorganization will be confirmed. Our Chapter 11 proceedings may involve additional expense and our management will be required to spend a significant amount of time and effort focusing on the Chapter 11 proceedings.

On September 19, 2020, the Bankruptcy Court entered an order approving the Debtors' motion to approve certain debtor-in-possession financing consisting of a Tranche A facility in an amount of up to US$1.3 billion, and an initial Tranche C facility in an amount of up to US$1.15 billion. On October 18, 2021, the Bankruptcy Court entered an order approving the Debtor's motion for additional debtor-in-possession financing consisting of a Tranche B facility in an amount of up to US$750 million. Among other things, the Tranche B facility provided certain improved pricing terms and conditions as compared to the pricing conditions of the existing Tranche A and C facilities.

On November 26, 2021, the Debtors filed the Plan of Reorganization and entered into the RSA and, on January 12, 2022 entered into the Backstop Agreements. We cannot predict whether the Plan will be confirmed. If the Plan is not confirmed and we have to renegotiate a new plan of reorganization, our Chapter 11 proceedings may take longer to conclude, which may adversely impact our ability to reorganize our business and emerge from bankruptcy.

Our Plan of Reorganization provides that we may refinance certain of our existing obligations and that we may also seek additional exit financing to repay certain other existing obligations and to fund our operations. Our Chapter 11 proceedings may also make it necessary for us to seek additional debtor-in-possession financing to fund operations, particularly if there are significant delays in our Chapter 11 proceedings. If we are unable to obtain such financing on favorable terms or at all, our chances of successfully reorganizing our business may be seriously jeopardized and the likelihood that we instead will be required to liquidate our assets may be increased, and, as a result, our common shares and debt instruments could become further devalued or become worthless.

Furthermore, we cannot predict the ultimate amount of all settlement terms for the liabilities that will be subject to our plan of reorganization. Even once a plan of reorganization is approved and implemented, we may be adversely affected by the possible reluctance of prospective lenders and other counterparties to do business with a company that has recently emerged from Chapter 11 proceedings.

We have substantial liquidity needs and may not be able to obtain sufficient liquidity to confirm a plan of reorganization and exit our Chapter 11 proceedings successfully.

Although we have taken multiple measures to reduce our expenses and have reduced the scale of our operations significantly, mainly as a result of developments relating to the spread of COVID-19, our business remains capital intensive. In addition to the cash requirements necessary to fund our ongoing operations, we have incurred significant professional fees and other costs in connection with our reorganization, and we expect that we will continue to incur significant professional fees and costs throughout our Chapter 11 proceedings. There are no assurances that our liquidity is sufficient to allow us to satisfy our obligations related to our Chapter 11 proceedings, to proceed with the confirmation of a Chapter 11 plan of reorganization and to emerge successfully from our Chapter 11 proceedings. Notably, as discussed below, to confirm a Chapter 11 plan of reorganization, we will have to demonstrate feasibility which will in part rely on our ability to demonstrate sufficient liquidity upon emergence.

We can provide no assurance that we will be able to secure additional interim financing or exit financing sufficient to meet our liquidity needs. Our liquidity, including our ability to meet our ongoing operational obligations and the covenants, milestones and other conditions in our debt instruments, is dependent upon, among other things: (i) our ability to comply with the terms and conditions of the cash management order entered by the Bankruptcy Court in connection with our Chapter 11 proceedings, (ii) our ability to maintain adequate cash on hand, (iii) our ability to generate positive cash flow from operations, which in part depends on factors beyond our control relating to developments deriving from the spread of COVID-19, (iv) our ability to confirm and consummate a Chapter 11 plan of reorganization and (v) the cost, duration and outcome of the Chapter 11 proceedings.

We may not be able to obtain confirmation of a Chapter 11 plan of reorganization or such confirmation may be protracted and delayed.[1]

To emerge successfully from Bankruptcy Court protection as a viable entity, we must meet certain statutory requirements. On March 21, 2022, the Bankruptcy Court entered an order approving the disclosure statement regarding the proposed Plan of Reorganization, and corresponding solicitation materials, finding that the disclosure statement contained adequate information and permitting solicitation to commence (the "Disclosure Statement Order"). Pursuant to the Disclosure Statement Order, the Debtors are obligated to commence solicitation of its Plan of Reorganization within five business days after entry of the Disclosure Statement Order.

Notwithstanding the approval of the disclosure statement, we will still have to obtain the requisite acceptances of our plan and demonstrate the feasibility of our plan to the Bankruptcy Court by a preponderance of the evidence in order to fulfill other statutory conditions for confirmation of our plan. To date, and as described herein, although we have filed a proposed plan of reorganization, there can be no assurance as to whether parties in interest will seek to challenge confirmation of the plan, and as to when or whether the Bankruptcy Court will approve the Plan of Reorganization. Moreover, certain parties in interest have sought relief from the Bankruptcy Court which, if granted, could materially affect the Plan and the transactions contemplated therein. Similarly, just as we cannot assure that a plan of reorganization will be approved by the Bankruptcy Court, we cannot guarantee that such plan will be recognized or approved by the courts in the other jurisdictions in which we operated and/or where we are subject to the parallel and ancillary reorganization proceedings, or whether or when we will be able to emerge from such parallel or ancillary proceedings.

In particular, the confirmation process can be subject to numerous unanticipated potential delays. The risks include the possibility that:

- We may receive objections to confirmation of any plan of reorganization from various stakeholders in our Chapter 11 proceedings, including the effectiveness and effect of the steps required for the implementation of the Plan, which could delay and disrupt confirmation of the Plan and the Debtors' emergence from bankruptcy. Any litigation may be expensive, lengthy and disruptive to the company's normal business operations and the plan confirmation process. We cannot predict the impact that any objection or third party motion during our Chapter 11 proceedings may have on the Bankruptcy Court's decision to confirm a plan of reorganization or our ability to complete a plan of reorganization. A resolution of any such litigation that is unfavorable to the Debtors could have a material adverse effect on the plan confirmation process, emergence from bankruptcy or on LATAM's businesses, results of operations, financial condition, liquidity and cash flow.

- Adverse publicity in connection with the Chapter 11 proceedings or otherwise could negatively affect LATAM's business both during the proceedings, the plan confirmation process and post-emergence.

Counterparties to assumed and assigned contracts may object to the assignment of such contracts pursuant to section 365 of the Bankruptcy Code. Section 365(c)(1) of the Bankruptcy Code provides that a contract may not be assumed or assigned if applicable nonbankruptcy law so provides. While the Debtors do not believe that applicable nonbankruptcy law voids any of the Debtors' assignments, a counterparty may nevertheless object to an assignment on such grounds.

The success of any reorganization will depend on approval by the Bankruptcy Court and the willingness of our creditors to agree to the exchange or modification of their claims as will be outlined in a plan of reorganization, and there can be no guarantee of success with respect to any plan of reorganization.

If a plan of reorganization is not confirmed by the Bankruptcy Court or the courts in the other jurisdictions in which we are subject to reorganization proceedings, or if we are unable to emerge from any of our reorganization proceedings, it is unclear whether or when we would be able to reorganize our business and what, if any, distributions holders of claims against us, including holders of our secured and unsecured

1 NTD: This is all we can say at this stage, until the BCA order is issued.

debt and equity, would ultimately receive with respect to their claims. There can be no assurance as to whether or when we will successfully reorganize and emerge from our Chapter 11 proceedings or, if we do successfully reorganize, as to when we would emerge from Chapter 11 proceedings. If no plan of reorganization can be confirmed, or the Bankruptcy Court finds that it would be in the best interest of creditors, the Bankruptcy Court may convert or dismiss our Chapter 11 proceedings to cases under Chapter 7 of the Bankruptcy Code. In the event of conversion, a Chapter 7 trustee would be appointed or elected to liquidate our assets for distribution in accordance with the priorities established by the Bankruptcy Code.

Any Chapter 11 plan of reorganization that we may implement will be based in large part upon assumptions and analyses developed by us. If these assumptions and analyses prove to be incorrect, our plan may be unsuccessful in its execution.

Any plan of reorganization we may implement could affect our capital structure and the ownership, structure and operation of the business and will reflect assumptions and analyses based on our experience and perception of historical trends, current conditions and expected future developments, as well as other factors that we consider appropriate under the circumstances. Whether actual future results and developments will be consistent with our expectations and assumptions depends on a number of factors, including but not limited to: (i) our ability to change substantially our capital structure, (ii) our ability to obtain adequate liquidity and access financing sources, (iii) our ability to maintain customers' confidence in our viability as a going concern, (iv) our ability to retain key employees and (v) the overall strength and stability of general macroeconomic conditions. In light of the many uncertainties and risks deriving from developments relating to the spread of COVID-19 and new variants, these factors and their effect on us are highly unpredictable.

In addition, any Chapter 11 plan of reorganization will rely upon financial projections that are necessarily speculative, and it is possible that one or more of the assumptions and estimates that are the basis of these financial forecasts will not result as expected. In our case, the forecasts may be even more speculative than normal because of the many uncertainties we face relating to, among others, macroeconomic conditions in the countries in which the group operates, depressed demand for air travel and travel restrictions imposed by governments as a result of the COVID-19 pandemic, and the time and manner in which COVID-19 vaccines are distributed in the countries in which the group operates. Accordingly, our actual financial condition and results of operations could differ, perhaps materially, from what we have anticipated. Consequently, there can be no assurance that the results or developments contemplated by any plan of reorganization we may implement will occur or, even if they do occur, that they will have the anticipated effects on us or our business or operations. The failure of any such results or developments to materialize as anticipated could materially and adversely affect the successful execution of any plan of reorganization.

Upon emergence from a filing of voluntary relief under Chapter 11 of the Bankruptcy Code, our historical financial information may not be indicative of our future financial performance.

Our capital structure may be significantly altered under a plan of reorganization. Further, a plan of reorganization could materially change the amounts and classifications reported in our consolidated historical financial statements, which do not give effect to any adjustments to the carrying value of assets or amounts of liabilities that might be necessary as a consequence of confirmation of the reorganization plan.

Even if a Chapter 11 plan of reorganization is confirmed, we may not be able to achieve the effective date.

It is common for plans of reorganization to contain conditions precedent to effectiveness, such as obtaining government approvals, satisfying any conditions precedent in the exit facility and entry of an order approving the plan. Even upon confirmation of a plan, there can be no assurance as to when such conditions will be satisfied, if at all.

Operating in bankruptcy imposes significant risks on the Debtors' operations. Although the Debtors believe that the effective date of the Plan will occur in the second half of 2022, there can be no assurance as to such timing or that the conditions to the effective date will ever be satisfied, including without limitation: (i) entry of the confirmation order confirming the Plan by the Bankruptcy Court in form and substance reasonably satisfactory to the Debtors, and not having been stayed or reversed or vacated on appeal and (ii) the satisfaction (or waiver in accordance with the terms therein) of the conditions precedent for the closing of the exit financing.

Even if a Chapter 11 plan of reorganization is consummated, we may not be able to achieve our stated goals and continue as a going concern.

Even if a Chapter 11 plan of reorganization is consummated, we will continue to face a number of risks, including further depressed demand for air travel and challenging economic conditions as a result of developments relating to the spread of COVID-19 or otherwise. Accordingly, we cannot guarantee that a Chapter 11 plan of reorganization will achieve our stated goals and permit us to effectively implement our strategy.

Furthermore, even if our debts are reduced or discharged through a plan of reorganization, we may need to raise additional funds through public or private debt or equity financing or other various means to fund the group's business after the completion of our Chapter 11 proceedings. Our access to additional financing for the foreseeable future will likely continue to be limited, if it is available at all. Therefore, adequate funds may not be available when needed or may not be available on favorable terms.

We may be subject to claims that will not be discharged in our Chapter 11 proceedings, which could have a material adverse effect on our financial condition and results of operations.

The Bankruptcy Code provides that the confirmation of a Chapter 11 plan of reorganization discharges a debtor from substantially all debts arising prior to confirmation. With few exceptions, all claims that arose prior to confirmation of the plan of reorganization: (i) would be subject to compromise and/or treatment under the plan of reorganization and (ii) would be discharged in accordance with the Bankruptcy Code and the terms of the plan of reorganization. Any claims not ultimately discharged through a Chapter 11 plan of reorganization could be asserted against the reorganized entities and may have an adverse effect on the business and financial condition and results of operations of the group on a post-reorganization basis.

Our Chapter 11 proceedings may adversely affect our ability to maintain important relationships with creditors, customers, suppliers, employees, financing sources and other personnel and counterparties, which could materially and adversely affect us.

Our Chapter 11 proceedings may adversely affect our commercial relationships and our ability to negotiate favorable terms with important stakeholders and counterparties, including potential sources of financing. Further, public perception of our continued viability may also adversely affect our relationships with customers and their loyalty to us. Strains in any of these relationships could materially and adversely affect us. In particular, critical suppliers, credit and debit card processors and acquirers, banks, export credit agencies, providers of letters of credit, surety bonds or similar instruments, vendors, lessors and customers may determine not to do business with us due to our Chapter 11 proceedings. Also, during the pendency of the Chapter 11 proceedings, the court has stayed the enforcement of any payment toward debt obligations and we will need the prior approval of the Bankruptcy Court for transactions outside the ordinary course of business, which may limit our ability to respond timely to certain events or take advantage of certain opportunities.

There is uncertainty regarding our ability to continue as a going concern.

Our audited consolidated financial statements have been prepared on the basis of accounting principles applicable to a going concern. As discussed above, our ability to continue as a going concern is contingent upon, among other things, our ability to: (i) develop and successfully implement a restructuring plan within the timeframe required, (ii) reduce debt and other liabilities through the restructuring process, (iii) generate sufficient cash flow from operations and (iv) obtain financing sources to meet our future obligations. The accompanying consolidated financial statements also do not include any adjustments that might be necessary should we be unable to continue as a going concern.

RISKS RELATING TO OUR COMPANY

A pandemic or the widespread outbreak of contagious illnesses has had, and may continue to have, a material adverse effect on the group's business and results of operations.

The widespread outbreak of a contagious illness such as the COVID-19 pandemic, or fear of such an event, has materially reduced, and may continue to further reduce, demand for, and availability of, worldwide air travel and therefore is having a material adverse effect on the group's business and results of operations.

The COVID-19 pandemic 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 ultimate severity of the COVID-19 pandemic is uncertain at this time and therefore we cannot predict the impact it may have on the availability of aircraft or aircraft spare parts. However, the effect on our results may be material and adverse if supply chain disruptions persist and preclude our ability to adequately maintain our fleet.

The potential for a period of significantly reduced demand for travel has and will likely continue to result in significant lost revenue. 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, if the spread of COVID-19 were to continue unabated, our operations could also be negatively affected if employees are quarantined as the result of exposure to the contagious illness. We cannot fully predict the impact that the COVID-19 pandemic will continue to have on global air travel, corporate travel, and the extent to which it may impact the demand for air travel in the regions in which the group operates. Continued government-imposed travel restrictions, border closures or operational issues resulting from the rapid spread of COVID-19 or other contagious illnesses, all of which may be unpredictable, may materially reduce demand for air travel in parts of the world in which we have significant operations and could have lasting impacts on how people do business and the need or demand for business travel. In addition, the pace of the COVID-19 vaccine rollout globally may materially impact our operations. These measures and issues have had and could continue to have a material adverse effect on the group's business and results of operations.

It is possible that in spite of mitigation measures in place, COVID-19 or other diseases could be transmitted to passengers or employees on our aircraft or at an airport, which could lead to reputational and/or financial impacts.

The health safety and sanitation measures we have implemented as a group 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. For further information on the health safety and sanitation measures implemented by the group, see section Safety. 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, the airline industry may experience consumer behavior changes with regard to 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 exists and could lead to adverse financial impacts for the Company. Corporate travel has been hindered, and in many cases, prohibited by companies due to risks during the pandemic. At this time, 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 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.

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 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 an extension of the concession period, which expires in 2035. This dispute implies a risk to future opex and capex investments and adverse effects to the airport's operations.

Santiago's Comodoro Arturo Merino Benítez International Airport opened its expansion 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.

One of the major operational risks we have faced on a daily basis at Lima's Jorge Chavez International Airport is the limited number of parking positions. Additionally, the indoor infrastructure of the airport limits our ability to manage connections and launch new flights due to the lack of gates and increasing security and immigration controls. Lima's Jorge Chavez International Airport is currently undergoing an expansion, which is expected to be completed by 2024. Any delays or limitations due to the ongoing works could negatively impact our operations, limit our ability to grow and affect our competitiveness in the country and in the 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.

One of the largest operational risks that the El Dorado International Airport in Bogotá faces is the limited capacity that it has during certain time periods due to the adverse weather conditions, the operation of non-regular flights and the lack of availability of slots. As a result, measures have been implemented to mitigate and regulate the operation, such as Ground Stop and Ground Delay Program (GDP Program), which generates delays controlled by the control tower. Another issue faced at the El Dorado International Airport is delays by ATC of the control tower in connection with the GDP Program. These delays occur particularly in certain time periods with high traffic and are associated with non-regular flight operation, emergency flights, lower performance planes, all of which lower the airport's capacity. However, the El Dorado Airport, its concessionaire, Opain S.A., and the relevant authorities are working on the ACDM (Airport Collaborative Decision Making) project which seeks to optimize the airport's resources, involving all the industry's players by understanding their needs, in order to achieve a more controlled operation with less schedule delays.

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.

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 30.0% of our total costs of sales in 2021. 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 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. 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. Also, while these hedging arrangements are designed to limit the effect of an increase in fuel prices, our hedging methods may also limit our ability to take advantage of any decrease in fuel prices, as was the case in 2015 and, to a lesser extent, in 2016.

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 aircrafts fall behind schedule, the resulting delays could cause a disruption in our operating performance and have a financial impact on our results.

As a result of the COVID-19 pandemic and the decrease in operations, the turnaround times between flights have increased to allow for the incorporation of numerous changes to the operation, such as increased aircraft sanitization and adjusted embarking and disembarking procedures. This increase in turnaround times has a direct impact on our utilization rate. As LATAM recovers its operations, both domestic and international, the turnaround times between flights is expected to decrease and the aircraft utilization is expected to increase. Further, as a result of our Chapter 11 proceedings, the majority of LATAM's fleet is operating on a payment by use (or Power By Hour, "PBH") plan, thus turning the once fixed costs into variable costs that are not easily absorbed through higher utilization.

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, 2021, LATAM Airlines Group has a total fleet of 238 Airbus and 72 Boeing aircraft (six of these B767 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.

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The occurrence 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. In the context of our Chapter 11 proceedings, certain of our agreements with suppliers may be rejected.

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.

Furthermore, through LATAM's emergence from Chapter 11 proceedings, we will need Bankruptcy Court approval for certain lease transactions, which may delay or further complicate negotiations ultimately limiting our ability to take advantage of favorable market conditions.

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 debtor-in-possession financing. In the event that we fail to make payments on our debtor-in-possession financing or other secured indebtedness, 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.

We have significant exposure to LIBOR 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.

We are exposed to the risk of interest rate variations, principally in relation to the U.S. dollar London Interbank Offer Rate ("LIBOR"). Many of our financial leases are denominated in U.S. dollars and bear interest at a floating rate. As of December 31, 2021, 57% of our outstanding consolidated debt bears interest at a floating rate (and 61% taking into account the US$662.3 million in DIP financing provided by Related Parties). Volatility in LIBOR or other reference rates could increase our periodic interest and lease payments and 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.

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 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 begun to migrate to the adoption of SOFR as an alternative rate, which will materialize with the termination of LIBOR. The impact of such a transition away from LIBOR could be significant for us because of our substantial indebtedness.

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 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 2021, 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, MTU Maintenance, Rolls-Royce, General Electric, Pratt & Whitney Canada, CMF International and Honeywell, among others.

In the context of our Chapter 11 proceedings, certain of our agreements with suppliers may be rejected.

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 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. In the context of our Chapter 11 proceedings, certain of our agreements with suppliers and third-party contractors may be rejected.

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, 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. This risk is involved in all processes of digitization and technological innovation.

Similarly, other technologies or the environment of rapidly increasing technological transformation may advance faster than the review and control capacity of the authorities or the knowledge or effects of their possible impacts, which could affect us directly or indirectly in ways we cannot foresee.

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 (15.4% in 2021) 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.

Our business may experience adverse consequences if we are unable to reach satisfactory collective bargaining agreements with unionized employees.

As of December 31, 2021, approximately 44% 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 as a result of our Chapter 11 proceedings, and extends to non-flight personnel. 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. As a result of the Chapter 11 proceedings, the group may experience increased levels of employee attrition. A loss 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 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) in 2019 where the slots previously operated by Avianca Brazil were reassigned. 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 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 or incident affecting one of our alliance partners or other airlines, or due to a perception of increased risk in the industry related to concerns about war or terrorist attacks, the general industry, or general industry safety.

High levels of competition in the airline industry, such as the presence of low-cost carriers 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. In Colombia, low-cost competitor VivaColombia has been operating in the domestic market since May 2012. A number of low-cost carriers have announced growth strategies including commitments to acquire significant numbers of aircraft for delivery in the next few years. The entry of low-cost carriers into local markets in which we compete, including those described above, could have a material adverse effect on our operations and financial performance. Additionally, certain of our competitors have also filed voluntary petitions under Chapter 11 of the Bankruptcy Code. The ability of competitors to significantly adjust their cost structure and become more competitive, resulting from a bankruptcy reorganization process or other financial restructuring may also adversely affect our ability to compete.

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 have 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

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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 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. 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.

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, 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 adverse weather conditions and natural disasters, 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 other adverse public health developments could have a prolonged effect on air transportation demand and any prolonged or widespread effects could significantly impact operations.

After the terrorist attacks in the United States on September 11, 2001, the Company made the decision to reduce its flights to the United States. In connection with the reduction in service, the Company reduced its workforce resulting in additional expenses due to severance payments to terminated employees during 2001. 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.

After the 2001 terrorist attacks, airlines have experienced increased costs resulting from additional security measures that may be made even more rigorous in the future. In addition to measures imposed by the U.S. Department of Homeland Security and the TSA, IATA and certain foreign governments have also begun to institute additional security measures at foreign airports we serve.

Revenues for airlines depend on the number of passengers carried, the fare paid by each passenger and service

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factors, such as the timeliness of flight departures and arrivals. During periods of fog, ice, low temperatures, storms or other adverse weather conditions, some or all of our flights may be canceled or significantly delayed, reducing profitability. 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.

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 are outside of LATAM's control have resulted in an unprecedented number of requests for ticket refunds from customers due to changed or canceled flights. Although at the time this issue has been managed, we cannot assure you 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.

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

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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 ("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 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.

In Peru, on September 30, 2019, President Martin Vizcarra took the executive action to dissolve the Peruvian Congress and called for a new election of congressional members. In response to the dissolution of the Congress, former members of the legislative body voted to suspend President Vizcarra for twelve months and appointed Vice President Mercedes Araoz as interim president to temporarily replace Mr. Vizcarra. Vice President Araoz resigned from her position as interim president the following day. On January 14, 2020, the Peruvian Constitutional Court declared the executive action taken by President Vizcarra to be constitutionally and legally valid.

On October 20, 2020, a group of 27 congressmen introduced a motion to hold new impeachment proceedings against President Vizcarra as a result of allegations that President Vizcarra received illicit payments from construction companies when he was the governor of Moquegua (between 2011 and 2014). On November 2, 2020, the Peruvian Congress voted to hold new impeachment proceedings. On November 9, 2020, with the affirmative vote of the required qualified members of Congress, the impeachment of President Vizcarra was approved. Because, at the time, Peru did not have designated vice presidents, the then-president of the Congress, Manuel Arturo Merino de Lama, assumed the role of acting President. Since that day, Peru had been undergoing political and social unrest, followed by multiple protests within the country. On November 15, 2020, Manuel Arturo Merino de Lama resigned from his

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role of acting President. On November 16, 2020, the Congress elected congressman Francisco Rafael Sagasti Hochhausler as president of Congress, and he assumed the role of acting President on November 17, 2020 until July 28, 2021.

On June 6, 2021, the second electoral round between Keiko Fujimori and Pedro Castillo was held. The winner of the election by a tight margin was Pedro Castillo, however, accusations of electoral fraud have arisen since then, generating instability in the country and raising the US dollar exchange rate to historical levels. Currently, the instability in the country continues due to the policies implemented by the current president and the current Congress of the Republic, a period that has also been marked by a high level of uncertainty following recurrent changes in the members of the government's cabinet.

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. It is not possible to predict the effect of these changes as they are still under discussion, but they could potentially result in higher payments of wages and salaries and an increase in taxes. 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, which will be approved or rejected in a referendum during 2022. In addition, Chile held presidential elections in December 2021, with leftist Gabriel Boric winning by a wide margin.

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 decreased 3.5% in 2015, decreased 3.3% in 2016, increased 1.3% in 2017, increased 1.8% in 2018 and 1.1% in 2019, and decreased 4.1% in 2020, according to the Brazilian Institute for Geography and Statistics (Instituto Brasileiro de Geografia e Estadística, or "IGBE"). In addition, the credit rating of the Brazilian federal government was downgraded in 2015 and 2016 by all major credit rating agencies and is no longer investment grade. LATAM can offer no assurances as to the policies that may be implemented by the recently elected Argentine administration, or that political developments in Argentina will not adversely affect the Argentine economy.

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

Because our post-bankruptcy capital structure is yet to be determined, and any changes to our capital structure may have a material adverse effect on holders of the ADSs or our shares, trading in the ADSs or our shares during the pendency of our Chapter 11 proceedings is highly speculative and poses substantial risks.

Our post-bankruptcy capital structure will be set pursuant to a reorganization plan that requires approval by the bankruptcy court. The reorganization of our capital structure may include exchanges of new equity securities for existing equity securities or of debt securities for equity securities, which would dilute any value of our existing equity securities, or may provide for all existing equity interests in us to be extinguished. In this case, amounts invested by holders of the ADSs or our shares will not be recoverable and these securities will have no value.

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. 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.

Trading prices of the ADSs or our shares bear no relationship to the actual recovery, if any, by their holders in the context of our Chapter 11 proceedings. Additionally, trading prices of ADSs or our shares may experience significant fluctuation and volatility. Due to these and other risks described in this annual report, trading in the ADSs or our shares during the pendency of our Chapter 11 proceedings poses substantial risks and we urge extreme caution with respect to existing and future investments in these securities.

Our major shareholders may have interests that differ from those of our other shareholders.

One of the major shareholder groups, the Cueto Group (the "Cueto Group"), beneficially owned 16.39% of our common shares as of February 28, 2022. In addition, other shareholders including, Delta Air Lines, Inc, which, as of February 28, 2022, held 20.00% of our common shares, and Qatar Airways Investments (UK) Ltd., which as of February 28, 2022, held 9.999999918% of our common shares, could have interests that may differ from those of our other shareholders. Moreover, our shareholder structure may change after emergence from Chapter 11 proceedings, and future major 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 majority shareholders, which may differ from those of our other shareholders. Historically, our board of directors has designated its chairman to exercise this right; for example, the members of the board of directors elected by the shareholders in 2021 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.

Our common shares are listed on the two Chilean stock exchanges. 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.

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. The inability of holders of ADSs 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.

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.

EMISSIONS

Greenhouse gases (t CO_2e) 305-1, 305-2, 305-3 and 305-4	2018	2019	2020	2021	Δ 2021/2020
Direct emissions[1]	11,513,608	12,149,725	5,614,368	6,497,576	15.7%
Indirect emissions[2]	16,759	18,423	16,355	14,549	-11.0%
Other indirect emissions[3]	4,750	218,174	24,827	2,446	-90,1
Total	**11,535,117**	**12,386,323**	**5,655,551**	**6,514,570**	**15.2%**
Emissions intensity in total operations (kg CO_2e/100 RTK)	**80,34**	**83,69**	**81,62**	**86,04**	**5.4%**
Emissions intensity in air operations (kg CO_2e/100 RTK)	**80,06**	**82,02**	**80,69**	**85,57**	**6.0%**
Emissions intensity (net value) in total operations (kg CO_2e/100 RTK)[4]	**77,86**	**82,79**	**79,68**	**81,08**	**1.8%**

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) and air travel (through other airlines) of employees for work reasons.

4 Considers offset emissions.

Source	Emission factor
Jet Fuel[1]	3.16 kg CO_2/kg fuel
Gasolina	69,300 kg CO_2/TJ
Diesel	74,100 kg CO_2/TJ
Natural gas	56,100 kg CO_2/TJ
Liquefied petroleum gas (LPG)	63,100 kg CO_2/TJ

1 The factor was updated in information report 2021. For previous years, the factor of 3.15 kg CO_2/kg of fuel was maintained.

Scope of the information (%)	2018	2019	2020	2021
Jet fuel – air operation	**100**	**100**	**100**	**100**
Fuel – stationary sources				
Diesel	96	96	96	96
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
GLP	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 305-6 and 305-7	2018	2019	2020	2021	Δ 2021/2020
Nitrogen oxides (NOx) – (t)	**39,485**	**41,697**	**19,207**	**22,184**	**15.5%**
Intensity in passenger operations (g/RPK)	0.256	0.261	0.273	0.330	21.1%
Intensidad en la operación de carga (g/RTK)	1,718	1,880	1,792	1,734	-3.2%
Sulfur oxides (SO_x) – (t)	**1,749**	**1,847**	**851**	**983**	**15.5%**
Intensity in passenger operations (g/RPK)	0.011	0.012	0.012	0.013	6.6%
Intensity in cargo operations (g/RTK)	0.076	0.083	0.079	0.077	-3.2%
Gases that affect the ozone laye[1]	**46.7**	**21.2**	**7.8**	**0.2**	**-97.7%**

1 Including: Halon-1301; HCFC-141b; HCFC-22; HFC-125; HFC-134a; HFC143a; HFC-32; R410A; and R507A.

Turnover

LATAM Group and Affiliates – Hiring and Turnover (2021) 401-1			
By gender	Hiring		Turnover rate(%)
	Total	Rate (%)	
Men	4,141	23.2%	24.9%
Women	2,442	21.7%	18.7%
By age group			
Up to 30 years	3,307	55.2%	31.5%
From 31 to 40 years old	2,278	19.4%	22.7%
From 41 to 50 years old	792	9.9%	17.3%
From 51 to 60 years old	188	6.7%	16.3%
Over 61 years old	18	3.3%	27.9%
By country of operation			
Argentina	22	8.6%	230.1%
Brazil	3,490	22.2%	20.4%
Chile	1,745	24.3%	23.9%
Colombia	509	33.8%	7.4%
Ecuador	35	10.9%	58.3%
Peru	300	11.3%	12.4%
United States	401	40.3%	31.9%
Others	81	17.2%	19.1%
Total	**6,583**	**22.6%**	**22.5%**

Notes:

Hiring Rate: New hires in the year/ Total employees by December 31.

Turnover rate: Employees who left the group (voluntarily, by dismissal, retirement, or death in service) during the year/Total employees by December 31.

OHI

Organizational Health Index (2021)	Total
By gender	
Men	76
Women	77
By age	
From 18 to 24 years old	78
From 25 to 34 years old	77
From 35 to 44 years old	75
From 45 to 54 years old	77
From 55 to 64 years old	78
Over 65 years old	80
By seniority	
Under 2 years	82
From 2 to 5 years	77
From 6 to 10 years	75
From 11 to 15 years	75
From 16 to 20 years	75
Over 21 years	76
Total	**77**

Team profile

LATAM Group and Affiliates— Employees (2021) 102-8				
By country of operation	Men		Women	
	Total	%	Total	%
Argentina	118	46.1%	138	53.9%
Brazil	10,250	65.1%	5,483	34.9%
Chile	4,055	56.6%	3,114	43.4%
Colombia	871	57.9%	634	42.1%
Ecuador	192	59.8%	129	40.2%
Peru	1,380	51.8%	1,282	48.2%
United States	768	77.1%	228	22.9%
Others	243	51.5%	229	48.5%
Total	17,877	61.4%	11,237	38.6%
By type of employment contract				
Full time	17,559	61.9%	10,797	38.1%
Part-time	318	42.0%	440	58.0%

Note: 94.9% of all contracts are for an indefinite period.

LATAM Group and Affiliates – Management Level Employees[1] (2021)				
By country of operation	Men		Women	
	Total	%	Total	%
Argentina	5	83.3	1	16.7
Brazil	111	70.7	46	29.3
Chile	274	68.8	124	31.2
Colombia	18	66.7	9	33.3
Ecuador	4	40.0	6	60.0
Peru	15	62.5	9	37.5
United States	25	69.4	11	30.6
Others	**14**	**70.0**	**6**	**30.0**
Total	**466**	**68.7**	**212**	**31.3**

1 Management level: positions of assistant manager, manager, senior manager, director, and vice-president.

Diversity

LATAM Group and Affiliates – Total Employees (2021)		
By gender	**Total**	**%**
Men	17,877	61.4%
Women	11,237	38.6%
By age group		
Up to 30 years	5,994	20.6%
From 31 to 40 years old	11,755	40.4%
From 41 to 50 years old	7,993	27.5%
From 51 to 60 years old	2,824	9.7%
Over 61 years old	548	1.9%
By seniority		
Up to 3 years	9,518	32.7%
From 3 years and a day to 6 years	2,933	10.1%
From 6 years and a day to 9 years	3,783	13.0%
From 9 years and a day to 12 years	3,703	12.7%
More than 12 years and a day	9,177	31.5%
Total	**29,114**	

LATAM Group and Affiliates – Management Level Employees (2021)		
By gender	**Total**	**%**
Men	466	68.80%
Women	212	31.20%
By age group		
Up to 30 years	16	2.4%
From 31 to 40 years old	310	45.7%
From 41 to 50 years old	243	35.8%
From 51 to 60 years old	94	13.9%
Over 61 years old	15	2.2%
By seniority		
Up to 3 years	81	11.9%
From 3 years and a day to 6 years	82	12.1%
From 6 years and a day to 9 years	149	22.0%
From 9 years and a day to 12 years	115	17.0%
More than 12 years and a day	251	37.0%
Total	**678**	

1 Management level: positions of assistant manager, manager, senior manager, director, and vice-president.

Board (2021)		
By gender	**Total**	**%**
Men	8	88.9%
Women	1	11.1%
By age group		
Up to 30 years	0	0.0%
From 31 to 40 years old	1	11.1%
From 41 to 50 years old	0	0.0%
From 51 to 60 years old	4	44.4%
Over 61 years old	4	44.4%
By seniority		
Up to 3 years	4	44.4%
From 3 years and a day to 6 years	4	44.4%
From 6 years and a day to 9 years	1	11.1%
From 9 years and a day to 12 years	0	0.0%
More than 12 years and a day	0	0.0%
By nationality		
Brazil	2	22.2%
Chile	6	66.7%
United States	1	11.1%
Total	**9**	**100%**

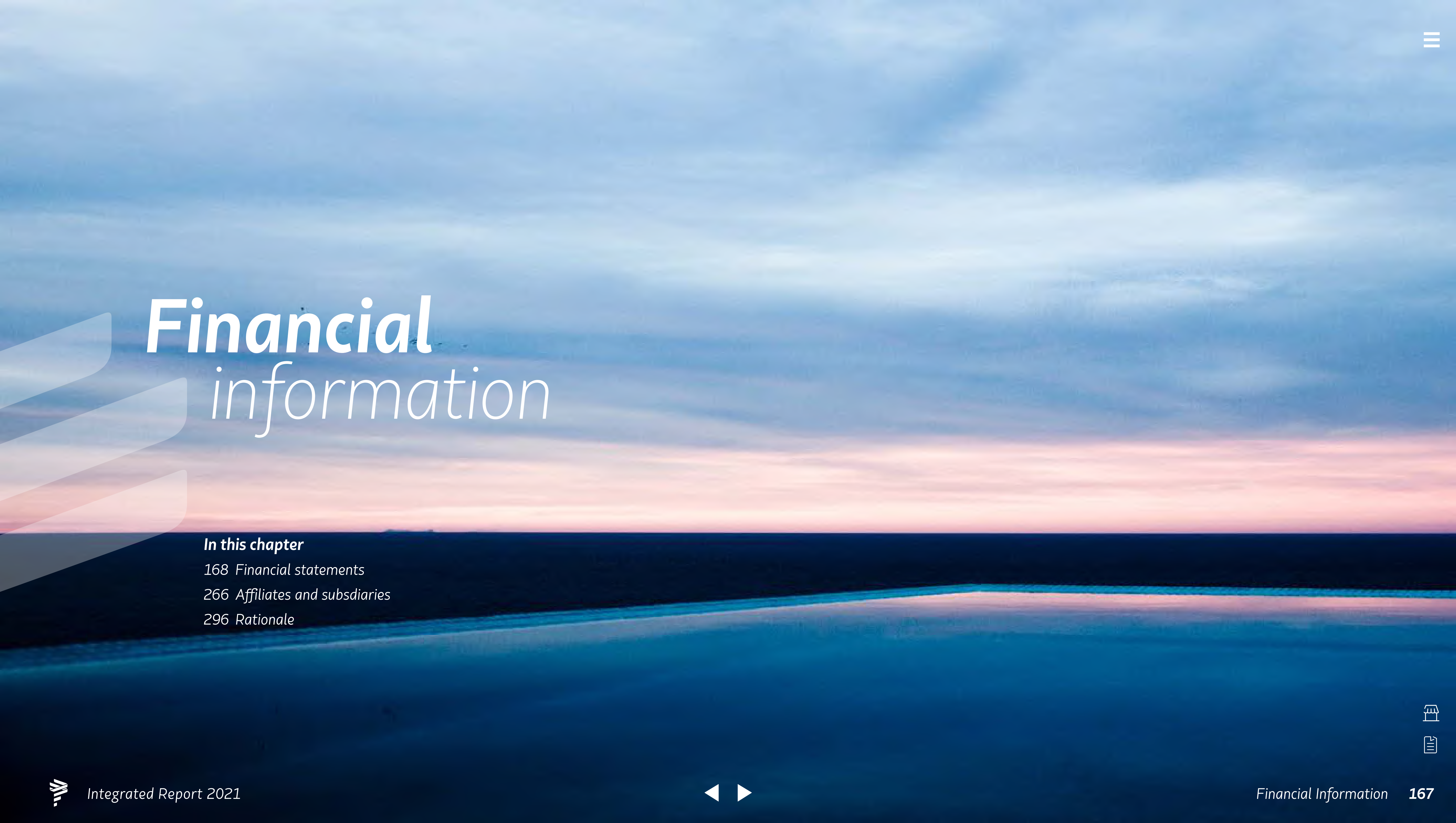
Health and Safety

LATAM Group and Affiliates – Health and Safety (2021) 403-9	Total	Tasa
Occupational injury with major consequences[1]		
Total	**0**	**0**
Recordable work accident injuries[2]		
Brazil	49.5	0.33
Chile	42.0	0.58
Colombia	10.0	0.86
Ecuador	0.0	0.00
Peru	29.0	1.08
Others	4.0	0.002
Total	**134.5**	**0.48**
Deaths resulting from injury from work accident[3]		
Total	**0**	**0**

1 Injury resulting in death or damage such that the worker cannot fully recover the state of health from before the accident within 6 months. The rate calculation uses the formula: Injuries/Average payroll X 100.

2 Injury, illness, or work-related sickness with some of the following results: days of work leave, labor restriction or transfer to other positions, medical treatment beyond first aid; or serious injury or illness diagnosed by a doctor or other health care professional to those same results. The rate calculation uses the formula: Injuries/Average payroll X 100.

3 Includes road accidents in cases where transportation is carried out by LATAM.



Financial *information*

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Financial statements

LATAM AIRLINES GROUP S.A. AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2021

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CLP	-	CHILEAN PESO
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

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REPORT OF INDEPENDENT AUDITORS
(Free translation from the original in Spanish)

Santiago, March 8, 2022

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, 2021 and 2020 and the consolidated statements of income by function, consolidated comprehensive income, consolidated changes in equity and consolidated 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 (IFRS). 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.

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RUT: 81.513.400-1 | Teléfono: (56 2) 2940 0000 | www.pwc.cl

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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, 2021 and 2020, and the results of operations and cash flows for the years then ended in accordance with the International Financial Reporting Standards (IFRS).

Emphasis of matter – Going Concern

The accompanying consolidated financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 2 to the consolidated financial statements, Latam Airlines Group S.A. and certain of its subsidiaries filed voluntary petitions for reorganization under Chapter 11 of the United States Bankruptcy Code and as a result, the satisfaction of the Company's liabilities and funding of ongoing operation are subject to uncertainty. The Company has stated that these events or conditions indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Management's plans in regard to these matters are also described in Note 2 to the consolidated financial statements. The financial statements do not include any adjustments that might result from the outcome of this uncertainty. Our opinion is not modified as a result of this matter.

Contents of the Notes to the consolidated financial statements of LATAM Airlines Group S.A. and Subsidiaries.

LATAM AIRLINES GROUP S.A. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

ASSETS

	Note	As of December 31, 2021 ThUS$	As of December 31, 2020 ThUS$
Cash and cash equivalents			
Cash and cash equivalents	6 - 7	1,046,835	1,695,841
Other financial assets	7 - 11	101,138	50,250
Other non-financial assets	12	108,368	155,892
Trade and other accounts receivable	7 - 8	902,672	599,381
Accounts receivable from related entities	7 - 9	724	158
Inventories	10	287,337	323,574
Current tax assets	18	41,264	42,320
Total current assets other than non-current assets (or disposal groups) classified as held for sale		2,488,338	2,867,416
Non-current assets (or disposal groups) classified as held for sale	13	146,792	276,122
Total current assets		2,635,130	3,143,538
Non-current assets			
Other financial assets	7 - 11	15,622	33,140
Other non-financial assets	12	125,432	126,782
Accounts receivable	7 - 8	12,201	4,986
Intangible assets other than goodwill	15	1,018,892	1,046,559
Property, plant and equipment	17	9,489,867	10,730,269
Deferred tax assets	18	15,290	564,816
Total non-current assets		10,677,304	12,506,552
Total assets		13,312,434	15,650,090

The accompanying Notes 1 to 37 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, 2021 ThUS$	As of December 31, 2020 ThUS$
Current liabilities			
Other financial liabilities	7 - 19	4,453,451	3,055,730
Trade and other accounts payables	7 - 20	4,860,153	2,322,125
Accounts payable to related entities	7 - 9	661,602	812
Other provisions	21	27,872	23,774
Current tax liabilities	18	675	656
Other non-financial liabilities	22	2,332,576	2,088,791
Total current liabilities		12,336,329	7,491,888
Non-current liabilities			
Other financial liabilities	7 - 19	5,948,702	7,803,801
Accounts payable	7 - 24	472,426	651,600
Accounts payable to related entities	7 - 9	-	396,423
Other provisions	21	712,581	588,359
Deferred tax liabilities	18	341,011	384,280
Employee benefits	23	56,233	74,116
Other non-financial liabilities	22	512,056	702,008
Total non-current liabilities		8,043,009	10,600,587
Total liabilities		20,379,338	18,092,475
EQUITY			
Share capital	25	3,146,265	3,146,265
Retained earnings/(losses)	25	(8,841,106)	(4,193,615)
Treasury Shares	25	(178)	(178)
Other reserves		(1,361,529)	(1,388,185)
Parent's ownership interest		(7,056,548)	(2,435,713)
Non-controlling interest	14	(10,356)	(6,672)
Total equity		(7,066,904)	(2,442,385)
Total liabilities and equity		13,312,434	15,650,090

The accompanying Notes 1 to 37 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, 2021 ThUS$	2020 ThUS$
Revenue	26	4,884,015	3,923,667
Cost of sales	27	(4,963,485)	(4,513,228)
Gross margin		(79,470)	(589,561)
Other income	28	227,331	411,002
Distribution costs	27	(291,820)	(294,278)
Administrative expenses	27	(439,494)	(499,512)
Other expenses	27	(535,824)	(692,939)
Restructuring activities expenses	27	(2,337,182)	(990,009)
Other gains/(losses)	27	30,674	(1,874,789)
Income (loss) from operation activities		(3,425,785)	(4,530,086)
Financial income		21,107	50,397
Financial costs	27	(805,544)	(586,979)
Foreign exchange gains/(losses)		131,408	(48,403)
Result of indexation units		(5,393)	9,348
Income (loss) before taxes		(4,084,207)	(5,105,723)
Income tax expense / benefit	18	(568,935)	550,188
NET INCOME (LOSS) FOR THE YEAR		(4,653,142)	(4,555,535)
Income (loss) attributable to owners of the parent		(4,647,491)	(4,545,887)
Income (loss) attributable to non-controlling interest	14	(5,651)	(9,648)
Net income (loss) for the year		(4,653,142)	(4,555,535)
EARNINGS PER SHARE			
Basic earnings (losses) per share (US$)	30	(7.66397)	(7.49642)
Diluted earnings (losses) per share (US$)	30	(7.66397)	(7.49642)

The accompanying Notes 1 to 37 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, 2021 ThUS$	2020 ThUS$
NET INCOME (LOSS)		(4,653,142)	(4,555,535)
Components of other comprehensive income that will not be reclassified to income before taxes			
Other comprehensive income, before taxes, gains by new measurements on defined benefit plans	25	10,018	(3,968)
Total other comprehensive (loss) that will not be reclassified to income before taxes		10,018	(3,968)
Components of other comprehensive income that will be reclassified to income before taxes			
Currency translation differences			
Gains (losses) on currency translation, before tax		20,008	(894,394)
Other comprehensive loss, before taxes, currency translation differences		20,008	(894,394)
Cash flow hedges			
Gains (losses) on cash flow hedges before taxes	19	38,870	(105,280)
Reclasification adjustment on cash flow hedges before tax	25	(16,641)	(14,690)
Other comprehensive income (losses), before taxes, cash flow hedges		22,229	(119,970)
Change in value of time value of options			
Gains (losses) on change in value of time value of options before tax		(23,692)	-
Reclassification adjustments on change in value of time value of options before tax		6,509	-
Other comprehensive income (losses), before taxes, changes in the time value of the options		(17,183)	-
Total other comprehensive (loss) that will be reclassified to income before taxes		25,054	(1,014,364)
Other components of other comprehensive income (loss), before taxes		35,072	(1,018,332)
Income tax relating to other comprehensive income that will not be reclassified to income			
Income tax relating to new measurements on defined benefit plans	18	(2,783)	924
Accumulate income tax relating to other comprehensive income (loss) that will not be reclassified to income		(2,783)	924
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)		(58)	959
Income taxes related to components of other comprehensive loss will be reclassified to income		(58)	959
Total Other comprehensive (loss)		32,231	(1,016,449)
Total comprehensive income (loss)		(4,620,911)	(5,571,984)
Comprehensive income (loss) attributable to owners of the parent		(4,616,914)	(5,566,991)
Comprehensive income (loss) attributable to non-controlling interests		(3,997)	(4,993)
TOTAL COMPREHENSIVE INCOME (LOSS)		(4,620,911)	(5,571,984)

The accompanying Notes 1 to 37 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, equ	25-34	-	-	-	-	-	-	-	(3,921)	(3,921)	-	(3,921)	313	(3,608)
Total transactions with shareholk		-	-	-	-	-	-	-	(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 37 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	Treasury shares	Currency translation reserve	Cash flow hedging reserve	Actuarial gains or losses on defined benefit plans reserve	Shares based payments reserve	Other sundry reserve	Total other reserve	Retained earnings/(losses)	Parent's ownership interest	Non-controlling interest	Total equity
		ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$
Equity as of January 1, 2020		3,146,265	(178)	(2,890,287)	56,892	(22,940)	36,289	2,452,469	(367,577)	352,272	3,130,782	(1,605)	3,129,177
Total increase (decrease) in equity													
Net income/(loss) for the year	25	-	-	-	-	-	-	-	-	(4,545,887)	(4,545,887)	(9,648)	(4,555,535)
Other comprehensive income		-	-	(900,226)	(117,833)	(3,045)	-	-	(1,021,104)	-	(1,021,104)	4,655	(1,016,449)
Total comprehensive income		-	-	(900,226)	(117,833)	(3,045)	-	-	(1,021,104)	(4,545,887)	(5,566,991)	(4,993)	(5,571,984)
Transactions with shareholders													
Increase (decrease) through transfers and other changes, equity	25-34	-	-	-	-	-	946	(450)	496	-	496	(74)	422
Total transactions with shareholder		-	-	-	-	-	946	(450)	496	-	496	(74)	422
Closing balance as of December 31, 2020		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)

The accompanying Notes 1 to 37 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, 2021	2020
		ThUS$	ThUS$
Cash flows from operating activities			
Cash collection from operating activities			
Proceeds from sales of goods and services		5,359,778	4,620,409
Other cash receipts from operating activities		52,084	51,900
Payments for operating activities			
Payments to suppliers for goods and services		(4,401,485)	(3,817,339)
Payments to and on behalf of employees		(941,068)	(1,227,010)
Other payments for operating activities		(156,395)	(70,558)
Income taxes (paid)		(9,437)	(65,692)
Other cash inflows (outflows)	35	(87,576)	13,593
Net cash (outflow) inflow from operating activities		(184,099)	(494,697)
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		35	1,464,012
Other payments to acquire equity or debt instruments of other entities		(208)	(1,140,940)
Amounts raised from sale of property, plant and equipment		105,000	75,566
Purchases of property, plant and equipment		(587,245)	(324,264)
Purchases of intangible assets		(88,518)	(75,433)
Interest received		9,056	36,859
Other cash inflows (outflows)	35	18,475	(2,192)
Net cash inflow (outflow) from investing activities		(542,653)	33,608
Cash flows from financing activities	35		
Payments for changes in ownership interests in subsidiaries that do not result in loss of control		-	(3,225)
Amounts raised from long-term loans		-	1,425,184
Amounts raised from short-term loans		661,609	560,296
Loans from Related Entities		130,102	373,125
Loans repayments		(463,048)	(793,712)
Payments of lease liabilities		(103,366)	(122,062)
Dividends paid		-	(571)
Interest paid		(104,621)	(210,418)
Other cash inflows (outflows)	35	(11,034)	(107,788)
Net cash inflow (outflow) from financing activities		109,642	1,120,829
Net increase in cash and cash equivalents before effect of exchanges rate change		(617,110)	659,740
Effects of variation in the exchange rate on cash and cash equivalents		(31,896)	(36,478)
Net increase (decrease) in cash and cash equivalents		(649,006)	623,262
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF YEAR	6	1,695,841	1,072,579
CASH AND CASH EQUIVALENTS AT THE END OF YEAR	6	1,046,835	1,695,841

The accompanying Notes 1 to 37 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, 2021 AND 2020

NOTE 1 - GENERAL INFORMATION

LATAM Airlines Group S.A. (the "Company") is an open stock company registered with 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. After Chapter 11 filing, the ADR program is no longer trading on NYSE. Since then Latam's ADR are 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 are currently subject to a reorganization process 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 Américo Vespucio Sur No. 901, Renca commune.

As of December 31, 2021, the Company's statutory capital is represented by 606,407,693 ordinary shares without nominal value. All shares are subscribed and paid considering the capital reduction that occurred in full, after the legal period of three years to subscribe the balance of 466,382 outstanding shares, of the last capital increase approved in August of the year 2016.

The major shareholders of the Company are Delta Air Lines who owns 20% of the shares and the Cueto Group, which through the companies Costa Verde Aeronáutica S.A., Costa Verde Aeronáutica SpA, and Inv. Costa Verde Ltda y Cia at CPA., owns 16.39% of the shares issued by the Company.

As of December 31, 2021, the Company had a total of 4,828 shareholders in its registry. At that date, approximately 13.07% of the Company's property was in the form of ADRs.

For the year ended December 31, 2021, the Company had an average of 28,600 employees, ending this year with a total number of 29,114 people, distributed in 4,372 Administration employees, 14,784 in Operations, 6,708 Cabin Crew and 3,250 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, 2021 Direct	Indirect	Total	As December 31, 2020 Direct	Indirect	Total
				%	%	%	%	%	%
96.969.680-0	Lan Pax Group S.A. and Subsidiaries	Chile	US$	99.8361	0.1639	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	70.0000
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	100.0000	0.0000	100.0000
Foreign	Prime Airport Services Inc. and Subsidiary	U.S.A.	US$	0.0000	100.0000	100.0000	99.9714	0.0286	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	99.8900	0.1100	100.0000
Foreign	Laser Cargo S.R.L.	Argentina	ARS	0.0000	100.0000	100.0000	96.2208	3.2208	100.0000
Foreign	Lan Cargo Overseas Limited and Subsidiaries	Bahamas	US$	0.0000	100.0000	100.0000	99.9800	0.0200	100.0000
96.969.690-8	Lan Cargo Inversiones S.A. and Subsidiary	Chile	US$	0.0000	100.0000	100.0000	99.0000	1.0000	100.0000
96.575.810-0	Inversiones Lan S.A. and Subsidiaries	Chile	US$	99.9000	0.1000	100.0000	99.7100	0.2900	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$	99.0000	1.0000	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	TAM S.A. and Subsidiaries (*)	Brazil	BRL	63.0901	36.9099	100.0000	63.0901	36.9099	100.0000

(*) As of December 31, 2021, 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 arise 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

Tax No.	Company	Statement of financial position: As of December 31, 2021 Assets	Liabilities	Equity	As of December 31, 2020 Assets	Liabilities	Equity	Net Income: For the year ended December 31, Gain /(loss) 2021	2020
		ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$
96.969.680-0	Lan Pax Group S.A. and Subsidiaries (*)	432,271	1,648,715	(1,236,243)	404,944	1,624,944	(1,219,539)	(7,289)	(290,980)
Foreign	Latam Airlines Perú S.A.	484,388	417,067	67,321	661,721	486,098	175,623	(109,392)	(175,485)
93.383.000-4	Lan Cargo S.A.	721,484	537,180	184,304	749,789	567,128	182,661	1,590	10,936
Foreign	Connecta Corporation	61,068	19,312	41,756	57,922	17,335	40,587	1,169	500
Foreign	Prime Airport Services Inc. and Subsidiary (*)	24,654	25,680	(1,026)	25,050	26,265	(1,215)	190	(181)
96.951.280-7	Transporte Aéreo S.A.	471,094	327,955	143,139	546,216	347,714	198,502	(56,135)	(39,032)
96.631.520-2	Fast Air Almacenes de Carga S.A.	18,303	10,948	7,355	20,132	11,576	8,556	48	500
Foreign	Laser Cargo S.R.L.	(5)	-	(5)	(6)	-	(6)	-	-
Foreign	Lan Cargo Overseas Limited and Subsidiaries (*)	36,617	14,669	21,940	218,435	14,355	203,829	(806)	(92,623)
96.969.690-8	Lan Cargo Inversiones S.A. and Subsidiary (*)	202,402	113,930	23,563	250,027	86,691	130,823	(54,961)	1,452
96.575.810-0	Inversiones Lan S.A. and Subsidiaries (*)	1,284	45	1,239	1,394	65	1,329	(90)	50
96.847.880-K	Technical Trainning LATAM S.A.	2,004	467	1,537	2,181	625	1,556	181	60
Foreign	Latam Finance Limited	1,310,733	1,688,821	(378,088)	1,310,735	1,584,311	(273,576)	(104,512)	(105,100)
Foreign	Peuco Finance Limited	1,307,721	1,307,721	-	1,307,721	1,307,721	-	-	-
Foreign	Profesional Airline Services INC.	61,659	58,808	2,851	17,345	14,772	2,573	278	1,014
Foreign	Jarletul S.A.	24	1,116	(1,092)	34	1,076	(1,042)	(50)	(332)
Foreign	LatamTravel S.R.L.	64	132	(68)	1,061	1,106	(45)	(23)	(33)
76.262.894-5	Latam Travel Chile II S.A.	588	1,457	(869)	943	1,841	(898)	29	392
Foreign	TAM S.A. and Subsidiaries (*)	2,608,859	3,257,148	(648,289)	3,110,055	3,004,935	105,120	(756,633)	(1,025,814)

(*) The Equity reported corresponds to Equity attributable to owners of the parent, it does not include Non-controlling interest.

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, LS-Aviation No.17 Co. Limited, LS-Aviation No.18 Co. Limited, LS-Aviation No.19 C.O. Limited, LS-Aviation No.20 C.O. Limited, LS-Aviation No.21 C.O. Limited, LS-Aviation No.22 C.O. Limited, LS-Aviation No.23 Co. Limited, and LS-Aviation No.24 Co. Limited, requirements for financing aircraft. 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. For those subsidiaries that filed for bankruptcy under Chapter 11 (See note 2 to the consolidated financial statements), although in this reorganization process in certain cases decisions are subject to authorization by the Court, considering that the Company and various subsidiaries filed for bankruptcy before the same Court, and before the same judge, the Court generally views the consolidated entity as a single group and management considers that the Company continues to maintain control over its subsidiaries and therefore have considered appropriate to continue to consolidate these subsidiaries.

Changes occurred in the consolidation perimeter between January 1, 2020 and December 31, 2021, are detailed below:

(1) Incorporation or acquisition of companies

- On January 21, 2021, Transporte Aéreos del Mercosur S.A. puchased 2,392,166 preferred shares of Inversora Cordillera S.A. 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. 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%.

- On December 22, 2020, Línea Aérea Carguera de Colombia S.A. carries out a capital increase for 1,861,785 shares, consequently, its shareholding composition is as follows: LATAM Airlines Group S.A. with 4.57%, Fast Air S.A. with 1.53%, Inversiones Lan S.A. with 1.53%, Lan Pax Group S.A. with 1.53% and Lan Cargo Inversiones S.A. 81.31%.

- On December 22, 2020, Inversiones Aéreas S.A. carries out a capital increase for 9,504,335 shares, consequently its shareholding composition as follows: LATAM Airlines Group S.A. with 33.41%, Línea Aérea Carguera de Colombia S.A. with 66.43% and Mas Investment Limited with 0.16%.

- On December 22, 2020, Latam Airlines Perú S.A. carries out a capital increase for 12,312,020 shares, consequently its shareholding composition as follows: LATAM Airlines Group S.A. with 23.62% and Inversiones Aéreas S.A. with 76.19%.

- On December 16, 2020, Lan Pax Group S.A. carries out capital increase for 23,678 shares. However, the shareholding composition has not changed.

- On December 18, 2020, Latam Ecuador S.A. carries out a capital increase for 30,000,000 shares. However, the shareholding composition is not modified.

- On March 23, 2020, Transporte Aéreo S.A. carries out a capital increase for 109,662 shares which were acquired by Mas Investment Limited, consequently, the shareholding of Transporte Aéreo S.A. is as follows: Lan Cargo S.A. with 87.12567%, Inversiones Lan S.A. with 0.00012% and Mas Investment Limited with 12.87421%.

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, 2021 and 2020 and for the three years ended December 31, 2021 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 consolidated financial statements 2020, except for the standards and interpretations adopted as of January 1, 2021.

(a) Application of new standards for the year 2021:

(a.1.) Accounting pronouncements with implementation effective from January 1, 2021:

(i) Standards and amendments	Date of issue	Effective Date:
Amendment to IFRS 9: Financial instruments; IAS 39: Financial Instruments: Recognition and Measurement; IFRS 7: Financial Instruments: Disclosure; IFRS 4: Insurance contracts; and IFRS 16: Leases.	August 2020	01/01/2021

The application of these accounting pronouncements as of January 1, 2021, had no significant effect on the Company's consolidated financial statements.

(a.2.) Adoption of IFRS 9 Financial Instruments for hedge accounting:

On January 1, 2018, the effective adoption date of IFRS 9 Financial Instruments, the Company decided to continue applying IAS 39 Financial Instruments: Recognition and Measurement for hedge accounting. On January 1, 2021, the Company modified this accounting policy and adopted IFRS 9 in relation to hedge accounting, aligning the requirements for hedge accounting with the Company's risk management policies.

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The Company has evaluated the hedge relationships in force as of December 31, 2020, and has determined that they meet the criteria for hedge accounting under IFRS 9 Financial Instruments as of January 1, 2021 and, consequently, the hedge continue.

The time value of the options used as hedging instruments, at December 31, 2020, will not continue to be designated as part of the hedging relationship, but it recognition will continue been in Other Comprehensive Income until the forecast transaction occurs at which time will be recycled in the income statement. As of December 31, 2020, the amount recognized in Equity corresponding to the temporal value of the options is ThUS $ (380).

The hedge accounting requirements of IFRS 9 applied prospectively. The Company estimates that the application of this part of the standard will not have significant impact on consolidated financial statements.

The Company modified the documentation of the existing hedging relationships as of December 31, 2020 in accordance with the provisions of IFRS 9 Financial Instruments.

(b) Accounting pronouncements not in force for the financial years beginning on January 1, 2021:

(i) Standards and amendments	Date of issue	Effective Date:
Amendment to IAS 12: Income taxes.	May 2021	01/01/2023
Amendment to IFRS 16: Lease.	March 2021	04/01/2021
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 and IFRS practice statements 2	February 2021	01/01/2023
Amendment to IFRS 4: Insurance contracts.	June 2020	01/01/2023
Amendment to IFRS 17: Insurance contracts.	June 2020	01/01/2023
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
Amendment to IAS 1: Presentation of financial statements.	January 2020	01/01/2023
IFRS 17: Insurance contracts	May 2017	01/01/2023
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

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(ii) Improvements		
Improvements to International Information 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 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

The accompanying consolidated financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. As disclosed in the accompanying consolidated financial statements, the Company incurred a net loss attributable to owners of the parent of US$ 4,642 million for the year ended December 31, 2021. As of that date, the Company has a negative working capital of US$ 9,701 million and will require additional working capital during 2021 to support a sustainable business operation. As of December 31, 2021, the company has negative equity of US$ 7,051 million, which corresponds to the attributable equity to the owners of the parent.

LATAM Group passenger traffic for the year ended December 31, 2021, increasing by 18% compared to the same period in 2020 (decreasing by 59,6% compared to the same exercise in 2019).

In December 2021, the group’s revenues amounted to approximately 49% of revenues for the year ended December 31, 2019. At this time, the pace to meet the pre-COVID demand are uncertain and highly dependent on the evolution of the COVID-19 pandemic in the markets in which LATAM Group operates, therefore, management cannot make specific predictions as to this timing, but considers it reasonable to expect that the pace of the demand recovery will be different for each country.

On May 26, 2020 (the “Initial Petition Date”), LATAM Airlines Group S.A. and certain of its direct and indirect subsidiaries (collectively, the “Initial Debtors”) filed voluntary petitions for reorganization (the “Initial Bankruptcy Filing”) under chapter 11 of title 11 of the United States Code (the “Bankruptcy Code”) in the United States Bankruptcy Court for the Southern District of New York. On July 7, 2020 (the “Piquero Petition Date”), Piquero Leasing Limited (“Piquero”) also filed a petition for reorganization with the Bankruptcy Court (the “Piquero Bankruptc y Filing”). On July 9, 2020 (together with the Initial Petition Date and Piquero Petition Date, as applicable, the “Petition Date”), TAM S.A. and certain of its subsidiaries in Brazil (collectively, the “Subsequent Debtors” and, together with the Initial Debtors and Piquero, the “Debtors”) also filed petitions for reorganization (together with the Initial Bankruptcy Filing and the Piquero Bankruptcy Filing, the “Bankruptcy Filing”), as a consequence of the prolonged effects of the COVID-19 Pandemic. The Bankruptcy Filing for each of the Debtors (each one, respectively, a “Petition Date”) is being jointly administered under the caption “In re LATAM Airlines Group S.A. et al.” Case Number 20-11254. The Debtors will continue to operate 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. On June 28, 2021, LATAM Airlines Perú withdrew its request for a preventive bankruptcy process previously filed before the Indecopi of Peru, entity which approved said withdrawal by resolution without further comments.

The Bankruptcy Filing is intended to permit the Company to reorganize and improve liquidity, wind down unprofitable contracts and amend its capacity purchase agreements to enable sustainable profitability. The Company's goal is to develop and implement a plan of reorganization that meets the standards for confirmation under the Bankruptcy Code.

As part of their overall reorganization process, the Debtors also have 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") 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 proceeding with respect to the 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 is, then, 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.

Operation and Implication of the Bankruptcy Filing

The Debtors continue to operate their businesses and manage their properties as debtors-in-possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. As debtors-in-possession, the Debtors are authorized to engage in transactions within the ordinary course of business without prior authorization of the Bankruptcy Court. The protections afforded by the Bankruptcy Code allows the Debtors to operate their business without interruption, and the Bankruptcy Court has granted additional relief including, inter alia, the authority, but not the obligation, to (i) pay amounts owed under certain critical airline agreements; (ii) pay certain third-parties who hold liens or other possessory interests in the Debtors' property; (iii) pay employee wages and continue employee benefit programs; (iv) pay prepetition taxes and related fees; (v) continue insurance and surety bond programs; (vi) pay certain de minimis litigation judgements or settlements without prior approval of the Bankruptcy Court; (vii) pay fuel supplies; and (viii) pay certain foreign vendors and certain vendors deemed critical to the Debtors' operations.

As debtors-in-possession, the Debtors may use, sell, or lease property of their estates, subject to the Bankruptcy Court's approval if not otherwise in the ordinary course of business. On November 26, 2021, the Debtors filed a joint plan of reorganization (the "Plan") and the related disclosure statement (the "Disclosure Statement") with the Bankruptcy Court. As detailed in the Disclosure Statement, the Plan is supported by a restructuring support agreement executed among the Debtors, creditors holding more than 70% of the general unsecured claims asserted against LATAM Airline Group S.A., and holders of more than 50% of LATAM Airline Group S.A.'s existing equity. As of December 31, 2021, the Plan remains subject to approval by the Bankruptcy Court and could materially change the amounts and classifications in the consolidated financial statements, including the value, if any, of the Debtors' prepetition liabilities and securities. On December 17, 2021, December 20, 2021, January 24, 2022, January 27, 2022, and February 28, 2022, the Debtors filed a revised Plan and associated Disclosure Statement.

On November 1, 2021, the Bankruptcy Court entered an order extending the periods in which the Debtors have the exclusive right to file and solicit a plan of reorganization to November 26, 2021 and January 26, 2022 respectively. On November 26, 2021, the Debtors filed a motion to further extend such periods, solely with respect to the Subsequent Debtors, to January 7, 2022 and March 7, 2022 respectively. On December 15, 2021, the Creditors' Committee filed an objection to the Subsequent Debtors' motion. That same day, the Creditors' Committee also filed a motion seeking to terminate the Debtors' exclusivity periods. Certain other interested parties subsequently filed joinders to the Creditors' Committee's termination motion, while others filed statements opposing the termination motion. On February 14, 2022, the Bankruptcy Court entered an order approving the Subsequent Debtors' motion and denying the Creditors' Committee's motion.

Events Leading to the Chapter 11 Cases

Since the first quarter of 2020, the passenger air transportation business was affected worldwide by a significant decrease in international air traffic, due to the closure of international borders with the aim of protecting the population from the effects of COVID-19, an infectious disease caused by a new virus, declared a pandemic by the World Health Organization.

LATAM's preliminary assessment in the beginning of March 2020 indicated previous disease outbreaks have peaked after few months and recovered pre-outbreak levels in no more than 6 to 7 months, and the effect with scenery impacting mainly on Asia Pacific Airlines, indicating impact on Latin America of a marginal decrease of Revenue Per Kilometers forecast.

For the Company, the reduction in its operation began in the middle of March 2020 with the announcement of a 30% decrease in its operations and the suspension of the guidance for 2020 in line with protection measures and boarding restrictions implemented by local governments (March 16, 2020 for Peru, Colombia and Argentina, March 18, 2020 for Chile and March 27, 2020 for Brazil). On March 16, 2020, the Company announced an update of its projection to a progressive decrease in its operation up to 70%.

By March 29, 2020, COVID 19 had already generated an unprecedented shock on Airlines Industry, specifically on airlines passenger revenue. The situation has both broadened and deepened beyond the initial assessment.

In response to COVID 19, governments have been imposing much more severe border restrictions and airlines have been subsequently announcing sharp capacity cuts in response to a dramatic drop in travel demand. On April 2, 2020, the Company announced a decrease in its operation by 95%.

In order to protect liquidity, the Company has carried out financial transactions, such as the use of funds from the Revolving Credit Facility (Revolving Credit Facility) for US $ 600 million, which have affected its financial assets and liabilities, especially the items of Cash and cash equivalents and other financial liabilitie.

Among the initiatives that the Company studied and committed to protect liquidity were the following:

(i) Reduction and postponement of the investment plan for different projects;
(ii) Implementation of control measurements for payments to suppliers and purchases of new goods and services;

(iii) Negotiation of the payment conditions with suppliers;
(iv) Ticket refunds via travel vouchers and Frequent Flyer Program points and miles; all in all, the LATAM Group will continue to honor all current and future tickets, as well as travel vouchers, frequent flyer miles and benefits, and flexibility policies;
(v) Temporary reduction of salaries, considering the legal framework of each country: as of the second quarter, the Company implemented a voluntary process to reduce salaries in force until December 31, 2020. Associated with the restructuring plan and in order to adapt to the new demand scenario, the company has designed a staff reduction plan in the different countries where it operates. The costs associated with the execution of this plan were recorded in income as Restructuring activities expenses. (See note 27d);
(vi) Short-term debt and debt maturities renewal;
(vii) Governmental loan request in different countries in which the company operates; and Reduction of non-essential fleet and non-fleet investments.

The Company, in consultation with its advisors, also evaluated a variety of potential restructuring options. In the opinion of the Board, the timings for a conventional bilateral process, the possibility that creditors may have decided to engage in collection actions, the impossibility of curing defaults and the need to implement a comprehensive restructuring of LATAM Airlines to which all its creditors and other interested parties must join, lead the Board to consider an in-court bankruptcy proceedings the best alternative. In addition, the Board noted that other benefits of an in-court bankruptcy proceeding, including the imposition of the Bankruptcy Code's "automatic stay," which protects the Company from efforts by creditors and other interested parties to take action in respect of pre-bankruptcy debt, but which, at the same time, allows it to continue operating with its main assets, suppliers, financial parties, regulators and employees, while structuring a binding reorganization to be financially viable in a post-pandemic scenario.

Due to the foregoing, and after consulting the administration and the legal and financial advisors of the Company, on May 26, 2020 the Board resolved unanimously that LATAM Airlines should initiate a reorganization process in the United States of America according to the rules established in the Bankruptcy Code by filing a voluntary petition for relief in accordance with the same.

Since the Chapter 11 filing, the Company secured up to US$ 3.2 billion in a debtor-in-possession financing facility (the "DIP Facility"), as provided for in in the *Super-Priority Debtor-in-Possession Term Loan Agreement* (the "DIP Credit Agreement") (See Note 3.1 c)).

Plan of Reorganization

In order for the Company to emerge successfully from Chapter 11, the Company must obtain the Bankruptcy Court's approval of a plan of reorganization, which will enable the Company to transition from Chapter 11 into ordinary course operations outside of bankruptcy. A plan of reorganization determines the rights and satisfaction of claims of various creditors and parties-in-interest, and is subject to the ultimate outcome of negotiations and Bankruptcy Court decisions ongoing through the date on which the plan of reorganization is confirmed. Any proposed plan of reorganization will be subject to revision based upon discussions with the Company's creditors and other interested parties, and thereafter in response to interested parties' objections and the requirements of the Bankruptcy Code and Bankruptcy Court. There is no guarantee at this time that the Company will be able to obtain approval of the Plan from the Bankruptcy Court.

On November 26, 2021, the Company filed the Plan and associated Disclosure Statement. The Plan is accompanied by a Restructuring Support Agreement (the "RSA") with the largest unsecured creditor group in the Chapter 11 Cases—holding of more than 70% of unsecured claims filed against LATAM Airlines Group S.A. and holders of approximately 48% of the US-law governed notes issued by LATAM Finance Ltd. due 2024 and 2026—as well as certain of the Company's shareholders holding more than 50% of LATAM Airlines Group S.A.'s existing equity.

The Plan proposes the infusion of up to approximately $8.19 billion through a mix of new equity, convertible notes, and debt, which will enable the Company to exit Chapter 11 with appropriate capitalization to effectuate its business plan. Upon emergence, the Company is expected to have total debt of approximately $7.26 billion and liquidity of approximately $2.67 billion. Specifically, the Plan outlines that:

- Upon confirmation of the Plan, the Company intends to launch an $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 will be issued by the Company, all of which will be preemptively offered to shareholders. To the extent not subscribed by the Company's shareholders during the respective preemptive rights period:

    - Convertible Notes Class A will be provided to certain general unsecured creditors of the Company in settlement of their allowed claims under the Plan;

    - Convertible Notes Class B will be subscribed and purchased by the shareholders parties to the RSA; and

    - Convertible Notes Class C will be provided to certain general unsecured creditors in exchange for a combination of new money to the Company and the settlement of their claims, subject to certain limitations and holdbacks by backstopping parties.

- The convertible notes belonging to the New Convertible Notes Classes B and C will be provided, totally or partially, in consideration of a new money contribution for the aggregate amount of approximately $4.64 billion fully backstopped by the parties to the RSA; and

- LATAM will raise a $500 million new revolving credit facility and approximately $2.25 billion in total new money debt financing, consisting of either a new term loan or new notes. The general deadline to file objections to the Plan and Disclosure Statement was January 7, 2022, and such deadline was further extended to January 12, 2022 and January 14, 2022 for certain interested parties.

Going Concern

These Consolidated Financial Statements have also 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. Accordingly, the Consolidated Financial Statements do not include any adjustments relating to the recoverability of assets and classification of liabilities that might be necessary should the Debtors be unable to continue as a going concern.

As a result of the Chapter 11 proceedings, the satisfaction of the Company's liabilities and funding of ongoing operations are subject to material uncertainty as a product of the COVID-19 pandemic and the impossibility of knowing its duration at this date and, accordingly, a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. There is no assurance that the Company will be able to emerge successfully from Chapter 11. Additionally, there is no assurance that long-term funding would be available at rates and on terms and conditions that would be financially acceptable and viable to the Company in the long term. If the Company is unable to generate additional working capital or raise additional financing when needed, it may not able to reinitiate currently suspended operations as a result of the COVID-19 pandemic, which could adversely affect the value of the Company's common stock, or render it worthless. Additionally, in connection with the Chapter 11 Filing, material modifications could be made to the Company's fleet and capacity purchase agreements. These modifications could materially affect the Company's financial results going forward, and could result in future impairment charges.

Chapter 11 Milestones

Notice to Creditors - Effect of the Automatic Stay

The Debtors have notified all known current or potential creditors that the Chapter 11 Cases were filed. Pursuant to the Bankruptcy Code and subject to certain limited exceptions, the filing of the Chapter 11 Cases gave rise to an automatic, worldwide injunction that precludes, among other things, any act to (i) obtain possession of property of or from the Debtors' estates, (ii) create, perfect, or enforce any lien against property of the Debtors' estates; (iii) exercise control over property of the Debtors' estate, wherever in the world that property may be located; and further enjoined or stayed (iv) and also ordered or suspended the commencement or continuation of any judicial, administrative, or other action or proceeding against the debtor that could have been commenced before the Petition Date or efforts to recover a claim against the Debtors that arose before the Petition Date. Vendors are being paid for goods furnished and services provided postpetition in the ordinary course of business.

On August 31, 2020 (the "First Stay Motion"), and December 30, 2020 (the "Second Stay Motion"), Corporación Nacional de Consumidores y Usuarios de Chile ("CONADECUS") filed two motions in the Bankruptcy Court seeking relief from the automatic stay in order prosecute certain actions against LATAM that are currently pending before the courts of Chile. LATAM filed a brief in opposition to the First Stay Motion, and on December 16, 2020, the Bankruptcy Court heard oral arguments on the First Stay Motion. At that hearing, the Bankruptcy Court granted the First Stay Motion for the limited purpose of allowing CONADECUS to further prosecute its pending appeal before the courts of Chile. On February 9, 2021, the Bankruptcy Court granted the Second Stay Motion on the same narrow grounds as the First Stay Motion. The Bankruptcy Court's decisions on the First Stay Motion and Second Stay Motion did not affect the underlying

proceedings in Chile beyond allowing CONADECUS to continue its pending appeals (See Note 31 I 2 for any updates this proceedings).

Appointment of the Creditors' Committee

On June 5, 2020, the United States Trustee for Region 2 appointed an official committee of unsecured creditors (the "Creditors' Committee") in the Initial Chapter 11 Cases. The United States Trustee has not solicited additional members for the Creditors' Committee as a result of TAM S.A. or any of its applicable subsidiaries joining the Bankruptcy Filing. Since the formation of the Creditors' Committee, three Creditors' Committee's members - Compañía de Seguros de Vida Consorcio Nacional de Seguros S.A., AerCap Holdings N.V., and Aircastle Limited - have resigned from the Creditors' Committee. The Office of the United States Trustee has not appointed replacements for these members. No trustee or examiner has been appointed in any of these Chapter 11 Cases. No other official committee have been solicited or appointed.

Assumption, Amendment & Rejection of Executory Contracts & Leases

Pursuant to the Bankruptcy Code and the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules"), the Debtors are 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 relives 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 satisfy certain prepetition amounts due and owning under such contract or lease.

On June 28, 2020, the Bankruptcy Court authorized the Debtors to establish procedures for the rejection of certain executory contracts and unexpired leases. 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 17, 19 and 27). 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. Following consent of certain lessors to further extend the deadline in order to finalize productive negotiations, the Bankruptcy Court granted the Debtors' motions to assume multiple airport leases at Miami-Dade, LAX and JFK related to the Debtors' passenger and cargo businesses.

The Debtors have also assumed a number of important agreements. For example, on June 1, 2021, the Bankruptcy Court approved the assumption and ratification of certain purchase agreements, as amended, with The Boeing Company. In addition, on July 1, 2021, the Court approved the Debtors' assumption of the Export Credit Agency-backed fleets, which comprises 65 total aircraft. On December 15, 2021, the Debtors filed a motion for an order approving streamlined procedures for the assumption of executory contracts and unexpired leases. At the December 29, 2021 hearing, the Bankruptcy Court granted the Debtors' motion.

Further, the Debtors have filed or will file motions to reject certain aircraft and engine leases:

Bankruptcy Court approval date:	Asset rejected:
June 8, 2020	(i) 1 Boeing 767
June 24, 2020	(i) 16 Airbus A320-family aircraft; (ii) 2 Airbus A350 aircraft; and (iii) 4 Boeing 787-9
June 28, 2020	(i) 2 Engine model V2527-A5; and (ii) 2 Engine model CFM56-5B4/3
July 29, 2020	(i) 1 Engine model CFM56-5B3/3
August 19, 2020	(i) 1 Boeing 767
October 26, 2020	(i) 3 Airbus A320-family aircraft
October 28, 2020	(i) 1 Airbus A319
November 5, 2020	(i) 1 Airbus A320-family aircraft
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; and (ii) 1 Rolls-Royce International Aero Engine AG V2527M-A5

As of December 31, 2021, and as a result of these contract rejections, 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 17, 19 and 27. All accounting effects were recorded as Restructuring activities expenses during the year ending December 31, 2020 and 2021 as Restructuring activities expenses.

The Debtors also have filed or will file motions to enter into certain new aircraft lease agreements, including:

Bankruptcy Court Approval Date:	MSN Number /Counterparty
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, MSNs 38891, 38893, 38895 (ii) Sky Aero Management Ltd.

In addition, the Debtors also have filed or will file motions to enter into certain aircraft lease amendment agreement 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
December 31, 2020	Vermillion Aviation (two) Limited
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 amendment on lease agreement were accounted as a lease modification and the impact are disclosure on note 17 and 19.

The Debtors also have filed or will file motions to enter into certain engine lease amendment agreements which have the effect of, among other things, reducing the Debtors' rental payment obligations and extension on the lease term, including:

Bankruptcy Court Approval Date:	Amended Lease Agreement/Counterparty
September 7, 2021	General Electric Affiliated Engine Servicers
November 4, 2021	(1) Engine Lease Finance Corporation (GE 90 Engines)
December 28, 2021	(1) Engine Lease Finance Corporation (CFM56-5B3/3 Engines)

In relation to several of these lease and engine amendment agreements, the Debtors have or will enter into claims settlement stipulations for prepetition amounts due upon assumption of those agreements.

Other Key Filings

On August 5, 2021, the Debtors filed two motions seeking to (i) approve certain restructuring arrangements with Airbus S.A.S. and Banco Santander, S.A. and (ii) to assume certain purchase agreements with Airbus S.A.S. Orders approving these motions were entered on August 27, 2021. In addition, on August 5, 2021, the Debtors filed a motion seeking authorization to enter into a sale and leaseback transaction with Sky Aero Management Ltd., pursuant to which the Debtors will sell and leaseback certain aircraft purchased in the Airbus purchase agreements that were assumed. In addition, on August 5, 2021 the Debtors filed a motion seeking authorization to purchase certain aircraft from Wacapou Leasing S.A. Orders approving both of these motions were entered on August 30, 2021.

On June 16, 2021 Banco del Estado de Chile ("BancoEstado") filed a motion seeking to set a briefing and discovery schedule in connection with BancoEstado's separate motion to substantively consolidating the estates of LATAM Airlines Group S.A., LATAM Finance Ltd. and Peuco Finance Ltd (the "Substantive Consolidation Motion"). BancoEstado filed the BancoEstado Motion on June 18, 2021. On June 23, 2021, the Debtors as well as certain other interested parties each filed an objection to BancoEstado's motion. BancoEstado filed a reply in response to such objections on July 19, 2021. The Bankruptcy Court denied BancoEstado's motion to set a briefing and discovery schedule on July 22, 2021, but the Bankruptcy Court indicated that BancoEstado could resubmit their motion as an objection to the Disclosure Statement.

On June 16, 2021, the Creditors' 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. The Standing Motions were scheduled to be heard at a hearing on July 30, 2021. The Bankruptcy Court proposed that the parties mediate certain matters related to the claims raised in the Standing Motions in the first instance. The Bankruptcy Court asked that the parties coordinate to select a mediator and establish a proposed plan for the mediation. On August 31, 2021, the Bankruptcy Court entered an order appointing the Honorable Allan L. Gropper (Ret.) as mediator, and the parties subsequently began mediating these matters. On October 15, 2021, the mediator issued a notice terminating the mediation, noting that the mediation had failed. The Creditors' Committee has asked the Bankruptcy Court to re-schedule a hearing on the Standing Motions on the Bankruptcy Court's next available hearing date.

On September 10, 2021, the Debtors filed a motion to assume various aircraft agreements and for related relief in connection with the Triton, Centaurus and JOLCO aircraft. The motion was adjourned sine die on December 22, 2021.

On December 8, 2021, the Debtors filed (i) a motion for entry of an order authorizing long term restructuring agreements with the Centaurus/Triton Lessors, SBI Lessors, and Pilar II Leasing Limited and approving related settlement agreement with certain claimants and (ii) a motion for entry of an order approving settlement stipulation with Sajama Investments, Inc. The Creditors' Committee and BancoEstado objected to both motions, and an evidentiary hearing on the motions was scheduled for January 21, 2022. On January 28, 2022, the Bankruptcy Court overruled the objections and granted the motion.

Statements and Schedules

Since September 8, 2020, the Debtors filed with the Bankruptcy Court schedules and statements of financial affairs setting forth, among other things, the assets and liabilities of the Debtors (the "Statements and Schedules"). The Statements and Schedules are prepared according to the requirements of applicable bankruptcy law and are subject to further amendment or modification by the Debtors. On August 13, 2021 and December 3, 2021, the Debtors filed amended schedules. The Company is also required to file "Monthly Operating Reports" (MOR), to account for the receipt, administration and disposition of property during the pendency of the Chapter 11 Cases.

Although the Debtors believe that these materials provide the information required under the Bankruptcy Code or orders of the Bankruptcy Court, they are nonetheless unaudited and prepared in a format different from the consolidated financial reports historically prepared by LATAM in accordance with IFRS (International Financial Reporting Standards). Certain of the information contained in the Statements and Schedules may be prepared on an unconsolidated basis. Accordingly, the Debtors believe that the substance and format of these materials do 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 Debtors' securities, or claims against the Debtors, or for comparison with other financial information required to be reported under applicable securities law.

Intercompany and Affiliate Transactions

The Debtors are authorized to continue performing certain postpetition intercompany and affiliate transactions in the ordinary course of business, including transactions with non-debtor affiliates, and to honor obligations in connection with such transactions; provided, however, the Debtors shall not make any cash payments on account of prepetition transactions with affiliates absent permission from the Bankruptcy Court, including any repayments on any prepetition loans to non-debtor affiliates pursuant to any such transactions. Out of an abundance of caution, the Debtors have also sought and received Bankruptcy Court approval to contribute capital, capitalize intercompany debt and issue shares between certain debtor affiliates.

Debtor in Possession Financing

On September 19, 2020, the Bankruptcy Court entered an order authorizing the Debtors to obtain postpetition "debtor-in-possession financing" in the form of a multi-draw term loan facility in an aggregate principal amount of up to US$2.45 billion (See note 3.1 c)). On October 18, 2021, the Bankruptcy Court entered an order approving a third tranche of secured financing for $750 million, as provided for in the DIP Credit Agreement. Accordingly, as of December 31, 2021, the Debtors have secured a DIP Facility in the total aggregate amount of up to $3.2 billion.

Establishment of Bar Dates

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 who believe they hold any claims 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"). The General Bar Date was not applicable to governmental units, which must have

submitted Proofs of Claims by January 5, 2021 (the "Governmental Bar Date"). Finally, as more fully described in the Bar Date Order, claims with respect to rejected contracts or unexpired leases may be subject to a deadline later than the General Bar Date (the "Rejection Bar Date" and, together with the General Bar Date and the Governmental Bar Date, the "Bar Dates'). Any person or entity that fails 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. Notice of the Bar Dates, as well as instructions on how to file Proof of Claims, were sent to all known creditors and published in various newspapers in the United States and South America.

On December 17, 2020, the Court entered an 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. The Supplemental Bar Date applies only to those entities and individuals specifically identified in the court order. Any person or entity that fails to timely file its Proof of Claim by the Supplemental 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.

Following the close of the General Bar Date and the Supplemental Bar Date, the Debtors have continued the process of reconciling approximately 6,400 submitted claims, including those related to the Debtors fleet obligations, and have developed procedures to streamline the claims process. The Company has already filed objections to a number of claims and anticipates continuing to do so in the coming months. Although many objections have been entered on an omnibus basis, some claims disputes will likely require individualized adjudication by the Bankruptcy Court. Further, on March 18, 2021, the Bankruptcy Court entered an order approving alternative dispute resolution procedures to resolves certain claims disputes outside of the Bankruptcy Court. As of December 23, 2021, the Debtors have objected to or have resolved through claims withdrawals, stipulations and court orders approximately 3,400 claims with a total value of approximately US$60 billion. As noted above, the Debtors have entered into claims stipulations in connection with their lease amendment agreements. As the 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 asserted in the proper amount 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. As of December 31, 2021 approximately 3,568 of the Claims filed against Latam are still being reconciled and so at this time the amounts of such Claims cannot be reliably estimated.

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 flows 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 revealed when carrying out a business combination, such as the acquisition of an entity by the Company, is apply the acquisition method provided for in IFRS 3: Business combination.

(b) Transactions with non-controlling interests

The Group applies the policy of considering transactions with non-controlling interests, when not related to 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 assets and liabilities of the subsidiary, the non-controlling 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 in Other gains (losses).

If LATAM Airlines Group S.A. and Subsidiaries retain an ownership of participation in the sold subsidiary, and does not represent control, this is recognized at fair value on the date that control is lost, the amounts previously recognized in Other comprehensive income are accounted as if the Company had disposed directly from the assets and related liabilities, which can cause these amounts are 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 incomes and cash flows of the group's entities, whose functional currency corresponds to a hyperinflationary economy, 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 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 the 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.

Adjustments to the Goodwill and fair value arising from the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and are translated at the closing exchange rate or period informed, restated when the currency came from the functional entity of the foreign entity corresponds to that of a hyperinflationary economy, the adjustments for the restatement of goodwill are recognized in the consolidated equity.

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 deterioration.

The amounts of advances paid to the aircraft manufacturers are activated 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, they 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 the result of the year in which 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 17 (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 been 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 others cost directly related to the production of unique and identifiable computer software controlled by the Company, are shown as intangible Assets others 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.

2.6. Goodwill

Goodwill represents the excess of acquisition cost over the fair value of the Company's participation in the net identifiable assets of the subsidiary or associate on the acquisition date. Goodwill related to acquisition of subsidiaries is not amortized but tested for impairment annually or each time that there is evidence of impairment. Gains and losses on the sale of an entity include the book amount of the goodwill related to the entity sold.

2.7. 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.

2.8. 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 for 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)".

2.9. 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 trought 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.

2.10. Derivative financial instruments and hedging activities

Until December 31, 2020 the Company recognized the hedging derivatives in accordance with IAS 39, as of January 1, 2021 the Company changed the recognition of these derivatives in accordance with IFRS 9 and continues to recognize under this same standard the derivatives that do not qualify as hedges.

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.

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 hedging instrument mature, is sold or fails to meet the requirements to be accounted for as 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)”.

2.11. 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.

2.12. 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.

2.13. 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.

2.14. 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.

2.15. Trade and other accounts payables

Trade payables and other accounts payable are initially recognized at fair value and subsequently at amortized cost.

2.16. 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.

2.17. 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 in enacted the date of 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 assets or a liability in 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 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.

2.18. 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 shares of the Company are recognized in the consolidated financial statements in accordance with IFRS 2: Share-based payments, for plans based on the granting of options, the effect of fair value is recorded in equity with a charge to remuneration in a linear manner between the date of grant of said options and the date on which they become irrevocable, for the plans considered as cash settled award 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 laboral relation; 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.

2.19. Provisions

Provisions are recognized when:

(i) The Company has a present legal or constructive obligation as a result of a past event;

(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.

2.20. 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 lent 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 in a monthly basis the probability of expiration of air tickets, with refund clauses, based on the history of use of the same. Air tickets without refund clause are expired 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 activated 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.

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 point that are not likely to be redeemed ("breakage").

The balance of miles and point that are pending to redeem are include on deferred revenue.

(2) Miles sold to financial and non-financial partner

To value the miles or points earns 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.

2.21. 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.

Assets for right of use 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 assets by right of use are recognized in the statement of financial position in Properties, plants 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 options, if is reasonably certain to exercise that option.

The Company determines the present value of the lease payments using the implicit rates for the aircraft leasing contracts and for the rest of the underlying assets, uses the incremental borrowing rate.

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, in cash flows use in financing activities

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 in cash flows use in operation activities.

The Company analyzes the financing agreements of aircrafts, 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 to IFRS 9 and continue to be presented within the “Other financial liabilities” described in Note 19. On the other hand, the aircraft are presented in Property, Plants and Equipment, as described in Note 17, 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.

2.22. 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.

2.23. 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.

2.24. 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 program overall 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 is exposed 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 for managing market risk, which aim 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 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 risk exposure fuel, 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 have a high correlation with Jet Fuel and greater liquidity.

Fuel Hedging Results:

As of December 31, 2021, the Company recognized profit of US$ 10.1 million for fuel hedge net of premiums in the costs of sale for the year. During the same period of 2020, the Company recognized losses of US$ 14,3 million for the same concept.

As of December 31, 2021 the market value of the fuel positions was US$ 17.6 million (positive). At the end of December 2020, this market value was US$ 1.3 million (positive).

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The following tables show the level of hedge for different periods:

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 percentage shown in the table considers all the hedging instruments (swaps and options).

Positions as of December 31, 2020 (*)	Maturities				
	Q121	Q221	Q321	Q421	Total
Percentage of coverage over the expected volume of consumption	3%	3%	3%	3%	3%

(*) 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. The policy therefore 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 tables show 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 2021 and the end of December 2020. The projection period was defined until the end of the last fuel hedging contract in force, corresponding to the last business day of the fourth quarter of the year 2022.

Benchmark price (US$ per barrel)	Positions as of December 31, 2021 effect on Equity (MUS$)	Positions as of December 31, 2020 effect on Equity (MUS$)
+5	+2.7	+0.6
-5	-3.3	- 0.6

Given the fuel hedging structure during half – year 2021, 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$ 79.2 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$ 80.8 million in higher fuel costs.

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(ii) Foreign exchange rate risk:

Exposure:

The functional and presentation 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 derivative instruments or through natural hedges or execution of internal operations.

Exchange Rate Hedging Results (FX):

With the objective of reducing exposure to the exchange rate risk in the operational cash flows of 2021, and securing the operating margin, LATAM makes hedges using FX derivatives.

As of December 31, 2021 and December 31, 2020 the Company did not maintain FX derivatives.

During the year ended December 31, 2021, the Company did not recognize earnings for FX coverage net of premiums. During the same period of 2020, the Company recognized gains of US$ 3.2 million for FX hedging net of premiums.

As of December 31, 2021 and December 31, 2020 the company does not hold FX derivatives that are not recognized as hedge accounting.

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.

FX derivatives are recorded as cash flow hedge contracts; therefore, a variation in the exchange rate has an impact on the market value of the derivatives, the changes of which affect the Company's net equity.

As of December 31, 2021 and December 31, 2020 the Company had no current FX derivatives for BRL.

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 has executed internal operations to reduce the net exposure in US $ for TAM S.A.

The following table shows the variation in financial results when the R$/US$ exchange rate appreciates or depreciates by 10%:

Appreciation (depreciation) De R$/US$	Effect December 31, 2021 (MUS$)	Effect December 31, 2020 (MUS$)
-10%	+51.9	+18.9
+10%	-51.9	-18.0

Effects of exchange rate derivatives in the Financial Statements

The profit or losses caused by changes in the fair value of hedging instruments are segregated between intrinsic value and temporary value. The intrinsic value is the actual percentage of cash flow covered, initially shown in equity and later transferred to income, while the hedge transaction is recorded in income. The temporary value corresponds to the ineffective portion of cash flow hedge which is recognized in the financial results of the Company (Note 19).

Due to 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 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 change in Other comprehensive income recognized in Total equity in the case of appreciate or depreciate 10% the exchange rate R$/US$:

Appreciation (depreciation) of R$/US$	Effect at December 31, 2021 MUS$	Effect at December 31, 2020 MUS$
-10%	+96.66	+191.53
+10%	-79.09	-156.71

(iii) Interest -rate risk:

Exposure:

The Company is exposed to fluctuations in interest rates affecting the markets future cash flows of the assets, and current and future financial liabilities.

The Company is exposed in one portion to the variations of London Inter-Bank Offer Rate (“LIBOR”) and other interest rates of less relevance are Brazilian Interbank Deposit Certificate ("IDC"). Because the publication of LIBOR will cease for June 2023, the company has begun to

migrate to the adoption of SOFR as an alternative rate, which will materialize with the termination of LIBOR.

Mitigation:

At the end of December 31, the Company did not have current interest rate derivative positions. Currently a 40% (42% at December 31, 2020) of the debt is fixed to fluctuations in interest rate. Most of this debt is indexed to a benchmark rate based on LIBOR.

To mitigate the effect of those derivatives that will be affected by the transition from LIBOR to SOFR, the Company is evaluating adherence to the ISDA protocol in the case of derivatives and is following the recommendations of the relevant authorities, including the Alternative Reference Rates Committee. ("ARRC") in the case of debt, in line with the measures generally adopted by the market for the replacement of LIBOR in debt contracts.

Rate Hedging Results:

As of December 31, 2021, the Company did not hold current interest rate derivative positions. At the end of December 2020, the Company did not hold current interest rate derivative positions.

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, 2021 effect on profit or loss before tax (MUS$)	Positions as of December 31, 2020 effect on profit or loss before tax (MUS$)
+100 basis points	-46.31	-42.11
-100 basis points	+46.31	+42.11

As of December 31, 2021, the Company does not hold current interest rate derivative positions. The above calculations were vertically increased (decreased) 100 basis points of the three-month Libor future curve, both scenarios being reasonably possible based on historical market conditions.

The assumptions of sensitivity calculation must assume that forward curves of interest rates do not necessarily reflect the real value of the compensation flows. Moreover, the structure of interest rates is dynamic over time.

On March 5, 2021, the ICE Benchmark Administration (“IBA”) announced that, as a result of little access to the information necessary for calculating rates, the publication of the 1-week, 2-months USD rates will cease to be published on December 31, 2021 and the remaining terms will cease on June 30, 2023. Although the adoption of alternative rates 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 alternative language in existing contracts that reference the discontinuation of LIBOR. In this regard, the Company identifies that its derivative and debt contracts may be affected by the change in the relevant rate. To mitigate the effect, the

Company is evaluating adherence to the ISDA protocol in the case of derivatives and is following the recommendations of the relevant authorities, including the Alternative Reference Rates Committee ("ARRC") in the case of debt, online with the measures generally adopted by the market for the replacement of LIBOR in debt contracts.

Currently, the Company only has fuel derivatives with a nominal value equivalent to 21%'s hedge of the total consumption expected for the next 12 months.

(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 at December 31, 2021 increased when compared to the balance as of December 31, 2020 by 48%, mainly due to an increase in passenger transport operations (travel agencies and corporate) that increased by 124% in sales, mainly from a 68% of credit card payments and 32% in cash sales. Instead, the cargo business showed a increase in its net income of 23% compared to December 2020. The cargo business increase in its operation in a 23% compared to December 2020. In the case of clients who still have pending balances and that the administration considered risky, the corresponding measures were taken to consider expected credit loss The provision at the end of December 2021 had a decrease of 34% compared to December 31, 2020, as a result of the decrease in the portfolio for recoveries and for the application of write-offs in the years.

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 contracting derivative instruments or options.

To reduce the credit risk related to operational activities, the Company has implemented credit limits to limit 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) their 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.

Additionally, section 345(b) of the Chapter 11 of the US Bankruptcy Code imposes restrictions on, among other things, the institutions where the Debtors can hold their cash. In particular, it establishes that cash should be held in what are called Authorized Bank Depositories, which are US Banking Institutions that are accepted by the US Trustee Program of the US Department of Justice. Such Authorized Bank Depositories have generally agreed with the US Trustee Program to maintain collateral of no less than 115% of the aggregate funds on deposit (in excess of FDIC insurance limit) by (i) surety bond or (ii) US Treasury securities. Consequently, pursuant to Section 345(b), as implemented through an agreement with the Office of the United States Trustee, as of the year end the Company held the majority of its cash and equivalents in Banks in the US that are depositories authorized by Office of the United States Trustee for the Southern District of New York. Otherwise, the DIP Facility contains certain restrictions on new investments made by the Debtors during the term of the facility.

(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, international (“IATA”) 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, they are 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.

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. On May 26, 2020, the Company and its subsidiaries in Chile, Peru, Colombia, Ecuador and the United States began a voluntary process of reorganization and restructuring of their debt under the protection of the Chapter 11 of the United States, to which on July 9, the Brazilian subsidiary and certain of its subsidiaries were included, in order to preserve the group's liquidity. In light of the unprecedented impact COVID-19 has had on the global aviation industry, this reorganization process provides LATAM with the opportunity to work with the group's creditors, and main stakeholders, to reduce its debt and obtain new sources of financing, providing the company with the tools to adapt the group to this new reality.

The balance of liquid funds, future cash generation and the ability to obtain financing, provides the Company with alternatives to meet future investment and financing commitments.

As of December 31, 2021, the balance of liquid funds is US$ 1,047 million (US $ 1,696 million as of December 31, 2020), which are invested in short-term instruments through financial entities with a high credit rating classification.

As of December 31, 2021, LATAM maintains a committed revolving credit facility (Revolving Credit Facility) for a total amount of US$ 600 million, which is fully drawn. This line is secured by and subject to the availability of collateral (i.e. aircraft, engines and spare parts).

Finally, during the fourth quarter of 2021, the company has reduced budgeted investments by approximately US$ 146 million, mainly related to maintenance, given the lower operation, purchase of engines, investments in cabins and other projects. In addition, LATAM has not received aircraft that it was committed to receiving in 2021, which at the beginning of the year reached US$ 773 million.

After filing Chapter 11 protection, 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. Initially, Tranches A and C were committed for a total of US$2.45 billion. To date, these three tranches are fully committed after the approval on October 18 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.

1) A Tranche A, which is committed for up to US$ 1.3 billion, out of which (i) US$ 1.125 billion were be provided by Oaktree Capital Management, L.P. or certain entities related to it; and

(ii) US$ 175 million were be provided by Knighthead, Jefferies and / or other entities that are part of the syndicate of creditors organized by Jefferies;

2) A Tranche B for an amount up to US $750 million that will be contributed by a group of financiers including Oaktree Capital Management, L.P. and Apollo Management Holdings, L.P. and other certain funds advised by them; and

3) A Tranche C for a capital amount of up to US$ 1.15 billion, of which (i) US$ 750 million was provided by a certain group of LATAM's shareholders composed by Grupo Cueto, Grupo Eblen and Qatar Airways, or certain related entities; (ii) US$ 250 million was provided by Knighthead, Jefferies and / or other entities that are part of the syndicate of creditors organized by Jefferies; and (iii) US$ 150 million which was committed by certain additional shareholder investors through a public investment fund managed by Toesca S.A., through a "joinder" or supplement to the "DIP Agreement" subscripted on November 6, 2020.

In consideration of the extension of the health and mobility restrictions imposed by the authorities in the countries where the group operates, as well as the analysis of the company's liquidity projection, beginning on October 8, 2020, LATAM has made four withdrawals under the DIP Credit Agreement. In accordance with the terms of the "DIP Agreement", Debtors must maintain consolidated liquidity of at least US $ 400 million, considering the undrawn line of the DIP, and meet certain milestones with respect to the chapter 11 process.

The amounts by Tranche are summarized in the table below:

	As of December 31, 2021			As of December 31, 2020		
Tranche	Commited amount	Withdrew amount	Available amount	Commited amount	Withdrew amount	Available amount
	MUS$	MUS$	MUS$	MUS$	MUS$	MUS$
Tranche A	1,300	876	424	1,300	650	650
Tranche B	750	300	450	-	-	-
Tranche C	1,150	774	376	1,150	500	650
Total	3,200	1,950	1,250	2,450	1,150	1,300

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 COMPAN`	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			

(*) Note that the liabilities reflect their contractual obligations in force at December 31, 2021
(**) Obligation with creditors for executed letters of credit.

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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 %	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			

(*) Note that the liabilities reflect their contractual obligations in force at December 31, 2021
(**) 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$	665,645	165,085	-	-	-	830,730	830,730	-	-	-
			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	CLP	-	7	-	-	-	7	7	-	-	-
81.062.300-4	Costa Verde Aeronautica S.A.	Chile	CLP	-	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			2,494,049	1,323,072	790,732	835,284	787,495	6,230,632	5,588,872			
	Total consolidated			4,271,005	3,773,632	2,318,762	2,195,767	1,857,319	14,416,485	12,701,008			

(*)Trade and other accounts payables include claims resulting from Chapter 11 negotiation and are subject to settlement in accordance with the Reorganization plan.

Class of liability for the analysis of liquidity risk ordered by date of maturity as of December 31, 2020
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	SCOTIABANK	Chile	US$	76,929	-	-	-	-	76,929	74,000	At Expiration	3.08	3.08
97.030.000-7	BANCO ESTADO	Chile	US$	41,543	-	-	-	-	41,543	40,000	At Expiration	3.49	3.49
76.645.030-K	ITAU	Chile	US$	20,685	-	-	-	-	20,685	20,000	At Expiration	4.20	4.20
97.951.000-4	HSBC	Chile	US$	12,545	-	-	-	-	12,545	12,000	At Expiration	4.15	4.15
Bank loans													
97.023.000-9	CORPBANCA	Chile	UF	11,631	-	-	-	-	11,631	11,255	Quarterly	3.35	3.35
0-E	SANTANDER	Spain	US$	3,323	2,678	139,459	-	-	145,460	139,459	Quarterly	2.80	2.80
76.362.099-9	BTG	Chile	UF	2,104	68,920	-	-	-	71,024	67,868	At Expiration	3.10	3.10
Obligations with the public													
97.030.000-7	BANCO ESTADO	Chile	UF	23,210	26,857	217,555	35,041	429,101	731,764	560,113	At Expiration	4.81	4.81
0-E	BANK OF NEW YORK	U.S.A.	US$	80,063	76,125	208,250	836,063	828,000	2,028,501	1,500,000	At Expiration	7.16	6.94
Guaranteed obligations													
0-E	BNP PARIBAS	U.S.A.	US$	50,500	40,889	104,166	107,342	219,666	522,563	474,273	Quarterly / Semiannual	2.95	2.95
0-E	NATIXIS	France	US$	47,918	37,509	84,048	84,487	35,712	289,674	271,129	Quarterly	3.11	3.11
0-E	INVESTEC	England	US$	11,502	9,425	21,042	-	-	41,969	37,870	Semiannual	6.21	6.21
0-E	MUFG	U.S.A.	US$	37,114	28,497	77,881	80,678	194,901	419,071	382,413	Quarterly	2.88	2.88
0-E	SMBC	U.S.A.	US$	131,345	-	-		-	131,345	130,000	At Expiration	1.73	1.73
Other guaranteed obligation													
0-E	CREDIT AGRICOLE	France	US$	1,347	275,773	-	-	-	277,120	273,199	At Expiration	1.92	1.92
0-E	MUFG	U.S.A.	US$	87,611	74,852	119,460	19,950	-	301,873	291,519	Quarterly	2.67	2.67
0-E	CITIBANK	U.S.A.	US$	3,405	10,404	603,443	-	-	617,252	600,000	At Expiration	2.27	2.27
0-E	BANK OF UTAH	U.S.A.	US$	-	-	952,990	-	-	952,990	793,003	At Expiration	22.19	13,19
Financial lease													
0-E	ING	U.S.A.	US$	5,965	-	-	-	-	5,965	5,965	Quarterly	5.71	5.01
0-E	CREDIT AGRICOLE	France	US$	13,889	2,057	2,062	-	-	18,008	17,961	Quarterly	1.99	1.54
0-E	CITIBANK	U.S.A.	US$	79,117	61,983	118,372	46,115	19,118	324,705	312,792	Quarterly	2.58	1.77
0-E	PEFCO	U.S.A.	US$	1,926	-	-	-	-	1,926	1,926	Quarterly	5.65	5.03
0-E	BNP PARIBAS	U.S.A.	US$	14,851	2,343	793	-	-	17,987	17,951	Quarterly	1.81	1.41
0-E	WELLS FARGO	U.S.A.	US$	114,952	104,946	237,945	99,232	-	557,075	541,406	Quarterly	2.43	1.74
97.036.000-K	SANTANDER	Chile	US$	21,551	17,851	26,308	-	-	65,710	65,247	Quarterly	1.30	0.76
0-E	RRPF ENGINE LEASING	England	US$	4,093	3,382	8,826	4,870	-	21,171	18,489	Monthly	4.01	4.01
0-E	APPLE BANK	U.S.A.	US$	4,589	4,763	12,977	755	-	23,084	22,730	Quarterly	1.61	1.01
0-E	BTMU	U.S.A.	US$	11,620	9,647	26,261	770	-	48,298	47,609	Quarterly	1.63	1.03
0-E	US BANK	U.S.A.	US$	60,527	54,611	144,670	86,076	-	345,884	327,419	Quarterly	4.00	2.82
0-E	PK AIRFINANCE	U.S.A.	US$	4,624	12,202	3,153	-		19,979	19,522	Monthly	1.98	1.98
	TOTAL			980,479	925,714	3,109,661	1,401,379	1,726,498	8,143,731	7,077,118			

(*) Note that the liabilities reflect their contractual obligations in force at December 31, 2020

Class of liability for the analysis of liquidity risk ordered by date of maturity as of December 31, 2020
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$	452	497	61	-	-	1,010	943	Monthly	6.01	6.01
0-E	BANCO BRADESCO	Brazil	BRL	91,672	-	-	-	-	91,672	80,175	Monthly	4.34	4.33
0-E	BANCO DO BRASIL	Brazil	BRL	208,987	-	-	-	-	208,987	199,557	Monthly	3.95	3.95
Financial leases													
0-E	NATIXIS	France	US$	31,482	9,276	42,383	-	-	83,141	81,260	Quarterly / Semiannual	4.09	4.09
0-E	WACAPOU LEASING S.A.	Luxembourg	US$	2,460	2,442	25	-	-	4,927	4,759	Quarterly	2.00	2.00
0-E	SOCIÉTÉ GÉNÉRALE MILAN BRANCH	Italy	US$	134,919	-	-	-	-	134,919	144,120	Quarterly	3.07	3.01
0-E	GA TELESIS LLC	U.S.A.	US$	758	1,753	4,675	4,675	7,969	19,830	12,261	Monthly	14.72	14.72
	TOTAL			470,730	13,968	47,144	4,675	7,969	544,486	523,075			

(*) Note that the liabilities reflect their contractual obligations in force at December 31, 2020

Class of liability for the analysis of liquidity risk ordered by date of maturity as of December 31, 2020
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$	226,510	679,529	877,438	812,821	889,072	3,485,370	3,026,573	-	-	-
-	OTHER ASSETS	OTHERS	US$	3,403	9,953	6,706	18,271	6,349	44,682	46,520	-	-	-
			UF	2,103	5,836	1,072	1,973	2,485	13,469	11,401	-	-	-
			COP	22	7	14	-	-	43	48	-	-	-
			EUR	156	443	188	-	-	787	772	-	-	-
			PEN	29	15	49	-	-	93	137	-	-	-
			BRL	1,002	3,891	14,414	-	-	19,307	35,555	-	-	-
Trade and other accounts payables													
-	OTHERS	OTHERS	US$	330,172	47,781	-	-		377,953	377,953	-	-	-
			CLP	230,997	119,337	-	-		350,334	350,334	-	-	-
			BRL	359,350	5,859	-	-		365,209	365,209	-	-	-
			Other currency	598,619	65,684	-	-		664,303	664,303	-	-	-
Accounts payable to related parties currents													
Foreign	Delta Airlines	U.S.A.	US$	805	-	-	-		805	805	-	-	-
Foreign	Patagonia Seafarms INC	U.S.A.	CLP	7	-	-	-		7	7			
97.810.370-9	Inversiones Costa Verde Ltda. y CPA.	Chile	CLP	-	-	105,713	-		105,713	105,713			
Foreign	QA Investments Ltd	Jersey Channel Islands	US$	-	-	132,141	-		132,141	132,141	-	-	-
Foreign	QA Investments 2 Ltd	Jersey Channel Islands	US$	-	-	132,141	-		132,141	132,141			
Foreign	Lozuy S.A.	Uruguay	US$	-	-	26,428	-	-	26,428	26,428	-	-	-
	Total			1,753,175	938,335	1,296,304	833,065	897,906	5,718,785	5,276,040			
	Total consolidated			3,204,384	1,878,017	4,453,109	2,239,119	2,632,373	14,407,002	12,876,233			

The Company has fuel, interest rate and exchange rate hedging strategies involving derivatives contracts with different financial institutions.

At the end of 2020, the Company had delivered US$ 3 million in guarantees for derivative margins corresponding to cash and stanby letters of credit. As of December 31, 2021, the Company maintains guarantees for US$ 5.5 million corresponding to derivative transactions. The increase was due to: i) greater subscription of hedging contracts than their maturity and ii) changes in fuel prices, exchange rates and interest rates.

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, 2021, and as a consequence of the expected decline in demand due to the COVID-19 pandemic and the Company's filing for voluntary protection under the U.S. Chapter 11 reorganization statute, Standard & Poor's, Moody's y Fitch Ratings withdrew their credit ratings for LATAM

3.3. Estimates of fair value.

At December 31, 2021, 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, 2021				As of December 31, 2020			
		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	26,025	26,025	-	-	32,782	32,782	-	-
Short-term mutual funds	26,025	26,025	-	-	32,782	32,782	-	-
Other financial assets, current	26,467	1,637	24,830	-	4,097	366	3,731	-
Fair value of fuel derivatives	17,641	-	17,641	-	1,296	-	1,296	-
Private investment funds	347	347	-	-	348	348	-	-
Certificate of Deposit (CBD)	7,189	-	7,189	-	2,435	-	2,435	-
Domestic and foreign bonds	1,290	1,290	-	-	18	18	-	-
Liabilities								
Other financial liabilities, current	5,671	-	5,671	-	5,671	-	5,671	-
Fair value of interest rate derivatives	2,734	-	2,734	-	2,734	-	2,734	-
Currency derivative not registered as hedge accounting	2,937	-	2,937	-	2,937	-	2,937	-

Additionally, at December 31, 2021, 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, 2021		As of December 31, 2020	
	Book value	Fair value	Book value	Fair value
	ThUS$	ThUS$	ThUS$	ThUS$
Cash and cash equivalents	1,020,810	1,020,810	1,663,059	1,663,059
Cash on hand	2,120	2,120	4,277	4,277
Bank balance	558,078	558,078	732,578	732,578
Overnight	386,034	386,034	802,220	802,220
Time deposits	74,578	74,578	123,984	123,894
Other financial assets, current	74,671	74,671	46,153	46,153
Other financial assets	74,671	74,671	46,153	46,153
Trade debtors, other accounts receivable and Current accounts receivable	902,672	902,672	599,180	599,180
Accounts receivable from entities related, current	724	724	158	158
Other financial assets, not current	15,622	15,622	33,140	33,140
Accounts receivable, non-current	12,201	12,201	4,986	4,986
Other current financial liabilities	4,447,780	4,339,370	3,050,059	2,995,768
Accounts payable for trade and other accounts payable, current	4,860,153	4,860,153	2,322,961	2,322,961
Accounts payable to entities related, current	661,602	662,345	812	812
Other financial liabilities, not current	5,948,702	5,467,594	7,803,801	6,509,081
Accounts payable, not current	472,426	472,426	396,423	410,706

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 goodwill and 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 rate, discount rate, inflation rates, fuel price. The estimation of these assumptions requires significant judgment by the management, as these variables feature inherent uncertainty; however, the assumptions used are consistent with 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 showed in Note 15.

(b) Useful life, residual value, and impairment of property, plant, and equipment

The depreciation of assets is calculated based on the linear model, except for certain technical components depreciated on cycles and hours flown. These useful lives are reviewed on an annual basis according with 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 render the useful life different to the lifespan 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 said 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, fuel price online 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 air tickets as deferred income. Ordinary income from the sale of tickets is recognized in the income statement when the passenger transport service is provided or expired for non-use. The Company evaluates monthly the probability of expiration of air tickets, with return clauses, based on the history of use of air tickets. A change in this probability could generate an impact on revenue in the year in which the change occurs and in future years.

In effect and due to the worldwide contingency of the COVID 19 pandemic, the company has established new commercial policies with clients regarding the validity of air tickets, making it easier to use in flight, reissue and return, what has been considered at the time of estimating expired tickets.

As of December 31, 2021, deferred income associated with air tickets sold amounted to ThUS $ 1,126,371 (ThUS $ 904,558 as of December 31, 2020).

(e) Valuation of miles and points awarded to holders of loyalty programs, pending use.

As of December 31, 2021, the deferred income associated with the LATAM Pass loyalty program amounts to ThUS $ 1,285,732 (ThUS $ 1,365,534 as of December 31, 2020). A hypothetical change of one percentage point in the probability of swaps would translate into an impact of ThUS $ 27,151 in the results as of 2021 (ThUS $ 24,425 in the results as of 2020). The deferred income associated with the LATAM Pass Brasil loyalty program (See Note 22) amounts to ThUS $ 192,381 as of December 31, 2021 (ThUS $ 187,493 as of December 31, 2020). A hypothetical change of two percentage points in exchange probability would translate into an impact of ThUS $ 5,100 in the results as of 2021 (ThUS $ 4,948 in the results as of 2020).

Management used statistical models to estimate the miles and point awarded that will not be redeemed, by the programs members (breakage) which involved significant judgments and assumptions relating the historical redemption and expiration activity and forecasted redemption and expiration patterns.

The management in conjunction with an external specialist develop 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) Provisions needs, and their valuation when required

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.

Company recognized as 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 under it.

(g) Leases

(i) Discount rate

The discount rate used to calculate the lease debt corresponds, for each aircraft, to the implicit interest rate calculated by the contractual elements and residual market values. The implicit rate of the contract is the discount rate that gives the aggregate present value of the minimum lease payments and the unguaranteed residual value.

For assets other than aircraft, the estimated lessee's incremental loan rate was used, which is derived from the information available on the lease commencement date, to determine the present value of the lease payments. We consider our recent debt issues, as well as publicly available data for instruments with similar characteristics when calculating our incremental borrowing rates.

A decrease of one percentage point in our estimate of the rates used as in the calculation of the new and amendment contract as of December 31, 2021 would increase the lease liability by approximately US $ 76 million.

(ii) Lease term

In determining the term of the lease, all the 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 term of the lease if you are 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 control of the lessee.

(h) Investment in subsidiary (TAM)

The management has applied its judgment in determining that LATAM Airlines Group S.A. controls TAM S.A. and Subsidiaries, for accounting purposes, and has therefore consolidated the financial statements.

The grounds for this decision are that LATAM issued ordinary shares in exchange for the majority of circulating ordinary and preferential shares in TAM, except for those TAM shareholders who did not accept the exchange, which were subject to a squeeze out, entitling LATAM to substantially all economic benefits generated by the LATAM Group, and thus exposing it to substantially all risks relating to the operations of TAM. This exchange aligns the economic interests of LATAM and all of its shareholders, including the controlling shareholders of TAM, thus ensuring that the shareholders and directors of TAM shall have no incentive to exercise their rights in a manner that would be beneficial to TAM but detrimental to LATAM. Furthermore, all significant actions necessary of the operation of the airlines require votes in favor by the controlling shareholders of both LATAM and TAM.

Since the integration of LAN and TAM operations, the most critical airline operations in Brazil have been managed by the CEO of TAM while global activities have been managed by the CEO of LATAM, who is in charge of the operation of the LATAM Group as a whole and reports to the LATAM Board.

The CEO of LATAM also evaluates the performance of LATAM Group executives and, together with the LATAM Board, determines compensation. Although Brazilian law currently imposes restrictions on the percentages of voting rights that may be held by foreign investors, LATAM believes that the economic basis of these agreements meets the requirements of accounting standards in force, and that the consolidation of the operations of LAN and LATAM is appropriate.

These estimates were made based on the best information available relating to the matters analyzed.

In any case, it is possible that events that may take place in the future could lead to their modification in future reporting periods, which would be made in a prospective manner.

NOTE 5 - SEGMENTAL INFORMATION

As of December 31, 2021, 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,	
	2021	2020
	ThUS$	ThUS$
Peru	503,616	297,549
Argentina	75,513	172,229
U.S.A.	577,970	505,145
Europe	376,857	338,565
Colombia	368,474	177,007
Brazil	1,664,523	1,304,006
Ecuador	162,959	112,581
Chile	794,122	638,225
Asia Pacific and rest of Latin America	359,981	378,360
Income from ordinary activities	4,884,015	3,923,667
Other operating income	227,331	411,002

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.

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NOTE 6 - CASH AND CASH EQUIVALENTS

	As of December 31, 2021	As of December 31, 2020
	ThUS$	ThUS$
Cash on hand	2,120	4,277
Bank balances	558,078	732,578
Overnight	386,034	802,220
Total Cash	946,232	1,539,075
Cash equivalents		
Time deposits	74,578	123,984
Mutual funds	26,025	32,782
Total cash equivalents	100,603	156,766
Total cash and cash equivalents	1,046,835	1,695,841

Balance include Cash and Cash equivalent from the Group's Companies that file for Chapter 11. Due to a motion approved by the US bankruptcy court these balance can only be used on normal course of business activities and invested in specific banks also approved on the motion.

Cash and cash equivalents are denominated in the following currencies:

Currency	As of December 31, 2021	As of December 31, 2020
	ThUS$	ThUS$
Argentine peso	7,148	20,107
Brazilian real	89,083	136,938
Chilean peso	9,800	32,649
Colombian peso	13,535	17,185
Euro	7,099	10,361
US Dollar	886,627	1,438,846
Other currencies	33,543	39,755
Total	1,046,835	1,695,841

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NOTE 7 - FINANCIAL INSTRUMENTS

Financial instruments by category

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	902,672	-	-	902,672
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	2,035,179	26,372	17,641	2,079,192

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	4,860,153	-	-	4,860,153
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	16,390,663	2,937	2,734	16,396,334

(*) The value presented as fair value with changes in the result, corresponds mainly to private investment funds; and as measured at amortized cost correspond to guarantees delivered.

As of December 31, 2020

Assets	Measured at amortized cost	At fair value with changes in results	Hedge derivatives	Total
	ThUS$	ThUS$	ThUS$	ThUS$
Cash and cash equivalents	1,663,059	32,782	-	1,695,841
Other financial assets, current (*)	48,605	348	1,297	50,250
Trade and others accounts receivable, current	599,381	-	-	599,381
Accounts receivable from related entities, current	158	-	-	158
Other financial assets, non current	33,140	-	-	33,140
Accounts receivable, non current	4,986	-	-	4,986
Total	2,349,329	33,130	1,297	2,383,756

Liabilities	Measured at amortized cost	At fair value with changes in results	Hedge derivatives	Total
	ThUS$	ThUS$	ThUS$	ThUS$
Other financial liabilities, current	3,050,059	2,937	2,734	3,055,730
Trade and others accounts payable, current	2,322,125	-	-	2,322,125
Accounts payable to related entities, current	812	-	-	812
Other financial liabilities, non-current	7,803,801	-	-	7,803,801
Accounts payable, non-current	651,600	-	-	651,600
Accounts payable to related entities, non-current	396,423	-	-	396,423
Total	14,224,820	2,937	2,734	14,230,491

(*) The value presented as initial designation as fair value through profit and loss, corresponds mainly to private investment funds; and as measured at amortized cost they correspond to the guarantees granted.

NOTE 8 - TRADE AND OTHER ACCOUNTS RECEIVABLE CURRENT, AND NON-CURRENT ACCOUNTS RECEIVABLE

	As of December 31, 2021	As of December 31, 2020
	ThUS$	ThUS$
Trade accounts receivable	785,952	532,106
Other accounts receivable	209,925	194,454
Total trade and other accounts receivable	995,877	726,560
Less: Expected credit loss	(81,004)	(122,193)
Total net trade and accounts receivable	914,873	604,367
Less: non-current portion – accounts receivable	(12,201)	(4,986)
Trade and other accounts receivable, current	902,672	599,381

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, 2021			As December 31, 2020		
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%	591,210	(8,806)	4%	302,079	(11,112)
From 1 to 90 days	10%	116,613	(11,840)	4%	103,615	(4,049)
From 91 to 180 days	31%	11,376	(3,567)	66%	15,989	(10,501)
From 181 to 360 days	72%	3,863	(2,766)	80%	40,621	(32,627)
more of 360 days	86%	62,890	(54,025)	92%	69,802	(63,904)
Total		785,952	(81,004)		532,106	(122,193)

(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 the Trade and other accounts receivable and non-current accounts receivable are as follow:

Currency	As of December 31, 2021	As of December 31, 2020
	ThUS$	ThUS$
Argentine Peso	7,282	6,517
Brazilian Real	361,745	221,952
Chilean Peso	53,488	44,737
Colombian Peso	5,658	1,292
Euro	24,143	24,370
US Dollar	453,781	292,125
Korean Won	844	79
Mexican Peso	2,428	4,624
Australian Dollar	62	49
Pound Sterling	12,728	5,647
Uruguayan Peso (New)	860	792
Swiss Franc	360	754
Japanese Yen	106	77
Swedish crown	488	129
Other Currencies	3,603	1,223
Total	927,576	604,367

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, 2020	(100,402)	30,754	(52,545)	(122,193)
From January 1 to December 31, 2021	(122,193)	26,435	14,754	(81,004)

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 very relevant, and the policy is to analyze case by case to classify them according to the existence of risk, determining if their reclassification corresponds 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, 2021			As of December 31, 2020		
	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	785,952	(81,004)	704,948	532,106	(122,193)	409,913
Other accounts receivable	209,925	-	209,925	194,454	-	194,454

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, 2021	As of December 31, 2020
					ThUS$	ThUS$
Foreign	Qatar Airways	Indirect shareholder	Qatar	US$	703	148
Foreign	TAM Aviação Executiva e Taxi Aéreo S.A.	Common shareholder	Brazil	BRL	2	1
87.752.000-5	Granja Marina Tornagaleones S.A.	Common shareholder	Chile	CLP	6	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	4	1
96.810.370-9	Inversiones Costa Verde Ltda. y CPA.	Related director	Chile	CLP	7	-
	Total current assets				724	158

(b) Current and non current accounts payable

Tax No.	Related party	Relationship	Country of origin	Currency	Current liabilities As of December 31, 2021	Current liabilities As of December 31, 2020	Non current liabilities As of December 31, 2021	Non current liabilities As of December 31, 2020
					ThUS$	ThUS$	ThUS$	ThUS$
Foreign	Delta Airlines, Inc.	Shareholder	U.S.A.	US$	2,268	805	-	-
Foreign	Inversora Aeronáutica Argentina S.A.	Related director	Argentina	US$	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	-	-	105,713
Foreign	QA Investments Ltd (*)	Common shareholder	Jersey Channel Islands	US$	219,774	-	-	132,141
Foreign	QA Investments 2 Ltd (*)	Common shareholder	Jersey Channel Islands	US$	219,774	-	-	132,141
Foreign	Lozuy S.A. (*)	Common shareholder	Uruguay	US$	43,955	-	-	26,428
	Total current and non current liabilities				661,602	812	-	396,423

(*)Corresponds to drewdawns of 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 2021 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, 2021	As of December 31, 2020
	ThUS$	ThUS$
Technical stock	250,327	284,409
Non-technical stock	37,010	39,165
Total	287,337	323,574

The items included in this item correspond to spare parts and materials which will be used, mainly, in consumptions of on-board services and in own and third-party maintenance services; These are valued at their average acquisition cost net of their obsolescence provision according to the following detail:

	As of December 31, 2021	As of December 31, 2020
	ThUS$	ThUS$
Provision for obsolescence Technical stock	64,455	42,979
Provision for obsolescence Non-technical stock	5,785	4,651
Total	70,240	47,630

The resulting amounts do not exceed the respective net realization values.

As of December 31, 2021, the Company registered ThUS$ 47,362 (ThUS$ 55,507 as of December 31, 2020) 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 As of December 31, 2021	Current Assets As of December 31, 2020	Non-current assets As of December 31, 2021	Non-current assets As of December 31, 2020	Total Assets As of December 31, 2021	Total Assets As of December 31, 2020
	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$
(a) Other financial assets						
Private investment funds	347	348	-	-	347	348
Deposits in guarantee (aircraft)	7,189	2,435	2,758	21,498	9,947	23,933
Guarantees for margins of derivatives	5,451	3,047	-	-	5,451	3,047
Other investments	-	-	493	493	493	493
Domestic and foreign bonds	1,290	18	-	-	1,290	18
Other guarantees given	69,220	43,106	12,371	11,149	81,591	54,255
Subtotal of other financial assets	83,497	48,954	15,622	33,140	99,119	82,094
(b) Hedging derivate asset						
Fair value of fuel price derivatives	17,641	1,296	-	-	17,641	1,296
Subtotal of derivate assets	17,641	1,296	-	-	17,641	1,296
Total Other Financial Assets	101,138	50,250	15,622	33,140	116,760	83,390

The different derivative hedging contracts maintained by the Company at the end of each fiscal year are described in Note 19.

(b) The balances composition by currencies of the Other financial assets are as follows:

Type of currency	As of December 31, 2021	As of December 31, 2020
	ThUS $	ThUS $
Argentine peso	16	460
Brazilian real	9,775	8,475
Chilean peso	4,502	4,056
Colombian peso	1,727	500
Euro	4,104	3,236
U.S.A dollar	93,247	63,922
Other currencies	3,389	2,741
Total	116,760	83,390

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 2021	As of December 2020	As of December 2021	As of December 2020	As of December 2021	As of December 2020
	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$
(a) Advance payments						
Aircraft insurance and other	12,331	10,137	-	-	12,331	10,137
Others	11,404	15,375	2,002	2,998	13,406	18,373
Subtotal advance payments	23,735	25,512	2,002	2,998	25,737	28,510
(b) Contract assets (1)						
GDS costs	6,439	4,491	-	-	6,439	4,491
Credit card commissions	10,550	6,021	-	-	10,550	6,021
Travel agencies commissions	8,091	4,964	-	-	8,091	4,964
Subtotal advance payments	25,080	15,476	-	-	25,080	15,476
(c) Other assets						
Aircraft maintenance reserve (2)	-	8,613	-	-	-	8,613
Sales tax	57,634	102,010	33,212	46,210	90,846	148,220
Other taxes	1,661	4,023	-	-	1,661	4,023
Contributions to the International Aeronautical Telecommunications Society ("SITA")	258	258	739	739	997	997
Contributions to Universal Air Travel Plan "UATP"	-	-	20	-	20	-
Judicial deposits	-	-	89,459	76,835	89,459	76,835
Subtotal other assets	59,553	114,904	123,430	123,784	182,983	238,688
Total Other Non - Financial Assets	108,368	155,892	125,432	126,782	233,800	282,674

(1) Movement of Contracts assets:

	Initial balance	Activation	Cummulative translation adjustment	Amortization	Final balance
	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$
From January 1 to December 31, 2020	56,576	146,778	(14,672)	(173,206)	15,476
From January 1 to December 31, 2021	15,476	67,647	(6,680)	(51,363)	25,080

(2) Aircraft maintenance reserves reflect prepayment deposits made by the group to lessors of certain aircraft under operating lease agreements in order to ensure that funds are available to support the scheduled heavy maintenance of the aircraft.

These deposits are calculated based on the operation, measured in cycles or flight hours, are paid periodically, and it is contractually stipulated that they be returned to the Company each time major maintenance is carried out. At the end of the lease, the unused maintenance reserves are returned to the Company or used to compensate the lessor for any debt related to the maintenance conditions of the aircraft.

In some cases, (2 lease agreements), if the maintenance cost incurred by LATAM is less than the corresponding maintenance reserves, the lessor is entitled to retain those excess amounts at the time the heavy maintenance is performed. The Company periodically reviews its maintenance reserves for each of its leased aircraft to ensure that they will be recovered and recognizes an expense if any such amounts are less than probable of being returned. The cost of aircraft maintenance in the last years has been higher than the related maintenance reserves for all aircraft.

As of December 31, 2021, the company does not maintain maintenance reserves, these were exercised by the lessors for the non-payment of rent as a result of the chapter 11 process (ThUS$ 8,613 as of December 31, 2020).

Aircraft maintenance reserves are classified as current or non-current depending on the dates when the related maintenance is expected to be performed (Note 2.23).

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, 2021 and December 31, 2020, are detailed below:

	As of December 31, 2021	As of December 31, 2020
	ThUS$	ThUS$
Current assets		
Aircraft	99,694	275,000
Engines and rotables	46,724	740
Other assets	374	382
Total	146,792	276,122

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 the year 2020, the sale of a Boeing 767 aircraft took place and therefore US $ 5.5 million was recognized as profit from the transaction.

Additionally, during the year 2020, Delta Air Lines, Inc. canceled the purchase of four Airbus A350 aircraft, given this, LATAM was compensated with the payment of ThUS $ 62,000, which was recorded in the income statement as other income. These four aircraft were reclassified to Property, plant and equipment.

During 2020, eleven Boeing 767 aircraft were transferred from the Property, plant and equipment item, to the Non-current assets item or groups of assets for disposal classified as held for sale. During 2021, the sale of five aircraft were completed.

During the third quarter of the year 2021, associated with the fleet restructuring plan, they were transferred from the Property, plant and equipment component of spare parts and engines to the Non-current assets or groups of assets for disposal classified as held for sale. During the fourth quarter of 2021, according to the Chapter 11 Procedure, an engine of the XWB family included in this group of assets was rejected, due to finally not complete the sales.

Additionally, a loss was recognized for US$85 million during the year (US$ 332 million at December 31, 2020) to adjust the assets to its fair value less the cost of sales, which were recorded in the income statement as part of the restructuring activities 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, 2021	As of December 31, 2020
Boeing 767	6	11
Total	6	11

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, 2021	As of December 31, 2020
			%	%
Latam Airlines Perú S.A.	Peru	US$	99.81000	99.81000
Lan Cargo S.A.	Chile	US$	99.89395	99.89395
Lan Argentina S.A. (*)	Argentina	ARS	100.00000	99.98370
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	99.20120	99.19414
TAM S.A.	Brazil	BRL	100.00000	99.99938

(*) See Note 1

The consolidated subsidiaries do not have significant restrictions for transferring funds to the controlling entity in the normal course of operations, except for those imposed by Chapter 11, on dividend payments prior to the application for protection.

Summary financial information of significant subsidiaries

	Statement of financial position as of December 31, 2021						Income for the year 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	(83,346)
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	(190,299)
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	(3,078)
Aerovías de Integración Regional, AIRES S.A.	70,490	67,809	2,681	87,749	75,621	12,128	239,988	(19,615)
TAM S.A. (*)	2,608,859	1,262,825	1,346,034	3,257,148	2,410,426	846,722	2,003,922	(756,694)

	Statement of financial position as of December 31, 2020						Income for the year ended December 31, 2020	
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.	661,721	629,910	31,811	486,098	484,450	1,648	372,255	(96,066)
Lan Cargo S.A.	749,789	472,869	276,920	567,128	516,985	50,143	207,854	10,936
Lan Argentina S.A.	176,790	171,613	5,177	148,824	146,555	2,269	49,101	(220,667)
Transporte Aéreo S.A.	546,216	264,690	281,526	347,714	278,319	69,395	142,096	(39,032)
Latam Airlines Ecuador S.A.	108,086	104,534	3,552	99,538	87,437	12,101	51,205	(22,655)
Aerovías de Integración Regional, AIRES S.A.	76,770	73,446	3,324	77,471	68,433	9,038	90,668	(89,707)
TAM S.A. (*)	3,110,055	1,492,792	1,617,263	3,004,935	2,206,089	798,846	1,808,314	(1,025,618)

(*) Corresponds to consolidated information of TAM S.A. and subsidiaries

(b) Non-controlling interest

Equity	Tax No.	Country of origin	As of December 31, 2021 %	As of December 31, 2020 %	As of December 31, 2021 ThUS$	As of December 31, 2020 ThUS$
Latam Airlines Perú S.A	0-E	Peru	0.19000	0.19000	(13,035)	(7,238)
Lan Cargo S.A. and Subsidiaries	93.383.000-4	Chile	0.10196	0.10196	2,481	666
Inversora Cordillera S.A. and Subsidiaries	0-E	Argentina	0.00000	0.01630	-	(276)
Lan Argentina S.A.	0-E	Argentina	0.00000	0.00344	-	1
Americonsult de Guatemala S.A.	0-E	Guatemala	0.87000	0.87000	-	1
Americonsult S.A. and Subsidiaries	0-E	Mexico	0.20000	0.20000	(6)	(6)
Americonsult Costa Rica S.A.	0-E	Costa Rica	0.20000	0.20000	2	2
Linea Aérea Carguera de Colombiana S.A.	0-E	Colombia	9.54000	9.54000	(422)	(522)
Aerolíneas Regionales de Integración Aires S.A.	0-E	Colombia	0.79880	0.79880	(145)	(13)
Transportes Aereos del Mercosur S.A.	0-E	Paraguay	5.02000	5.02000	769	713
Total					(10,356)	(6,672)

Incomes	Tax No.	Country of origin	For the year ended December 31, 2021 %	For the year ended December 31, 2020 %	For the year ended December 31, 2021 ThUS$	For the year ended December 31, 2020 ThUS$
Latam Airlines Perú S.A	0-E	Peru	0.19000	0.19000	(5,553)	(8,102)
Lan Cargo S.A. and Subsidiaries	93.383.000-4	Chile	0.10196	0.10196	(82)	(121)
Inversora Cordillera S.A. and Subsidiaries	0-E	Argentina	0.00000	0.01630	(19)	360
Lan Argentina S.A.	0-E	Argentina	0.00000	0.00344	(5)	70
Americonsult S.A. and Subsidiaries	0-E	Mexico	0.20000	0.20000	(1)	1
Linea Aérea Carguera de Colombiana S.A.	0-E	Colombia	9.54000	9.54000	100	(943)
Aerolíneas Regionales de Integración Aires S.A.	0-E	Colombia	0.79880	0.79880	(158)	(724)
Transportes Aereos del Mercosur S.A.	0-E	Paraguay	5.02000	5.02000	67	(189)
Total					(5,651)	(9,648)

(*) See Note 1 letter (b)

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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, 2021	As of December 31, 2020	As of December 31, 2021	As of December 31, 2020
	ThUS$	ThUS$	ThUS$	ThUS$
Airport slots	587,214	627,742	587,214	627,742
Loyalty program	190,542	204,615	190,542	204,615
Computer software	136,135	139,113	463,478	528,097
Developing software	104,874	68,521	105,673	69,379
Trademarks (1)	-	6,340	36,723	39,803
Other assets	127	228	1,315	1,315
Total	1,018,892	1,046,559	1,384,945	1,470,951

Movement in Intangible assets other than goodwill:

	Computer software Net	Developing software	Airport slots (2)	Trademarks and loyalty program (1) (2)	Total
	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$
Opening balance as of January 1, 2020	221,324	99,193	845,959	281,765	1,448,241
Additions	45	76,331	-	-	76,376
Withdrawals	(333)	(454)	(36,896)	-	(37,683)
Transfer software	101,015	(99,890)	-	-	1,125
Foreign exchange	(20,242)	(6,659)	(181,321)	(63,478)	(271,700)
Amortization	(162,468)	-	-	(7,332)	(169,800)
Closing balance as of December 31, 2020	139,341	68,521	627,742	210,955	1,046,559
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	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

(1) In 2016, the Company resolved 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.

At December 31, 2021 TAM's trademark is fully amortized

(2) See Note 2.5

(3) In 2020, a digital transformation was implemented (LATAM XP), as a result some projects became obsolete and were fully amortized.

For further detail on impairment test see Note 16.

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The amortization of each period is recognized in the consolidated income statement in the administrative expenses. The cumulative amortization of computer programs, brands and other assets as of December 31, 2021, amounts to ThUS $ 366,053 (ThUS $ 424,932 as of December 31, 2020).

b) Impairment Test Intangible Assets with an indefinite useful life

As of December 31, 2021, 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, 2021, 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 cash flows after taxes from the financial budgets approved by the Administration. 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 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 in 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 arte (Terminal)	%	1.1 – 2.5
Exchange rate (1)	R$/US$	5.4 – 5.7
Discount rate base don the weighted average Cost of Capital (WACC)	%	8.60 – 10.60
Fuel Price from future prices curves		
Commodities markets	US$/barrel	71 - 73

(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 calculated recoverable values exceed the book value of the cash-generating unit, and therefore no impairment was detected.

The CGU is sensitive to annual growth rates, discounts and exchange rates. 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 %
Air Transportation CGU	10.6	1.1

In none of the above scenarios an impairment of the cash-generating unit was identified.

NOTE 16 - GOODWILL

Movement of Goodwill, separated by CGU:

	Air Transport ThUS$	Coalition and loyalty program Multiplus ThUS$	Total ThUS$
Opening balance as of January 1, 2020	2,209,576	-	2,209,576
Increase (decrease) due to exchange rate differences	(480,601)	-	(480,601)
Impairment loss	(1,728,975)	-	(1,728,975)
Closing balance as of December 31, 2020	-	-	-
Opening balance as of January 1, 2021	-	-	-
Increase (decrease) due to exchange rate differences		-	-
Impairment loss		-	-
Closing balance as of December 31, 2021	-	-	-

During fiscal year 2020, the Company recognized an impairment for the total Goodwill.

NOTE 17 - 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, 2021	As of December 31, 2020	As of December 31, 2021	As of December 31, 2020	As of December 31, 2021	As of December 31, 2020
	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$
a) Property, plant and equipment						
Construction in progress (1)	473,797	377,961	-	-	473,797	377,961
Land	43,276	42,979	-	-	43,276	42,979
Buildings	121,972	123,836	(61,521)	(58,629)	60,451	65,207
Plant and equipment	11,024,722	12,983,173	(4,462,706)	(5,292,429)	6,562,016	7,690,744
Own aircraft (3) (4)	10,377,850	12,375,500	(4,237,585)	(5,088,297)	6,140,265	7,287,203
Other (2)	646,872	607,673	(225,121)	(204,132)	421,751	403,541
Machinery	25,764	27,402	(23,501)	(23,986)	2,263	3,416
Information technology equipment	146,986	147,754	(130,150)	(132,923)	16,836	14,831
Fixed installations and accessories	147,402	154,414	(108,661)	(105,215)	38,741	49,199
Motor vehicles	49,186	49,345	(44,423)	(44,140)	4,763	5,205
Leasehold improvements	248,733	201,828	(115,758)	(127,420)	132,975	74,408
Subtotal Properties, plant and equipment	12,281,838	14,108,692	(4,946,720)	(5,784,742)	7,335,118	8,323,950
b) Right of use						
Aircraft (3)	5,211,153	5,369,519	(3,109,411)	(3,031,477)	2,101,742	2,338,042
Other assets	243,014	244,847	(190,007)	(176,570)	53,007	68,277
Subtotal Right of use	5,454,167	5,614,366	(3,299,418)	(3,208,047)	2,154,749	2,406,319
Total	17,736,005	19,723,058	(8,246,138)	(8,992,789)	9,489,867	10,730,269

(1) As of December 31, 2021, includes advances paid to aircraft manufacturers for ThUS$ 377,590 (ThUS$ 360,387 as of December 31, 2020)
(2) Consider mainly rotables and tools.
(3) As of December 31, 2020, due to Chapter 11, 29 aircraft lease contract were rejected, 19 were presented as to Property, plant and equipment, (2 A350, 11 A321, 1 A320, 1 A320N and 4 B787) and 10 were presented as right of use assets, (1 A319, 7 A320 and 2 B767). As of December 31, 2021, due to Chapter 11, 13 aircraft lease contract were rejected, 4 were presented as to Property, plant and equipment, (4 A350) and 9 were presented as right of use assets, (2 A320 and 7 A350).
(4) As of December 31, 2020, eleven B767 aircraft were classified as non-current assets or groups of assets for disposal as held for sale.

(a) 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, 2020	372,589	48,406	74,862	9,374,516	20,776	59,834	477	98,460	10,049,920
Additions	6,535	-	-	485,800	1,295	9	-	-	493,639
Disposals	-	-	-	(1,439)	(112)	(31)	(4)	-	(1,586)
Rejection fleet (*)	-	-	-	(1,081,496)	-	-	-	(82)	(1,081,578)
Retirements	(39)	-	-	(107,912)	(55)	(3,250)			(111,256)
Depreciation expenses	-	-	(4,819)	(682,102)	(6,186)	(9,037)	(81)	(16,542)	(718,767)
Foreign exchange	(2,601)	(5,428)	(4,836)	(146,219)	(1,543)	(7,195)	4	(2,587)	(170,405)
Other increases (decreases) (**)	1,477		-	(142,179)	656	8,869	-	(4,841)	(136,018)
Changes, total	5,372	(5,428)	(9,655)	(1,675,547)	(5,945)	(10,635)	(81)	(24,052)	(1,725,971)
Closing balance as of December 31, 2020	377,961	42,978	65,207	7,698,969	14,831	49,199	396	74,408	8,323,949
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

(*) Include aircraft lease rejection due to Chapter 11.

(**) 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). Include the reclassification of 4 A350 aircraft that were incorporated on property plant and equipment from available for sale for
ThUS$ 464.812 and the reclassification of 11 B767 aircraft that were moved to available for sales for ThUS$(606,522) (see note 13).

(b) Right of use assets:

	Aircraft	Others	Net right of use assets
	ThUS$	ThUS$	ThUS$
Opening balances as of January 1, 2020	2,768,540	101,158	2,869,698
Additions	-	399	399
Fleet rejection (*)	(9,090)	-	(9,090)
Depreciation expense	(395,936)	(22,492)	(418,428)
Cummulative translate adjustment	(6,578)	(11,173)	(17,751)
Other increases (decreases) **	(18,894)	385	(18,509)
Total changes	(430,498)	(32,881)	(463,379)
Final balances as of December 31, 2020	2,338,042	68,277	2,406,319
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)
Cummulative 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

(*) Include aircraft lease rejection due to Chapter 11.

(**) Include the amendment of 109 aircraft lease contract (1 A319, 37 A320, 12 A320N, 19 A321, 1 B767, 6 B777 and 16 B787).

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(c) Composition of the fleet

Aircraft	Model	Aircraft included in Property, plant and equipment As of December 31, 2021	As of December 31, 2020	Aircraft included as Rights of use assets As of December 31, 2021	As of December 31, 2020	Total fleet As of December 31, 2021	As of December 31, 2020
Boeing 767	300ER	16	17	-	-	16	17
Boeing 767	300F	12 (1)	11 (1)	1	1	13 (1)	12 (1)
Boeing 777	300ER	4	4	6	6	10	10
Boeing 787	800	4	6	6	4	10	10
Boeing 787	900	2	2	15	10	17	12
Airbus A319	100	37	37	7	7	44	44
Airbus A320	200	94	96 (2)	39	38	133	134 (2)
Airbus A320	NEO	-	6	12	6	12	12
Airbus A321	200	18	19	31	19	49	38
Airbus A350	900	-	4	-	7	-	11
Total		187	202	117	98	304	300

(1) One aircraft leased to Aerotransportes Mas de Carga S.A. de C.V.
(2) Two aircraft leased to Sundair.

(d) Method used for the depreciation of Property, plant and equipment:

	Method	Useful life (years) minimum	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 and Boeing 767 300F fleets that consider a lower residual value, due to the extension of their useful life to 22 and 30 years respectively. Additionally, certain technical components are depreciated based on cycles and hours flown.

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(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:

Guarantee agent (1)	Creditor company	Committed Assets	Fleet	As of December 31, 2021 Existing Debt ThUS$	Book Value ThUS$	As of December 31, 2020 Existing Debt ThUS$	Book Value ThUS$
Wilmington Trust Company	MUFG	Aircraft and engines	Airbus A319	58,611	259,036	69,375	268,746
			Airbus A320	51,543	227,604	63,581	257,613
			Boeing 767	46,779	168,315	43,628	180,591
			Boeing 777	144,358	141,620	-	-
			Boeing 787	-	-	114,936	119,229
Credit Agricole	Credit Agricole	Aircraft and engines	Airbus A319	1,073	6,419	1,073	6,936
			Airbus A320	139,192	117,130	139,192	122,251
			Airbus A321/ A350	30,733	27,427	30,733	28,127
			Boeing 767	10,404	30,958	10,404	32,802
			Boeing 787	91,797	38,551	91,797	43,020
Bank Of Utah	BNP Paribas	Aircraft and engines	Airbus A320 / A350	198,475	233,501	262,420	289,946
			Boeing 787	-	-	211,849	246,349
	Investec	Aircraft and engines	Airbus A320 / A350	-	-	37,870	-
	SMBC	Aircraft and engines	Airbus A350	-	-	130,000	134,780
Natixis	Natixis	Aircraft and engines	Airbus A321	-	-	271,129	375,645
Citibank N.A.	Citibank N.A.	Aircraft and engines	Airbus A319	27,936	45,849	27,936	38,836
			Airbus A320	128,030	181,224	128,030	214,597
			Airbus A321	41,599	75,092	41,599	81,706
			Airbus A350	15,960	26,507	15,960	26,823
			Airbus B767	90,846	181,246	90,846	197,797
			Airbus B787	23,156	17,036	23,156	19,047
			Rotables	162,477	134,846	162,477	145,708
UMB Bank	MUFG	Aircraft and engines	Airbus A320	166,712	258,875	167,371	246,293
MUFG Bank	MUFG Bank	Aircraft and engines	Airbus A320	-	-	215,043	295,036
Total direct guarantee				1,429,681	2,171,236	2,350,405	3,371,878

(1) For the syndicated loans, is the Guarantee Agent that represent 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 registered in properties, plants and equipment whose total debt as of December 31, 2021, amounts to ThUS$ 1,200,382 (ThUS$ 1,642,779 as of December 31, 2020). The book value of the assets with indirect guarantees as of December 31, 2021, amounts to ThUS$ 2,884,563 (ThUS$ 3,496,397 as of December 31, 2020).

As of December 31, 2020, given Chapter 11, nineteen aircraft corresponding to Property, plant and equipment were rejected, of which eighteen had direct guarantees and one indirect guarantee.

As of December 31, 2021, the Company keeps valid letters of credit related to assets by right of use 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	Jan 20, 2022
Merlin Aviation Leasing (Ireland) 18 Limited	Tam Linhas Aéreas S.A.	Two letters of credit	3,852	Mar 15, 2022
RB Comercial Properties 49 Empreendimentos Imobiliarios LTDA	Tam Linhas Aéreas S.A.	One letter of credit	25,835	Apr 29, 2022
			41,885	

(ii) Commitments and others

Fully depreciated assets and commitments for future purchases are as follows:

	As of December 31, 2021	As of December 31, 2020
	ThUS$	ThUS$
Gross book value of fully depreciated property, plant and equipment still in use	223,608	206,497
Commitments for the acquisition of aircraft (*)	10,800,000	7,500,000

(*) According to the manufacturer's price list.

Purchase commitment of aircraft

Manufacturer	Year of delivery 2022-2028	Total
Airbus S.A.S.	70	70
A320-NEO Family	70	70
The Boeing Company	2	2
Boeing 787-9	2	2
Total	72	72

As of December 31, 2021, as a result of the different aircraft purchase contracts signed with Airbus SAS, 70 Airbus A320 family aircraft remain to be received with deliveries between 2020 and 2028. The approximate amount, according to the manufacturer's list prices, is ThUS $ 10,200,000.

As of December 31, 2021, 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 between 2022. The approximate amount, according to list prices from the manufacturer, is ThUS $ 600,000.

(iii) Capitalized interest costs with respect to Property, plant and equipment.

		For the year ended December 31, 2021	2020
Average rate of capitalization of capitalized interest costs	%	5.06	3.52
Costs of capitalized interest	ThUS$	7,345	11,627

NOTE 18 - CURRENT AND DEFERRED TAXES

In the year ended December 31, 2021, the income tax provision was calculated for such period, applying the partially semi-integrated taxation system and a rate of 27%, in accordance with the Law No. 21,210, which modernizes the Tax Legislation, published in the Journal of the Republic of Chile, dated February 24, 2020.

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 spending tax for income tax.

(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, 2021	As of December 31, 2020	As of December 31, 2021	As of December 31, 2020	As of December 31, 2021	As of December 31, 2020
	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$
Provisional monthly payments (advances)	32,086	36,788	-	-	32,086	36,788
Other recoverable credits	9,171	5,532	-	-	9,171	5,532
Total current tax assets	41,257	42,320	-	-	41,257	42,320

(a.2) The composition of the current tax liabilities are as follows:

	Current liabilities		Non-current liabilities		Total liabilities	
	As of December 31, 2021	As of December 31, 2020	As of December 31, 2021	As of December 31, 2020	As of December 31, 2021	As of December 31, 2020
	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$
Income tax provision	675	656	-	-	675	656
Total current tax liabilities	675	656	-	-	675	656

(b) Deferred taxes

The balances of deferred tax are the following:

Concept	Assets As of December 31, 2021 ThUS$	Assets As of December 31, 2020 ThUS$	Liabilities As of December 31, 2021 ThUS$	Liabilities As of December 31, 2020 ThUS$
Properties, Plants and equipment	(1,128,225)	(1,314,456)	80,468	81,881
Assets by right of use	715,440	229,119	(68)	(136)
Amortization	(44,605)	(65,139)	10	9
Provisions	111,468	212,492	74,047	68,462
Revaluation of financial instruments	(16,575)	(18,133)	-	-
Tax losses	358,284	1,496,952	(87,378)	(60,785)
Intangibles	-	-	254,155	270,681
Other	19,503	23,981	19,777	24,168
Total	15,290	564,816	341,011	384,280

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

(a) From January 1 to December 31, 2020

	Opening balance Assets/(liabilities) ThUS$	Recognized in consolidated income ThUS$	Recognized in comprehensive income ThUS$	Exchange rate variation ThUS$	Ending balance Asset (liability) ThUS$
Property, plant and equipment	(1,513,904)	110,010	-	7,557	(1,396,337)
Assets for right of use	133,481	95,774	-	-	229,255
Amortization	(53,136)	(14,142)	-	2,130	(65,148)
Provisions	43,567	158,178	924	(58,639)	144,030
Revaluation of financial instruments	10,279	(27,901)	959	(1,470)	(18,133)
Tax losses	1,356,268	216,897	-	(15,428)	1,557,737
Intangibles	(349,082)	1,030	-	77,371	(270,681)
Others	(8,693)	6,541	-	1,965	(187)
Total	(381,220)	546,387	1,883	13,486	180,536

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(b) 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)

Unrecognized deferred tax assets:

Deferred tax assets are recognized to the extent that it is probable that the corresponding tax benefit will be realized in the future. In total the company has not recognized deferred tax assets for ThUS$ 2,638,473 (ThUS$ 749,100 as of December 31, 2020) which include deferred tax assets related to negative tax results of ThUS$ 9,030,059 (ThUS$ 1,433,474 at December 31, 2020).

(*) As stated in note 2c), on November 26th, 2021 the Company filed a Reorganization Plan and Disclosure Statement in which, among other ítems, financial forecasts are included together with the proposed issuance of new shares and convertible bonds. With the referred information, the Company 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 offset 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.

Deferred tax expense and current income/(loss) taxes:

	For the year ended December 31, 2021	For the year ended December 31, 2020
	ThUS$	ThUS$
Current tax expense		
Current tax expense	(47,139)	3,602
Adjustment to previous period's current tax	(460)	199
Total current tax expense, net	(47,599)	3,801
Deferred tax expense		
Deferred expense for taxes related to the creation and reversal of temporary differences	(521,336)	546,387
Total deferred tax expense, net	(521,336)	546,387
Income/(loss) tax expense	(568,935)	550,188

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Composition of income/(loss) tax expense:

	For the year ended December 31, 2021	For the year ended December 31, 2020
	ThUS$	ThUS$
Current tax expense, net, foreign	(9,943)	(4,232)
Current tax expense, net, Chile	(37,656)	8,033
Total current tax expense, net	(47,599)	3,801
Deferred tax expense, net, foreign	4,309	(235,963)
Deferred tax expense, net, Chile	(525,645)	782,350
Deferred tax expense, net, total	(521,336)	546,387
Income tax (expense)/benefit	(568,935)	550,188

Income before tax from the Chilean legal tax rate (27% as of December 31, 2021 and 2020)

	For the year ended December 31, 2021	2020	For the year ended December 31, 2021	2020
	ThUS$	ThUS$	%	%
Tax expense using the legal rate	1,102,736	1,378,547	(27.00)	(27.00)
Tax effect of rates in other jurisdictions	54,775	58,268	(1.34)	(1.14)
Tax effect of non-taxable operating revenues	9,444	19,529	(0.23)	(0.38)
Tax effect of disallowable expenses	(30,928)	(40,528)	0.76	0.79
Other increases (decreases):				
Derecognition of deferred tax liabilities for early termination of aircraft financing	205,458	294,969	(5.03)	(5.78)
Tax effect for goodwill impairment losses	-	(453,681)	-	8.89
Derecognition of deferred tax assets not recoverable	(1,251,912)	(237,637)	30.65	4.65
Deferred tax asset not recognized	(667,702)	(414,741)	16.35	8.12
Other increases (decreases):	9,194	(54,538)	(0.23)	1.07
Total adjustments to tax expense using the legal rate	(1,671,671)	(828,359)	40.93	16.22
Tax expense using the effective rate	(568,935)	550,188	13.93	(10.78)

Deferred taxes related to items charged to equity:

	For the year ended December 31, 2021	For the year ended December 31, 2020
	ThUS$	ThUS$
Aggregate deferred taxation of components of other comprehensive income	(2,841)	1,883

NOTE 19 - OTHER FINANCIAL LIABILITIES

The composition of other financial liabilities is as follows:

	As of December 31, 2021 ThUS$	As of December 31, 2020 ThUS$
Current		
(a) Interest bearing loans	3,869,040	2,243,776
(b) Lease Liability	578,740	806,283
(c) Hedge derivatives	2,734	2,734
(d) Derivative non classified as hedge accounting	2,937	2,937
Total current	4,453,451	3,055,730
Non-current		
(a) Interest bearing loans	3,566,804	5,489,078
(b) Lease Liability	2,381,898	2,314,723
Total non-current	5,948,702	7,803,801

(a) Interest bearing loans

Obligations with credit institutions and debt instruments:

	As of December 31, 2021 ThUS$	As of December 31, 2020 ThUS$
Current		
Loans to exporters	159,161	151,701
Bank loans	415,087	385,490
Guaranteed obligations (3)(4)(7)(8)(10)	75,593	388,492
Other guaranteed obligations (1)(5)	2,546,461	435,413
Subtotal bank loans	3,196,302	1,361,096
Obligation with the public	396,345	108,301
Financial leases (3)(4)(6)(7)(8)(9)	199,885	774,379
Other loans	76,508	-
Total current	3,869,040	2,243,776
Non-current		
Bank loans	106,751	139,783
Guaranteed obligations (3)(4)(7)(8)(10)	434,942	930,364
Other guaranteed obligations (1)(5)	178,961	1,503,703
Subtotal bank loans	720,654	2,573,850
Obligation with the public	1,856,853	2,075,106
Financial leases (3)(4)(6)(7)(8)(9)	989,297	840,122
Total non-current	3,566,804	5,489,078
Total obligations with financial institutions	7,435,844	7,732,854

(1) During March and April 2020, LATAM Airlines Group S.A. it drew down the entire (US$ 600 million) of the committed credit line "Revolving Credit Facility (RCF)". The financing expires on March 29, 2022. The line is guaranteed with collateral consisting of airplanes, engines and spare parts.

(2) On May 26, 2020, LATAM Airlines Group S.A. and its subsidiaries in Chile, Peru, Colombia and Ecuador availed themselves, in court for the southern district of New York, to the protection of Chapter 11 of the bankruptcy law of the United States. Under Section 362 of the Bankruptcy Code. The same happened for TAM LINHAS AÉREAS S.A and certain subsidiaries (all LATAM subsidiary in Brazil), on July 9, 2020. Having filed for Chapter 11 automatically suspends most actions against LATAM and its subsidiaries, including most actions to collect financial obligations incurred before the date of receipt of Chapter 11 or to exercise control over the property of LATAM and its subsidiaries. Consequently, although the bankruptcy filing may have led to breaches of some of the obligations of LATAM and its subsidiaries, the counterparties cannot take any action as a result of said breaches.

At the end of the period, Chapter 11 retains most of the actions on the debtors so the repayment of the debt is not accelerated. The Group continues to present its financial information as of September 30, 2021, including its interest bearing loan and leases, in accordance with the originally agreed conditions, pending future agreements that it may reach with its creditors under Chapter 11. For those agreements that have already been modified or extinguished, the financial information has been properly presented according to the new contracts' terms and conditions.

(3) On June 24, 2020, the United States Court for the Southern District of New York approved the motion filed by the Company to reject certain aircraft lease contracts. Rejected contracts include, 17 aircraft financed under the EETC structure with an amount of ThUS$ 844.1 and an aircraft financed with a financial lease with an amount of ThUS$ 4.5.

(4) On October 20, 2020, the United States Court for the Southern District of New York approved the motion presented by the Company to reject an aircraft lease contract financed as financial lease in the amount of ThUS$ 34.3.

(5) On September 29, 2020, LATAM Airlines Group S.A. entered into a ThUS$ 2,450 Debtor-in-Possession financing (the "DIP Financing"), consisting of a ThUS$ 1,300 Tranche A Facility and a ThUS$1,150 Tranche C Facility, of which ThUS$ 750 are committed by related parties. The obligations under the DIP Financing are secured by collateral consisting of certain assets of LATAM and certain of its subsidiaries, including, but not limited to, equity, certain engines and spare parts.

On October 8, 2020, LATAM made a partial withdrawal for MUS$ 1,150 from Tranche A and Tranche C, and then, on or around June 22, 2021, LATAM made an additional withdrawal for MUS$ 500 from Tranche A and Tranch C.

On October 18, 2021, LATAM Airlines Group S.A. obtained court approval for a Tranche B ("Tranche B") of the Debtor-in-Possession ("DIP") Financing for up to a total of US$ 750 million. The obligations of this Tranche B, like the previous tranches, are guaranteed with the same guarantees granted by LATAM and its subsidiaries subject to the Chapter 11 Procedure, without limitation, pledges on shares, certain engines and spare parts. The following turns of the DIP must be made to Tranche B until the proportion turned of the latter is equal to that of the previous tranches. Once this ratio is equal, spins are pro-rata.

On November 10, 2021, the company made a partial transfer for MUS$ 200 from Tranche B and later on December 28, 2021, LATAM made a new transfer for MUS$ 100. After these transfers, LATAM still It has ThUS$1,250 of line available for future transfers.

The DIP has 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.

(6) 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.

(7) 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 ThUS $ 130.7.

(8) 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 ThUS $307.4.

(9) 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 ThUS$19.5.

(10) In the year ended December 31, 2021, the Company transferred its ownership in 5 special purpose vehicules and ceased to control 6 Special Purpose entities. As a result of the foregoing, the classification of the financial liabilities associated with 18 aircraft was changed from guaranteed obligations; 10 to financial leases and 8 to lease liabilities..

Balances by currency of interest bearing loans are as follows:

	As of December 31, 2021	As of December 31, 2020
Currency	ThUS$	ThUS$
Brazilian real	338,953	300,659
Chilean peso (U.F.)	639,710	679,983
US Dollar	6,457,181	6,752,212
Total	7,435,844	7,732,854

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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			

(*) Note that the obligations are due to expire and contractual obligations, for not presenting any resolution of chapter 11.
(**) Obligation to creditors for executed letters of creditresolution.

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							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	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

Interest-bearing loans due in installments to December 31, 2020

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																		
97.032.000-8	BBVA	Chile	US$	74,000	-	-	-	-	74,000	76,929	-	-	-	-	76,929	At Expiration	3.08	3.08
97.030.000-7	ESTADO	Chile	US$	40,000	-	-	-	-	40,000	41,542	-	-	-	-	41,542	At Expiration	3.49	3.49
76.645.030-K	ITAU	Chile	US$	20,000	-	-	-	-	20,000	20,685	-	-	-	-	20,685	At Expiration	4.20	4.20
97.951.000-4	HSBC	Chile	US$	12,000	-	-	-	-	12,000	12,545	-	-	-	-	12,545	At Expiration	4.15	4.15
Bank loans																		
97.023.000-9	CORPBANCA	Chile	UF	11,255	-	-	-	-	11,255	11,665	-	-	-	-	11,665	Quarterly	3.35	3.35
0-E	SANTANDER	Spain	US$	-	-	139,459	-	-	139,459	3,300	-	139,459	-	-	142,759	Quarterly	2.80	2.80
76.362.099-9	BTG PACTUAL CHILE	Chile	UF	-	67,868	-	-	-	67,868	1,985	67,237	-	-	-	69,222	At Expiration	3.10	3.10
Obligations with the public																		
97.030.000-7	ESTADO	Chile	UF	-	-	177,846	-	382,267	560,113	25,729	-	177,715	-	395,652	599,096	At Expiration	4.81	4.81
0-E	BANK OF NEW YORK	U.S.A.	US$	-	-	-	700,000	800,000	1,500,000	82,572	-	-	698,450	803,289	1,584,311	At Expiration	7.16	6.94
Guaranteed obligations																		
0-E	BNP PARIBAS	U.S.A.	US$	31,039	43,655	91,002	97,621	210,956	474,273	40,931	47,668	87,767	96,513	209,612	482,491	Quarterly / Semiannual	2.95	2.95
0-E	NATIXIS	France	US$	42,740	34,150	77,693	81,244	35,302	271,129	50,001	34,150	75,808	80,316	34,969	275,244	Quarterly	3.11	3.11
0-E	INVESTEC	England	US$	6,329	11,606	19,935	-	-	37,870	7,952	12,522	19,588	-	-	40,062	Semiannual	6.21	6.21
0-E	MUFG	U.S.A.	US$	30,590	24,080	67,730	72,881	187,132	382,413	39,516	24,080	67,014	72,494	186,283	389,387	Quarterly	2.88	2.88
0-E	SMBC	U.S.A.	US$	130,000	-	-	-	-	130,000	131,662	-	-	-	-	131,662	At Expiration	1.73	1.73
-	SWAP Received aircraft	-	US$	10	-	-	-	-	10	10	-	-	-	-	10	Quarterly	-	-
Other guaranteed obligations																		
0-E	CREDIT AGRICOLE	France	US$	-	273,199	-	-	-	273,199	1,395	272,794	-	-	-	274,189	At Expiration	1.92	1.92
0-E	MUFG	U.S.A.	US$	82,498	72,206	117,084	19,731	-	291,519	88,880	72,206	114,589	19,499	-	295,174	Quarterly	2.67	2.67
0-E	CITIBANK	U.S.A.	US$	-	-	600,000	-	-	600,000	138	-	600,000	-	-	600,138	At Expiration	2.27	2.27
0-E	BANK OF UTAH	U.S.A.	US$	-	-	793,003	-	-	793,003	-	-	769,615	-	-	769,615	At Expiration	18.95	12.26
Financial leases																		
0-E	ING	U.S.A.	US$	5,965	-	-	-	-	5,965	6,017	-	-	-	-	6,017	Quarterly	5.71	5.01
0-E	CREDIT AGRICOLE	France	US$	13,875	2,034	2,052	-	-	17,961	13,922	2,034	2,052	-	-	18,008	Quarterly	1.99	1.54
0-E	CITIBANK	U.S.A.	US$	77,994	58,993	113,186	43,778	18,841	312,792	78,860	58,993	109,086	42,558	18,619	308,116	Quarterly	2.58	1.77
0-E	PEFCO	U.S.A.	US$	1,926	-	-	-	-	1,926	1,938	-	-	-	-	1,938	Quarterly	5.65	5.03
0-E	BNP PARIBAS	U.S.A.	US$	14,834	2,326	791	-	-	17,951	14,909	2,326	788	-	-	18,023	Quarterly	1.81	1.41
0-E	WELLS FARGO	U.S.A.	US$	112,987	99,975	230,416	98,028	-	541,406	114,994	99,975	219,624	96,556	-	531,149	Quarterly	2.43	1.74
97.036.000-K	SANTANDER	Chile	US$	21,456	17,626	26,165	-	-	65,247	21,550	17,626	25,840	-	-	65,016	Quarterly	1.30	0.76
0-E	RRPF ENGINE	England	US$	2,058	3,644	7,752	5,035	-	18,489	2,602	3,644	7,752	5,035	-	19,033	Monthly	4.01	4.01
0-E	APPLE BANK	U.S.A.	US$	4,538	4,631	12,808	753	-	22,730	4,599	4,632	12,608	752	-	22,591	Quarterly	1.61	1.01
0-E	BTMU	U.S.A.	US$	11,519	9,385	25,937	768	-	47,609	11,595	9,386	25,563	767	-	47,311	Quarterly	1.63	1.03
0-E	US BANK	U.S.A.	US$	58,512	49,240	135,489	84,178	-	327,419	60,094	49,240	125,274	82,149	-	316,757	Quarterly	4.00	2.82
0-E	PK AIRFINANCE	U.S.A.	US$	8,996	9,062	1,464	-	-	19,522	9,319	9,009	1,435	-	-	19,763	Monthly	1.98	1.98
	Total			815,121	783,680	2,639,812	1,204,017	1,634,498	7,077,128	977,836	787,522	2,581,577	1,195,089	1,648,424	7,190,448			

Interest-bearing loans due in installments to December 31, 2020
Debtor: LATAM Airlines Group S.A. and Subsidiaries, Tax No. 89.862.200-2, Chile.

				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	NEDERLANDSCHE CREDIETVERZEKERING MAATSCHAPI	Netherlands	US$	409	318	216	-	-	943	333	311	324	-	-	968	Monthly	6.01	6.01
0-E	BANCO BRADESCO	Brazil	BRL	80,175	-	-	-	-	80,175	91,672	-	-	-	-	91,672	Monthly	4.34	4.34
0-E	BANCO DO BRASIL	Brazil	BRL	199,557	-	-	-	-	199,557	208,987	-	-	-	-	208,987	Monthly	3.95	3.95
Financial lease																		
0-E	NATIXIS	France	US$	30,253	-	51,007	-	-	81,260	31,308	-	51,007	-	-	82,315	Quarterly / Semiannual	4.09	4.09
0-E	WACAPOU LEASING S.A.	Luxembourg	US$	2,342	797	1,620	-	-	4,759	2,439	797	1,620	-	-	4,856	Quarterly	2.00	2.00
0-E	SOCIÉTÉ GÉNÉRALE MILAN BRANCH	Italy	US$	144,120	-	-	-	-	144,120	141,094	-	-	-	-	141,094	Quarterly	3.07	3.01
0-E	GA Telessis LLC	U.S.A.	US$	486	950	2,623	2,772	5,430	12,261	486	991	2,623	2,772	5,642	12,514	Monthly	14.72	14.72
	Total			457,342	2,065	55,466	2,772	5,430	523,075	476,319	2,099	55,574	2,772	5,642	542,406			
	Total consolidated			1,272,463	785,745	2,695,278	1,206,789	1,639,928	7,600,203	1,454,155	789,621	2,637,151	1,197,861	1,654,066	7,732,854			

(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, 2020	3,042,231	129,926	3,172,157
New contracts	-	543	543
Lease termination (*)	(7,435)	(285)	(7,720)
Renegotiations	(35,049)	4,919	(30,130)
Payments	(131,427)	(36,689)	(168,116)
Accrued interest	158,253	9,348	167,601
Exchange differences	-	(7,967)	(7,967)
Cumulative translation adjustment	-	(38)	(38)
Other increases (decreases)	-	(5,324)	(5,324)
Changes	(15,658)	(35,493)	(51,151)
Closing balance as of December 31,2020	3,026,573	94,433	3,121,006
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

(*) Fleet rejections of the period

The company recognizes the interest payments related to the lease liabilities in the consolidated result under Financial expenses (See Note 27 (d)).

(c) Hedge derivatives

	Current liabilities		Non-current liabilities		Total hedge derivatives	
	As of December 31, 2021	As of December 31, 2020	As of December 31, 2021	As of December 31, 2020	As of December 31, 2021	As of December 31, 2020
	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$
Fair value of interest rate derivatives	2,734	2,734	-	-	2,734	2,734
Total hedge derivatives	2,734	2,734	-	-	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, 2021	As of December 31, 2020	As of December 31, 2021	As of December 31, 2020	As of December 31, 2021	As of December 31, 2020
	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$
Derivative of foreign currency not registered as hedge	2,937	2,937	-	-	2,937	2,937
Total derived not qualify as hedge accounting	2,937	2,937	-	-	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, 2021	As of December 31, 2020
	ThUS$	ThUS$
Interest rate swaps (2)	(2,734)	(2,734)
Fuel options (3)	17,641	1,296

(1) Hedge the significant variations in cash flows associated with market risk implicit in the increases in the 3 months LIBOR interest rates for long-term loans incurred in the acquisition of aircraft and bank loans. These contracts are recorded as cash flow hedges.

(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.

The Company only has cash flow and fair value hedges (in the case of CCS). 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, while in the case of hedges of interest rates, these they will occur and will impact results throughout the life of the associated loans, up to their maturity. In the case of currency hedges through a CCS, there is a group of hedging relationships, in which two types of hedge accounting are generated, one of cash flow for the US $ / UF component; and another of fair value, for the floating rate component US $. The other group of hedging relationships only generates cash flow hedge accounting for the US $ / UF component.

All hedging operations have been performed for highly probable transactions, except for fuel hedge. See Note 3.

Since none of the hedges resulted in the recognition of a non-financial asset, no portion of the result of derivatives recognized in equity was transferred to the initial value of that type of asset.

The amounts recognized in comprehensive income during the period and transferred from net equity to income are as follows:

	For the year ended December 31,	
	2021	2020
	ThUS$	ThUS$
Debit (credit) recognized in comprehensive income during the year	38,870	(105,776)
Debit (credit) transferred from net equity to income during the year	16,641	(13,016)

See note 25 f) for reclassification to profit or loss for each hedging operation and Note 18 b) for deferred taxes related.

NOTE 20 - TRADE AND OTHER ACCOUNTS PAYABLES

The composition of Trade and other accounts payables is as follows:

	As of December 31, 2021	As of December 31, 2020
	ThUS$	ThUS$
Current		
(a) Trade and other accounts payables	1,966,633	1,757,799
(b) Accrued liabilities	2,893,520	564,326
Total trade and other accounts payables	4,860,153	2,322,125

(a) Trade and other accounts payable:

	As of December 31, 2021	As of December 31, 2020
	ThUS$	ThUS$
Trade creditors	1,460,832	1,281,432
Other accounts payable	505,801	476,367
Total	1,966,633	1,757,799

The details of Trade and other accounts payables are as follows:

	As of December 31, 2021	As of December 31, 2020
	ThUS$	ThUS$
Maintenance	375,144	116,103
Suppliers technical purchases	328,811	281,452
Handling and ground handling	176,142	137,626
Boarding Fees	171,128	181,049
Leases, maintenance and IT services	143,586	110,472
Professional services and advisory	129,682	146,753
Airport charges and overflight	104,241	142,709
Other personnel expenses	90,410	105,696
Aircraft Fuel	77,171	143,119
Services on board	56,072	58,099
Marketing	49,865	53,419
Air companies	32,152	27,668
Crew	12,007	16,541
Achievement of goals	11,144	6,622
Jol Fleet	9,891	7,840
Land services	6,553	10,466
Others	192,634	212,165
Total trade and other accounts payables	1,966,633	1,757,799

(b) Liabilities accrued:

	As of December 31, 2021	As of December 31, 2020
	ThUS$	ThUS$
Aircraft and engine maintenance (*)	1,166,181	460,082
Accrued personnel expenses	59,327	72,696
Accounts payable to personnel (**)	58,153	2,186
Other settled claims (****)	1,575,005	-
Others accrued liabilities (***)	34,854	29,362
Total accrued liabilities	2,893,520	564,326

(*) In addition to the account payable for maintenance in the normal course of operations, this amount includes some claims agreed with aircraft lessors, related to maintenance.

(**) Profits and bonus participation (Note 23 letter b).

(***) See Note 22.

(****) This amount includes some agreed fleet claims, associated with the negotiations resulting from the Chapter 11 process.

The balances include the amounts that will be part of the reorganization agreement, product of the entry into the Chapter 11 process on May 26, 2020 for LATAM, and July 09 for certain subsidiaries in Brazil.

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NOTE 21 - OTHER PROVISIONS

	Current liabilities		Non-current liabilities		Total Liabilities	
	As of December 31, 2021	As of December 31, 2020	As of December 31, 2021	As of December 31, 2020	As of December 31, 2021	As of December 31, 2020
	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$
Provision for contingencies (1)						
Tax contingencies	24,330	21,188	490,217	364,342	514,547	385,530
Civil contingencies	3,154	2,266	92,955	103,984	96,109	106,250
Labor contingencies	388	320	98,254	48,115	98,642	48,435
Other	-	-	21,855	17,821	21,855	17,821
Provision for European Commission investigation (2)	-	-	9,300	10,097	9,300	10,097
Provisions for onerous contracts (3)	-	-	-	44,000	-	44,000
Total other provisions (4)	27,872	23,774	712,581	588,359	740,453	612,133

(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) Based on market information on the drop in the price of some assets, a provision was made for onerous contracts associated with the purchase commitments of aircraft.

(4) Total other provision as of December 31, 2021, and December 31, 2020, include the fair value correspond to those contingencies from the business combination with TAM S.A and subsidiaries, with a probability of loss under 50%, which are not provided for the normal application of IFRS enforcement and that only must be recognized in the context of a business combination in accordance with IFRS 3.

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Movement of provisions:

	Legal claims (1)	European Commission Investigation (2)	Onerous Contracts	Total
	ThUS$	ThUS$	ThUS$	ThUS$
Opening balance as of January 1, 2020	282,392	9,217	-	291,609
Increase in provisions	408,078	-	44,000	452,078
Provision used	(47,238)	-	-	(47,238)
Difference by subsidiaries conversion	(58,654)	-	-	(58,654)
Reversal of provision	(25,563)	-	-	(25,563)
Exchange difference	(979)	880	-	(99)
Closing balance as of December 31, 2020	558,036	10,097	44,000	612,133
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

(1) Accumulated balances include a judicial deposit delivered in guarantee, with respect to the "Fundo Aeroviario" (FA), for MUS$ 65, 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 securities open 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, 2021 is described in Note 31 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. The procedural stage as of December 31, 2020 is described in Note 31 in section 2 judgments received by LATAM Airlines Group S.A. and Subsidiaries.

NOTE 22 - OTHER NON-FINANCIAL LIABILITIES

	Current liabilities		Non-current liabilities		Total Liabilities	
	As of December 31, 2021	As of December 31, 2020	As of December 31, 2021	As of December 31, 2020	As of December 31, 2021	As of December 31, 2020
	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$
Deferred revenues (1)(2)	2,273,137	2,036,880	512,056	702,008	2,785,193	2,738,888
Sales tax	3,870	7,609	-	-	3,870	7,609
Retentions	31,509	27,853	-	-	31,509	27,853
Others taxes	4,916	3,931	-	-	4,916	3,931
Dividends payable	-	-	-	-	-	-
Other sundry liabilities	19,144	12,518	-	-	19,144	12,518
Total other non-financial liabilities	2,332,576	2,088,791	512,056	702,008	2,844,632	2,790,799

Deferred Income Movement

		Deferred income						
	Initial balance	(1) Recognition	Use	Loyalty program (Award and redeem)	Expiration of tickets	Adjustment application IAS 29, Argentina hyperinflation	Others provisions	Final balance
	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$
From January 1 to December 31, 2020	3,540,466	1,970,203	(2,554,476)	(137,176)	(72,670)	(3,485)	(3,974)	2,738,888
From January 1 to December 31, 2021	2,738,888	4,221,168	(4,053,345)	(12,091)	(114,227)	-	4,800	2,785,193

(1) The balance includes mainly, deferred income for services not provided as of December 31, 2021 and December 31, 2020; 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 connections associated with the program, as well as buy 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, 2021, Deferred Income includes ThUS $ 58,509 corresponding to the balance to be accrued from the committed compensation from Delta Air Lines, Inc., which is recognized in Income Statement, based on the estimation of differentials of income, until the implementation of the strategic alliance. During the period, the Company has recognized ThUS $ 118,188 for this concept.

Additionally, the Company maintains a balance of ThUS $ 29,507 in the Trade accounts payable item of the Statement of Financial Position, corresponding to the compensation of costs to be incurred.

NOTE 23 - EMPLOYEE BENEFITS

	As of December 31, 2021	As of December 31, 2020
	ThUS$	ThUS$
Retirements payments	35,075	51,007
Resignation payments	5,817	8,230
Other obligations	15,341	14,879
Total liability for employee benefits	56,233	74,116

(a) The movement in retirements and resignation payments 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, 2020	93,570	(18,759)	(8,634)	3,968	3,971	74,116
From January 1 to December 31, 2021	74,116	(11,391)	(5,136)	10,018	(11,374)	56,233

The principal assumptions used in the calculation to the provision in Chile, are presented below:

	For the year ended December 31,	
Assumptions	2021	2020
Discount rate	5.81%	2.67%
Expected rate of salary increase	3.00%	2.80%
Rate of turnover	5.14%	5.56%
Mortality rate	RV-2014	RV-2014
Inflation rate	3.4%	2.8%
Retirement age of women	60	60
Retirement age of men	65	65

The discount rate corresponds to the 20 years Central Bank of Chile Bonds (BCP). The RV-2014 mortality tables correspond to those established by the Commission for the Financial Market of

Chile and; for the determination of the inflation rates; the market performance curves of BCU Central Bank of Chile papers have been used and BCP long term at the scope date.

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 incease, rotation and inflation.

The sensitivity analysis for these variables is presented below:

	Effect on the liability	
	As of December 31, 2021	As of December 31, 2020
	ThUS$	ThUS$
Discount rate		
Change in the accrued liability an closing for increase in 100 p.b.	(2,642)	(4,576)
Change in the accrued liability an closing for decrease of 100 p.b.	2,959	5,244
Rate of wage growth		
Change in the accrued liability an closing for increase in 100 p.b.	2,849	4,946
Change in the accrued liability an closing for decrease of 100 p.b.	(2,613)	(4,678)

(b) The liability for short-term:

	As of December 31, 2021	As of December 31, 2020
	ThUS$	ThUS$
Profit-sharing and bonuses (*)	58,153	2,186

(*) Accounts payables to employees (Note 20 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 year ended December 31,	
	2021	2020
	ThUS$	ThUS$
Salaries and wages	825,792	850,557
Short-term employee benefits	122,650	41,259
Other personnel expenses	93,457	70,244
Total	1,041,899	962,060

NOTE 24 - ACCOUNTS PAYABLE, NON-CURRENT

	As of December 31, 2021	As of December 31, 2020
	ThUS$	ThUS$
Aircraft and engine maintenance	276,816	392,347
Fleet (JOL)	124,387	208,037
Airport and Overflight Taxes	26,321	-
Provision for vacations and bonuses	14,545	15,036
Other sundry liabilities	30,357	36,180
Total accounts payable, non-current	472,426	651,600

NOTE 25 - 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, 2021 amounts to ThUS$ 3,146,265 divided into 606,407,693 common stock of a same series (ThUS$ 3,146,265 divided into 606,407,693 shares as of December 31, 2020), a single series nominative, ordinary character with no par value. 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 Corporations Law and its regulations.

(b) Subscribed and paid shares

The following table shows the movement of authorized and fully paid shares previously described above:

Movement fully paid shares	N° of shares	Movement value of shares (1) ThUS$	Cost of issuance and placement of shares (2) ThUS$	Paid- in Capital ThUS$
Paid shares as of January 1, 2020	606,407,693	3,160,718	(14,453)	3,146,265
There are no movements of shares paid during the 2020 year	-	-	-	-
Paid shares as of December 31, 2020	606,407,693	3,160,718	(14,453)	3,146,265
Paid shares as of January 1, 2021	606,407,693	3,160,718	(14,453)	3,146,265
There are no movements of shares paid during the 2021 year	-	-	-	-
Paid shares as of December 31, 2021	606,407,693	3,160,718	(14,453)	3,146,265

(1) Amounts reported represent only those arising from the payment of the shares subscribed.
(2) Decrease of capital by capitalization of reserves for cost of issuance and placement of shares established according to Extraordinary Shareholder´s Meetings, where such decreases were authorized.

(c) Treasury stock

At December 31, 2021, 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.

(d) 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, 2020	36,289	946	37,235
From January 1 to December 31, 2021	37,235	-	37,235

These reserves are related to the "Share-based payments" explained in Note 34.

(e) Other sundry reserves

Movement of Other sundry reserves:

Periods	Opening balance	Transactions with non-controlling interest	Legal reserves	Closing balance
	ThUS$	ThUS$	ThUS$	ThUS$
From January 1 to December 31, 2020	2,452,469	(3,125)	2,675	2,452,019
From January 1 to December 31, 2021	2,452,019	(3,383)	(538)	2,448,098

Balance of Other sundry reserves comprise the following:

	As of December 31, 2021	As of December 31, 2020
	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)	(213,273)
Others	(3,558)	(3,020)
Total	2,448,098	2,452,019

(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, 2020 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).

(f) 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 plans reserve	Total
	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$
Opening balance as of January 1, 2020	(2,890,287)	56,892	-	(22,940)	(2,856,335)
Change in fair value of hedging instrument recognised in OCI	-	(105,776)	-	-	(105,776)
Reclassified from OCI to profit or loss	-	(13,016)	-	-	(13,016)
Deferred tax	-	959	-	-	959
Actuarial reserves by employee benefit plans	-	-	-	(3,968)	(3,968)
Deferred tax actuarial IAS by employee benefit plans	-	-	-	923	923
Translation difference subsidiaries	(900,226)	-	-	-	(900,226)
Closing balance as of December 31, 2020	(3,790,513)	(60,941)	-	(25,985)	(3,877,439)
Increase (decrease) due to application of new accounting standards	-	380	(380)	-	-
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)

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(f.1) Cumulative translate difference

These are originate from exchange differences arising from the translation of any investment in foreign entities (or Chilean investment 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.

(f.2) Cash flow hedging reserve

These are originate 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.

(f.3) Reserves of actuarial gains or losses on defined benefit plans

Correspond to the increase or decrease in the obligation present value for defined benefit plan due to changes in actuarial assumptions, and experience adjustments, which are the effects of differences between the previous actuarial assumptions and the actual event.

(g) Retained earnings/(losses)

Movement of Retained earnings/(losses):

Periods	Opening balance	Result for the year	Dividends	Closing balance
	ThUS$	ThUS$	ThUS$	ThUS$
From January 1 to December 31, 2020	352,272	(4,545,887)	-	(4,193,615)
From January 1 to December 31, 2021	(4,193,615)	(4,647,491)	-	(8,841,106)

(h) Dividends per share

During the year 2021 and 2020 no dividend was paid.

NOTE 26 - REVENUE

The detail of revenues is as follows:

	For the year ended December 31,	
	2021	2020
	ThUS$	ThUS$
Passengers	3,342,381	2,713,774
Cargo	1,541,634	1,209,893
Total	4,884,015	3,923,667

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NOTE 27 - 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,	
	2021	2020
	ThUS$	ThUS$
Aircraft fuel	1,487,776	1,045,343
Other rentals and landing fees (*)	755,188	720,005
Aircraft rentals (**)	120,630	-
Aircraft maintenance	533,738	472,382
Comisions	89,208	91,910
Passenger services	77,363	97,688
Other operating expenses	959,427	1,221,183
Total	4,023,330	3,648,511

(*) Lease expenses are included within this amount (See Note 2.21)

(**) During 2021, the Company amended its Aircraft Lease Contracts which included lease payment based on Power by the Hour (PBH) at the beginning of the contract and then switches to fixed-rent payments. A right of use asset and a lease liability was recognized as result of those amendments at the date of modification of the contract, even if they initially have a variable payment period. As a result of the application of the lease accounting policy, the right of use assets continues to be amortized on a straight-line basis over the term of the lease from the contract modification date. 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 from the beginning of the contract (included in the Depreciation line b) below) and interest from the lease liability (included in Lease Liabilities c) below).

	For the year ended December 31,	
	2021	2020
	ThUS$	ThUS$
Payments for leases of low-value assets	19,793	21,178
Rent concessions recognized directly in profit or loss	-	(110)
Total	19,793	21,068

(b) Depreciation and amortization

Depreciation and amortization are detailed below:

	For the year ended December 31, 2021	2020
	ThUS$	ThUS$
Depreciation (*)	1,114,232	1,219,586
Amortization	51,162	169,800
Total	1,165,394	1,389,386

(*) Included within this amount is the depreciation of the Properties, plants and equipment (See Note 17 (a)) and the maintenance of the aircraft recognized as assets by right of use. The maintenance cost amount included in the depreciation line for the year ended December 31, 2021 is ThUS $ 351,701, ThUS $ 276,908 for year 2020 and ThUS $ 445,680 for the same year 2019.

(c) Financial costs

The detail of financial costs is as follows:

	For the year ended December 31, 2021	2020
	ThUS$	ThUS$
Bank loan interest	580,193	314,468
Financial leases	46,679	45,245
Lease liabilities	121,147	170,918
Other financial instruments	57,525	56,348
Total	805,544	586,979

Costs and expenses by nature presented in this Note plus the Employee expenses disclosed in Note 23, 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) Restructuring activities expenses

The Restructuring activities expenses are detailed below:

	For the year ended December 31, 2021	2020
	ThUS$	ThUS$
Fair value adjustment of fleet available for sale	73,595	331,522
Rejection of aircraft lease contract	1,564,973	269,467
Rejection of IT contracts	26,368	-
Employee restructuring plan (*)	46,938	290,831
Legal advice	91,870	76,541
Renegotiation of fleet contracts	516,559	-
Others	16,879	21,648
Total	2,337,182	990,009

(*) See note 2.1, letter c.

(e) Other (gains) losses

Other (gains) losses are detailed below:

	For the year ended December 31, 2021	2020
	ThUS$	ThUS$
Fuel hedging	-	82,487
Slot Write Off	-	36,896
Provision for onerous contract related to purchase commitment	(44,000)	44,000
Goodwill Impairment	-	1,728,975
Other	13,326	(17,569)
Total	(30,674)	1,874,789

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NOTE 28 - OTHER INCOME, BY FUNCTION

Other income, by function is as follows:

	For the year ended December 31, 2021	For the year ended December 31, 2020
	ThUS$	ThUS$
Tours	11,209	22,499
Aircraft leasing	6,852	46,045
Customs and warehousing	27,089	25,138
Maintenance	15,602	18,579
Income from non-airlines products Latam Pass	40,481	42,913
Other miscellaneous income (*)	126,098	255,828
Total	227,331	411,002

(*) Included within this amount is ThUS$118,188 of 2021 and ThUS$132,467 of 2020 corresponding to the compensation of Delta Air Lines Inc for the JBA signed in 2019.

NOTE 29 - FOREIGN CURRENCY AND EXCHANGE RATE DIFFERENCES

The functional currency of LATAM Airlines Group S.A. is the US dollar, also it 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 and in each entity and all other currencies are defined as 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 make 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, 2021	2020	2019	2018
Argentine peso	102.75	84.14	59.83	37.74
Brazilian real	5.57	5.18	4.01	3.87
Chilean peso	844.69	710.95	748.74	694.77
Colombian peso	4,002.52	3,421.00	3,271.55	3,239.45
Euro	0.88	0.81	0.89	0.87
Australian dollar	1.38	1.30	1.43	1.42
Boliviano	6.86	6.86	6.86	6.86
Mexican peso	20.53	19.93	18.89	19.68
New Zealand dollar	1.46	1.39	1.49	1.49
Peruvian Sol	3.98	3.62	3.31	3.37
Uruguayan peso	44.43	42.14	37.24	32.38

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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, 2021	As of December 31, 2020
	ThUS$	ThUS$
Cash and cash equivalents	262,886	483,303
Argentine peso	6,440	16,885
Brazilian real	9,073	13,157
Chilean peso	9,759	32,368
Colombian peso	4,745	2,168
Euro	7,099	10,361
U.S. dollar	195,264	369,455
Other currency	30,506	38,909
Other financial assets, current	12,728	12,981
Argentine peso	4	311
Brazilian real	4	4
Chilean peso	4,440	3,987
Colombian peso	111	132
Euro	1,720	1,867
U.S. dollar	5,242	5,639
Other currency	1,207	1,041

Current assets	As of December 31, 2021 ThUS$	As of December 31, 2020 ThUS$
Other non - financial assets, current	34,613	42,973
Argentine peso	5,715	11,058
Brazilian real	1,488	2,985
Chilean peso	20,074	15,913
Colombian peso	121	175
Euro	1,936	2,667
U.S. dollar	1,106	2,351
Other currency	4,173	7,824
Trade and other accounts receivable, current	156,824	177,491
Argentine peso	6,850	1,881
Brazilian real	53	841
Chilean peso	47,392	38,340
Colombian peso	455	209
Euro	24,143	24,370
U.S. dollar	56,676	98,385
Other currency	21,255	13,465
Accounts receivable from related entities, current	502	430
Chilean peso	19	9
U.S. dollar	483	421
Tax current assets	8,674	11,050
Argentine peso	322	389
Brazilian real	47	887
Chilean peso	681	1,003
Colombian peso	1,618	675
Euro	70	235
U.S. dollar	406	354
Peruvian sun	4,450	5,220
Other currency	1,080	2,287
Total current assets	476,227	728,228
Argentine peso	19,331	30,524
Brazilian real	10,665	17,874
Chilean peso	82,365	91,620
Colombian peso	7,050	3,359
Euro	34,968	39,500
U.S. Dollar	259,177	476,605
Other currency	62,671	68,746

Non-current assets	As of December 31, 2021 ThUS$	As of December 31, 2020 ThUS$
Other financial assets, non-current	10,700	9,486
Brazilian real	3,326	3,574
Chilean peso	62	69
Colombian peso	231	284
Euro	2,384	1,369
U.S. dollar	2,524	2,490
Other currency	2,173	1,700
Other non - financial assets, non-current	12,197	36,251
Argentine peso	32	39
Brazilian real	6,924	12,974
U.S. dollar	5,241	3,732
Other currency	-	19,506
Accounts receivable, non-current	3,985	4,984
Chilean peso	3,985	4,984
Deferred tax assets	6,720	2,228
Colombian peso	4,717	221
U.S. dollar	10	13
Other currency	1,993	1,994
Total non-current assets	33,602	52,949
Argentine peso	32	39
Brazilian real	10,250	16,548
Chilean peso	4,047	5,053
Colombian peso	4,948	505
Euro	2,384	1,369
U.S. dollar	7,775	6,235
Other currency	4,166	23,200

The foreign currency detail of balances of monetary items in current liabilities and non-current is as follows:

Current liabilities	Up to 90 days As of December 31, 2021 ThUS$	Up to 90 days As of December 31, 2020 ThUS$	91 days to 1 year As of December 31, 2021 ThUS$	91 days to 1 year As of December 31, 2020 ThUS$
Other financial liabilities, current	179,777	239,712	177,471	86,573
Argentine peso	1	2	-	-
Brazilian real	31	59	210	163
Chilean peso	135,431	40,552	159,541	70,639
Euro	259	87	184	258
U.S. dollar	43,919	198,996	17,460	15,504
Other currency	136	16	76	9
Trade and other accounts payables, current	1,317,418	1,285,233	50,312	20,908
Argentine peso	234,358	228,069	2,335	7,315
Brazilian real	70,523	71,446	653	37
Chilean peso	280,405	312,921	44,438	10,991
Colombian peso	7,673	12,300	1,134	1,165
Euro	134,146	143,780	887	41
U.S. dollar	472,800	392,914	73	912
Peruvian sol	2,487	11,759	310	222
Mexican peso	11,297	16,546	29	60
Pound sterling	45,096	35,269	86	45
Uruguayan peso	775	441	58	-
Other currency	57,858	59,788	309	120
Accounts payable to related entities, current	57	(229)	-	-
Chilean peso	6	-	-	-
U.S. dollar	51	(229)	-	-
Other provisions, current	-	14	4,980	1,628
Chilean peso	-	-	25	29
Other currency	-	14	4,955	1,599

Current liabilities	Up to 90 days As of December 31, 2021 ThUS$	Up to 90 days As of December 31, 2020 ThUS$	91 days to 1 year As of December 31, 2021 ThUS$	91 days to 1 year As of December 31, 2020 ThUS$
Other non-financial liabilities, current	29,057	42,467	-	50
Argentine peso	1,604	961	-	-
Brazilian real	859	976	-	3
Chilean peso	1,332	5,836	-	1
Colombian peso	941	622	-	38
Euro	1,375	3,206	-	-
U.S. dollar	21,174	19,707	-	-
Other currency	1,772	11,159	-	8
Total current liabilities	1,526,331	1,567,596	232,763	109,159
Argentine peso	235,963	229,032	2,335	7,315
Brazilian real	71,413	72,481	863	203
Chilean peso	417,174	359,309	204,004	81,660
Colombian peso	8,614	12,922	1,134	1,203
Euro	135,780	147,073	1,071	299
U.S. dollar	537,944	611,787	17,533	16,416
Other currency	119,443	134,992	5,823	2,063

Non-current liabilities	More than 1 to 3 years		More than 3 to 5 years		More than 5 years	
	As of December 31, 2021	As of December 31, 2020	As of December 31, 2021	As of December 31, 2020	As of December 31, 2021	As of December 31, 2020
	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$
Other financial liabilities, non-current	33,205	268,320	15,375	4,250	359,623	403,841
Chilean peso	1,512	180,150	896	1,320	355,636	398,199
Brazillian real	86	351	-	-	-	-
Euro	135	427	90	-	-	-
U.S. dollar	31,413	87,280	14,389	2,930	3,987	5,642
Other currency	59	112	-	-	-	-
Accounts payable, non-current	114,097	70,145	1,451	1,390	342	241
Chilean peso	41,456	47,752	1,451	1,390	342	241
U.S. dollar	71,339	21,051	-	-	-	-
Other currency	1,302	1,342	-	-	-	-
Other provisions, non-current	49,420	45,834	-	-	-	-
Argentine peso	1,074	696	-	-	-	-
Brazillian real	27,532	26,872	-	-	-	-
Colombian peso	255	278	-	-	-	-
Euro	10,820	11,736	-	-	-	-
U.S. dollar	9,739	6,252	-	-	-	-
Provisions for employees benefits, non-current	44,816	64,152	-	-	-	-
Chilean peso	44,816	64,152	-	-	-	-
Total non-current liabilities	241,538	448,451	16,826	5,640	359,965	404,082
Argentine peso	1,074	696	-	-	-	-
Brazilian real	27,618	27,223	-	-	-	-
Chilean peso	87,784	292,054	2,347	2,710	355,978	398,440
Colombian peso	255	278	-	-	-	-
Euro	10,955	12,163	90	-	-	-
U.S. dollar	112,491	114,583	14,389	2,930	3,987	5,642
Other currency	1,361	1,454	-	-	-	-

General summary of foreign currency:	As of December 31, 2021 ThUS$	As of December 31, 2020 ThUS$
Total assets	509,829	781,177
Argentine peso	19,363	30,563
Brazilian real	20,915	34,422
Chilean peso	86,412	96,673
Colombian peso	11,998	3,864
Euro	37,352	40,869
U.S. dollar	266,952	482,840
Other currency	66,837	91,946
Total liabilities	2,377,423	2,534,928
Argentine peso	239,372	237,043
Brazilian real	99,894	99,907
Chilean peso	1,067,287	1,134,173
Colombian peso	10,003	14,403
Euro	147,896	159,535
U.S. dollar	686,344	751,358
Other currency	126,627	138,509
Net position		
Argentine peso	(220,009)	(206,480)
Brazilian real	(78,979)	(65,485)
Chilean peso	(980,875)	(1,037,500)
Colombian peso	1,995	(10,539)
Euro	(110,544)	(118,666)
U.S. dollar	(419,392)	(268,518)
Other currency	(59,790)	(46,563)

NOTE 30 - EARNINGS / (LOSS) PER SHARE

	For the year ended December 31,	
Basic earnings / (loss) per share	2021	2020
Earnings / (loss) attributable to owners of the parent (ThUS$)	(4,647,491)	(4,545,887)
Weighted average number of shares, basic	606,407,693	606,407,693
Basic earnings / (loss) per share (US$)	(7.66397)	(7.49642)

	For the year ended December 31,	
Diluted earnings / (loss) per share	2021	2020
Earnings / (loss) attributable to owners of the parent (ThUS$)	(4,647,491)	(4,545,887)
Weighted average number of shares, basic	606,407,693	606,407,693
Weighted average number of shares, diluted	606,407,693	606,407,693
Diluted earnings / (loss) per share (US$)	(7.66397)	(7.49642)

NOTE 31 – 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$
Fidelidade Viagens e Turismo	Fazenda Pública do Município de São Paulo.	1004194-37.2018.8.26.0053 (EF 1526893-48.2018.8.26.0090)	This is a voidance action appealing the charges for violations and fines (67.168.795 / 67.168.833 / 67.168.884 / 67.168.906 / 67.168.914 / 67.168.965). We are arguing that numbers are missing from the ISS calculation base since the company supposedly made improper deductions.	The lawsuit was assigned on January 31, 2018. That same day, a decision was rendered suspending the charges without any bond. The municipality filed an appeal against this decision on April 30, 2018. On November 11, 2019 there was a totally favorable decision for Tam Viagens S.A. The court issued a ruling in favor of Tam Viagens S/A on June 24, 2021. An appeal by the Municipality is pending.	99,198
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 initiated a reorganization proceeding in the United States of America in accordance with the regulations established in Chapter 11 of Title 11 of the Code of the United States of America, filing a voluntary request for relief pursuant thereto (the “Chapter 11 Proceeding”), which grants an automatic stay of enforcement for at least 180 days.	On May 26, 2020, LATAM Airlines Group S.A. and 28 subsidiaries (the “Initial Debtors”) individually filed a voluntary petition for reorganization with the United States Bankruptcy Court for the Southern District of New York pursuant to Chapter 11 of the United States Bankruptcy Code. Subsequently, on July 7 and 9, 2020, 9 additional affiliated debtors (the "Subsequent Debtors" and together with the Initial Debtors, the “Subsequent Debtors”), including TAM Linhas Aereas S.A., filed voluntary bankruptcy applications with the Court pursuant to Chapter 11 of the United States Bankruptcy Code. The cases are pending resolution before the Honorable James L. Garrity Jr. in United States Bankruptcy Court for the Southern District Court of New York (the “Bankruptcy Court”) and are being jointly administered under case number 20-11254. On September 18, 2020, the Debtors received approval of the modified funding proposal for Debtor in Possession (“DIP”) funding filed on September 17, 2020 from the Bankruptcy Court. On October 18, 2021 the Bankruptcy Court approved the Debtors’ request for certain additional DIP funding, namely a “Tranche B” facility. On November 26, 2021, the Debtors filed a joint plan of reorganization together with a disclosure statement. A hearing will be conducted on January 27, 2022 to rule on the adequacy of the disclosure statement. The Bankruptcy Court has extended the Debtors’ exclusive period to solicit acceptances for the plan to January 26, 2022. The Subsequent Debtors have sought an additional extension of their exclusive periods to file and solicit acceptances for the plan, until January 7, 2022 and March 7, 2022 respectively. A hearing on that request will be conducted on January 27, 2022. LATAM has continued its process of reconciling claims and presenting objections. Likewise, LATAM continues to evaluate its contracts and has rejected some of them. It continues with the review of its existing fleet obligations, and pursuing solicitation and confirmation of its plan.	-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. Currently the proceeding remains open.	-0-
Aerovías de Integración Regional S.A.	Superintendencia de Sociedades	-	Request for recognition of the foreign reorganization proceeding.	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 October 2, 2020, the Companies Commission of Colombia acknowledged the decision adopted September 18, 2020, by the United States District Court for the Southern District of New York that approved the Debtor in Possession financing proposal submitted by LATAM Airlines Group S.A. and the companies that voluntarily petitioned for Chapter 11, including the Colombian companies. The Companies Commission adopted the Cross-Border Communications Protocol on November 4, 2020. On December 14, 2020, that Commission recognized the order issued by the Bankruptcy Court on November 20, 2020 authorizing the stock issue, capital contributions and changes to the pledge agreements. On October 27, 2021, the Commission recognized the order issued by the Bankruptcy Court on October 18, 2021 approving the second proposed DIP loan submitted by LATAM Airlines Group S.A. and authorizing a change in the collateral provided in the first DIP loan and the signature of a petition accessory to the DIP loan agreement. The Commission was informed on December 22, 2021 that on November 26, 2021, LATAM Airlines Group S.A. had filed a Reorganization Agreement pursuant to Chapter 11 and that the hearing for the Bankruptcy Court to rule on that Agreement would be held January 27, 2022. That was the last action in the process.	-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, 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. Currently the proceeding remains open.	-0-
Peuco Finance Limited	Grand Court of the Cayman Islands	-	Request for a provisional bankruptcy process.	On May 26, 2020, Peuco Finance Limited submitted a request for a provisional liquidation, 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. Currently the proceeding remains open.	-0-
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, 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. Currently the proceeding remains open.	-0-
Peuco Finance Limited	Grand Court of the Cayman Islands	-	A petition for a provisional liquidation.	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.	-0-
LATAM Finance Limited	Grand Court of the Cayman Islands	-	A petition for a provisional liquidation.	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.	-0-
Piquero Leasing Limited	Grand Court of the Cayman Islands	-	A petition for a provisional liquidation.	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.	-0-
Peuco Finance Limited	Grand Court of the Cayman Islands	-	A petition for a provisional liquidation.	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.	-0-
LATAM Finance Limited	Grand Court of the Cayman Islands	-	A petition for a provisional liquidation.	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.	-0-

Company	Court	Case Number	Origin	Stage of trial	Amounts Committed (*) ThUS$
Piquero Leasing Limited	Grand Court of the Cayman Islands	-	A petition for a provisional liquidation.	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.	-0-
Peuco Finance Limited	Grand Court of the Cayman Islands	-	A petition for a provisional liquidation.	On December 1, 2021, Peuco Finance Limited filed a petition to suspend the liquidation on December 1, 2021. The process continues.	-0-
LATAM Finance Limited	Grand Court of the Cayman Islands	-	A petition for a provisional liquidation.	On December 1, 2021, LATAM Finance Limited filed a petition to suspend the liquidation on December 1, 2021. The process continues.	-0-
Piquero Leasing Limited	Grand Court of the Cayman Islands	-	A petition for a provisional liquidation.	On December 1, 2021, Piquero Leasing Limited filed a petition to suspend the liquidation on December 1, 2021. The process continues.	-0-

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$9,299 (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. LATAM AIRLINES GROUP, S.A. expects that the ruling by the General Court of the European Union, which is expected to be known at the end of March 2022, may reduce the amount of this fine. On December 17, 2020, the European Commission submitted proof of claim for the total amount of the fine (ThUS$9.299 (€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.	9,299

Company	Court	Case Number	Origin	Stage of trial	Amounts Committed (*) ThUS$
Lan Cargo S.A. y LATAM Airlines Group S.A.	In the High Court of Justice Chancery División (England) Ovre Romerike District Court (Norway) y Directie Juridische Zaken Afdeling Ceveil Recht (Netherlands), Cologne Regional Court (Landgerich Köln Germany).		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.	In the case in England, mediation was held with nearly all the airlines involved in the aim of attempting to reach an agreement. It began in September 2018, and LATAM Airlines Group S.A. reached an agreement for approximately GBP 636,000. A settlement was signed in December 2018 and payment was made in January 2019. This lawsuit ended for all plaintiffs in the class action, except for one who signed a settlement for approximately GBP 222,469.63 in December 2019. The payment was made in January 2020 and concluded the entire lawsuit in England. For the case in Germany, LATAM petitioned the German Court for a suspension on the basis of the financial reorganization petitioned by LATAM Airlines Group S.A. and Lan Cargo S.A. in the United States (Chapter 11) in May 2020. DB Barnsdale AG also filed a claim with the U.S. Court by the deadline that creditors have under Chapter 11 claims. An agreement was reached with Barnsdale AG before the Courts could rule and that ended all claims in Germany. British Airways; KLM; Martinair; Air France; Lufthansa; Lufthansa Cargo and Swiss Air filed claims with the U.S. Court. LATAM opposed these claims and the U.S. Court dismissed and voided them after a review on May 27, 2021. 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	8,643
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$3.100– R$ 17.302.858,00). We must await a decision on the Treasury appeal.	6,973

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$65.464. 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.	65,464
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.	29,484

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 Recional, 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. 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 and Regional One filed unsecured claims with the U.S. Bankruptcy Court by the deadline that creditors have according to Chapter 11. On October 18, 2021, the parties 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, which put an end to the proceedings.	9,500

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.	7,661
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.	15,694

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. We are waiting for the evidentiary period to begin.	27,129
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.	8,064
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.	15,646
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.	11,193
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.	22,136
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.	63,585
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. An administrative decision is now pending.	12,509
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.	92,152

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.	17,153
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.	9,436
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.	16,750
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.	11,316
TAM Linhas Aéreas S/A	Department of Federal Revenue of Brazil	0012541-56.2016.5.03.0144	A class action in which the Union is petitioning that TAM be ordered to make payment of the correct calculation of Sundays and holidays.	A hearing was set for December 17, 2019. On 04/30/2020, we were notified of the unfavorable court ruling in the first instance, filing an appeal. The Court of Appeals confirmed the trial court's decision. The case is now before the Superior Court of Labor.	12.256
LATAM Airlines Argentina	Commercial Trial Court No. 15 of Buenos Aires.	11479/2012	Proconsumer and Rafaella Cabrera filed a claim citing discriminating fees charged to foreign users as compared to domestic users for services retained in Argentina.	The trial court judge dismissed Mrs. Cabrera's claim on March 7, 2019 and sustained the motion of lack of standing entered by Proconsumer. The ruling was appealed by the plaintiff on April 8, 2019 and is pending a decision by the D Room. On July 30, 2020, the D Room ordered the General Prosecutor to appear.	-0-
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.	-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.	12,406
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.	11,292
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.	11,221

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.	31,996
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. On April 6, 2020 the Court issued a Temporary Suspension Order given the inability to proceed with the case on a regular basis as a result of the indefinite duration and restrictions of the global pandemic. The parties must notify the Court monthly of the possibility of moving forward. 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.	9,612
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.	12,068
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.	11,830

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.	12,046
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.	10,713
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.	12,559

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.	10,530
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.	9,592
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.	25,366
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.	14,377
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.	8,713
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.	9,281

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. The appeal is currently pending before the Santiago Court of Appeals. The amount at the moment is undetermined. New York Case. Parallel to the lawsuit in Chile, on August 31, 2020, CONADECUS filed on appeal with U.S. Bankruptcy Court for the Southern District of New York (the “Bankruptcy Court”) because of the automatic suspension imposed by Section 362 of the U.S. Bankruptcy Code that, among other things, prohibits the parties from filing or continuing with claims that involve a preliminary petition against the Borrowers. CONADECUS petitioned (i) for a stay of the automatic suspension to the extent necessary to continue with the class action against LATAM in Chile and (ii) for a joint hearing by the Bankruptcy Court and the Second Civil Court of Santiago in Chile (the “Chile Insolvency Court”) to hear the matters relating to the claims of CONADECUS in Chile. On December 18, 2020, the Bankruptcy Court sustained part of CONADECUS’s petition, but only to allow it to continue its appeal against the decision by the 23rd Civil Court of Santiago and solely so that the Court of Appeals can decide whether or not a stay is admissible under Chilean insolvency law. On December 31, 2020, CONADECUS petitioned to continue with its appeal against the decision by the 25th Civil Court that approved the reconciliation between AGRECU and LATAM. On February 9, 2021, the Bankruptcy Court sustained just one of the petitions of CONADECUS. As a result, they can continue their appeal against the decision by the 25th Civil Court that approved the reconciliation of AGRECU and LATAM.	-0-

Company	Court	Case Number	Origin	Stage of trial	Amounts Committed (*) ThUS$
Latam Airlines Group S.A	23° 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 and November 19, 2021. CONADECUS still has appeals pending against these decisions. 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	14,232
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	56,436
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.	8,330
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. A decision is pending	25,889

- In order to deal with any financial obligations arising from legal proceedings in effect at December 31, 2021, 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 21.

- The Company has not disclosed the individual probability of success for each contingency in order to not negatively affect its outcome.

  - Considering the returns of aircrafts and engines made through the reorganization process, in accordance with the regulations established in Chapter 11 of Title 11 of the Code of the United States of America, which allows the rejection of some contracts, the counterparties could file claims that, in the case of being admitted by the Court, could result in contingent obligations for the Company (See Note 20 b).

(*) 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 notification of 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 move in this investigation corresponds to the response to a trade 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 last move in this investigation corresponds to a request for information received on November 3, 2021.

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.

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 10/28/21, 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. The most recent activity in this investigation was received in January 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. The last movement in this investigation corresponds to a letter received in December 2021 with a response date of January 14, 2022.

NOTE 32 - COMMITMENTS

(a) Commitments for loans obtained

In relation to certain contracts committed by the Company for the financing of the Boeing 777 aircraft, which are guaranteed by 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 any circumstance, non-compliance of this limits, does not generate credit acceleration.

The Company and its subsidiaries do not have credit agreements that indicate limits to some financial indicators of the Company or the subsidiaries, with the exception of those detailed below:

Regarding the revolving committed credit line (“Revolving Credit Facility”) established with a consortium of twelve banks led by Citibank, with a guarantee of aircraft, engines, spare parts and supplies for a total committed amount of US $ 600 million, it includes restrictions of minimum liquidity, measured at the Consolidated Company level (with a minimum level of US $ 750 million) and individually measured for LATAM Airlines Group S.A. companies and TAM Linhas Aéreas S.A. (with a minimum level of US $ 400 million). Compliance with these restrictions is a prerequisite for using the line; if the line is used, said restrictions must be reported quarterly, and non-compliance with these restrictions will accelerate credit. As of December 31, 2021, this line of credit is fully used.

As of December 31, 2021, the Company is in compliance with all the financial indicators detailed above.

On the other hand, the financing agreements of the Company generally establish clauses regarding changes in the ownership structure and in the controller and disposition of assets (which mainly refers to significant transfers of assets).

Under Section 362 of the Bankruptcy Code, the filing of voluntary bankruptcy petitions by the Debtors automatically stayed most actions against the Debtors, including most actions to collect indebtedness incurred prior to the Petition Date or to exercise control over the Debtors’ property.

Accordingly, counterparties are stayed from taking any actions as a result of such purported defaults. Specifically, the financing agreements of the Company generally establish that the filing of bankruptcy or similar proceedings constitute an event of default, which are unenforceable under the

Bankruptcy Code. At the date of the issuance of these financial statements, the Company has not received notices of termination of financing arrangements, based on such an event of default.

On September 29, 2020 the company signed the so-called "DIP Financing", which contemplates minimum liquidity restrictions of at least US $ 400 million at a consolidated level.

LATAM's obligations to the lenders of the DIP Financing have a super administrative preference recognized under Chapter 11 of the U.S. Bankruptcy Code with respect to the other liabilities of the company and entities of its corporate group that have filed for Chapter 11 Proceedings ("Related Subsidiaries") prior to the commencement of the Chapter 11 Proceeding.

In addition, in order to secure the debt under the DIP Financing, LATAM and the Related Subsidiaries granted certain guarantees, including, but not limited to, (i) in-rem guarantees to be granted over certain specified assets, such as spare engines, spare inventory, shares in certain subsidiaries (including, but not limited to, (a) a pledge over the shares owned by LATAM in LAN Cargo S.A., Inversiones Lan S.A., Lan Pax Group S.A., LATAM Travel II S.A., Technical Training Latam S.A. and Holdco I S.A., (b) pledge over the shares owned by LAN Cargo S.A. in Transporte Aéreo S.A., Inversiones Lan S.A., Fast Air Almacenes de Carga S.A. and Lan Cargo Inversiones S.A. and (c) pledge over the shares owned by Inversiones LAN S.A. in LAN Cargo S.A., Transporte Aéreo S.A., Lan Pax Group S.A., Fast Air Almacenes de Carga S.A., LATAM Travel Chile II S.A., Technical Training LATAM S.A. and Lan Cargo Inversiones S.A.), among others, under the laws of the jurisdictions in which they are located, (ii) personal guarantees of the Related Subsidiaries and (iii) a in-rem guarentee of general nature over the assets of LATAM and the Related Subsidiaries other than certain "Excluded Assets" comprising, among other things, the aircraft and the "Carve-Out" including, among other things, certain funds assigned for expenses of the Chapter 11 Proceedings.

(b) Other commitments

At December 31, 2021 the Company has existing letters of credit, certificates of deposits and warranty insurance policies as follows:

Creditor Guarantee	Debtor	Type	Value ThUS$	Release Date
Superintendencia Nacional de Aduanas y de Administración Tributaria	Latam Airlines Perú S.A.	Forty-five letters of credit	228,184	Jan 14, 2022
Superintendencia Nacional de Aduanas y de Administración Tributaria	Latam Airlines Perú S.A.	Four letters of credit	15,176	Nov 23, 2022
Lima Airport Partners S.R.L.	Latam Airlines Perú S.A.	Two letters of credit	1,150	Nov 30, 2022
Servicio Nacional de Aduana del Ecuador	Latam Airlines Ecuador S.A.	Four letters of credit	2,130	Aug 5, 2022
Empresa Pública de Hidrocarburos del Ecuador EP Petroecuador	Latam Airlines Ecuador S.A.	Four letters of credit	1,500	Jun 20, 2022
Aena Aeropuertos S.A.	Latam Airlines Group S.A.	Three letters of credit	1,237	Nov 15, 2022
American Alternative Insurance Corporation	Latam Airlines Group S.A.	Twelve letters of credit	4,585	Mar 22, 2022
Comisión Europea	Latam Airlines Group S.A.	One letter of credit	9,333	Mar 29, 2022
Metropolitan Dade County	Latam Airlines Group S.A.	Seven letters of credit	3,597	Mar 13, 2022
BBVA	Latam Airlines Group S.A.	One letter of credit	4,315	Jan 16, 2022
JFK International Air Terminal LLC.	Latam Airlines Group S.A.	One letter of credit	2,300	Jan 27, 2022
Servicio Nacional de Aduanas	Latam Airlines Group S.A.	Eight letters of credit	2,303	Jul 30, 2022
Isoceles	Latam Airlines Group S.A.	One letter of credit	12,750	Aug 6, 2022
Procon	Tam Linhas Aéreas S.A.	Two insurance policy guarantee	2,233	Nov 17, 2025
União Federal	Tam Linhas Aéreas S.A.	Two insurance policy guarantee	8,250	Feb 4, 2025
Vara das Execuções Fiscais Estaduais Da Comarca De São Paulo.	Tam Linhas Aéreas S.A.	One insurance policy guarantee	8,531	Apr 15, 2025
Vara das Execuções Fiscais Estaduais Da Comarca De São Paulo.	Tam Linhas Aéreas S.A.	One insurance policy guarantee	1,417	Apr 4, 2025
Vara das Execuções Fiscais Estaduais Da Comarca De São Paulo.	Tam Linhas Aéreas S.A.	One insurance policy guarantee	1,323	Jul 5, 2023
Procon	Tam Linhas Aéreas S.A.	Seven insurance policy guarantee	9,542	Apr 6, 2022
17a Vara Cível da Comarca da Capital de João Pessoa/PB.	Tam Linhas Aéreas S.A.	One insurance policy guarantee	2,247	Jun 25, 2023
14ª Vara Federal da Seção Judiciária de Distrito Federal	Tam Linhas Aéreas S.A.	One insurance policy guarantee	1,342	May 29, 2025
Tribunal de Justição de Rio de Janeiro.	Tam Linhas Aéreas S.A.	One insurance policy guarantee	11,198	Aug 30, 2026
Vara Civel Campinas SP.	Tam Linhas Aéreas S.A.	One insurance policy guarantee	1,577	Jun 14, 2024
JFK International Air Terminal LLC.	Tam Linhas Aéreas S.A.	One insurance policy guarantee	1,300	Jan 25, 2022
7ª Turma do Tribunal Regional Federal da 1ª Região	Tam Linhas Aéreas S.A.	One insurance policy guarantee	41,029	Apr 20, 2023
Procon	Tam Linhas Aéreas S.A.	One insurance policy guarantee	1,931	Feb 10, 2026
Bond Safeguard Insurance Company	Tam Linhas Aéreas S.A.	One insurance policy guarantee	2,700	Jul 20, 2022
Fundacao de Protecao e Defesa do Consumidor Procon	Tam Linhas Aéreas S.A.	Two insurance policy guarantee	4,079	Sep 20, 2023
Uniao Federal Fazenda Nacional	Tam Linhas Aéreas S.A.	One insurance policy guarantee	2,251	Nov 16, 2025
Uniao Federal PGFN	Tam Linhas Aéreas S.A.	Three póliza de seguro de garantía	17,621	Jan 4, 2024
Uniao Federal Fazenda Nacional	Tam Linhas Aéreas S.A.	One insurance policy guarantee	27,446	Jul 30, 2022
Uniao Federal Fazenda Nacional	Absa Linhas Aereas Brasileira S.A.	Three póliza de seguro de garantía	25,839	Apr 14, 2023
Uniao Federal PGFN	Absa Linhas Aereas Brasileira S.A.	Two póliza de seguro de garantía	19,732	Oct 20, 2022
Tribunal de Justição de São Paulo.	Absa Linhas Aereas Brasileira S.A.	One insurance policy guarantee	4,709	Mar 31, 2022
7ª Turma do Tribunal Regional Federal da 1ª Região	Absa Linhas Aereas Brasileira S.A.	One insurance policy guarantee	1,600	May 7, 2023
			486,457	

Letters of credit related to assets for right of use are included in Note 17 Properties, plants and equipment letter (d) Additional information Properties, plants and equipment, in numeral (i) Properties, plants and equipment delivered in guarantee.

NOTE 33 - 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	Nature of related parties transactions	Currenc	Transaction amount with related parties As of December 31, 2021	2020
						ThUS$	ThUS$
96.810.370-9	Inversiones Costa Verde Ltda. y CPA.	Related director	Chile	Tickets sales		23	28
				Loans received (*)	CLP	(35,412)	(100,013)
				Interest accrued (*)	CLP	(34,694)	(5,700)
87.752.000-5	Granja Marina Tornagaleones S.A.	Common shareholde	Chile	Services provided	CLP	26	13
96.989.370-3	Rio Dulce S.A.	Related director	Chile	Tickets sales	CLP	9	5
Foreign	Patagonia Seafarms INC	Related director	U.S.A	Services provided of cargo transport		15	40
Foreign	TAM Aviação Executiva e Taxi Aéreo	Common shareholde	Brazil	Services provided	BRL	12	
				Services provided of cargo transport	BRL	-	13
Foreign	Qatar Airways	Indirect shareholder	Qatar	Services provided by aircraft lease	US$	-	22,215
				Interlineal received service	US$	(6,387)	(4,736)
				Interlineal provided service	US$	6,283	3,141
				Services provided of handling	US$	1,493	1,246
				Compensation for early return of aircraft	US$	-	9,240
				Services provided / received others	US$	(963)	1,160
Foreign	Delta Air Lines, Inc.	Shareholder	U.S.A	Interlineal received service	US$	(11,768)	(4,160)
				Interlineal provided service	US$	7,695	4,357
				Compensation for cancellation of aircraft pu	US$	-	62,000
				Compensation for cancellation of aircraft pu	US$	(59)	3,310
				Compensation for cancellation of aircraft pu	US$	(318)	30
Foreign	QA Investments Ltd	Common shareholde	Jersey Channel Islands	(*)Loans received	US$	(8,853)	(125,016)
				(*)Interest accrued	US$	(8,673)	(7,125)
Foreign	QA Investments 2 Ltd	Common shareholde	Jersey Channel Islands	(*)Loans received	US$	(44,266)	(125,016)
				(*)Interest accrued	US$	(43,367)	(7,125)
Foreign	Lozuy S.A.	Common shareholde	Uruguay	(*)Loans received	US$	(44,266)	(25,003)
				(*)Interest accrued	US$	(43,367)	(1,425)

(*) Corresponding to DIP tranche C.
The balances of Accounts receivable and accounts payable to related parties are disclosed in Note 9.

Transactions between related parties have been carried out at arm's length basis.

(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, 2021	2020
	ThUS$	ThUS$
Remuneration	9,981	8,395
Management fees	1,016	257
Non-monetary benefits	501	1,719
Short-term benefits	16,639	13,624
Termination benefits	513	4,539
Total	28,650	28,534

NOTE 34 - SHARE-BASED PAYMENTS

LP3 compensation plans (2020-2023)

The Company implemented a program for a group of executives, which lasts until March 2023, with a period of enforceability between October 2020 and March 2023, where the collection percentage is annual and cumulative. The methodology is an allocation, of quantity of units, where a goal of the value of the action is set.

The bonus is activated, if the target of the share price defined in each year is met. In case the bonus accumulates, up to the last year, the total bonus is doubled (in case the share price is activated).

This Compensation Plan has not yet been provisioned due to the fact that the action price required for collection is below the initial target.

NOTE 35 - STATEMENT OF CASH FLOWS

(a) The Company has carried out non-monetary transactions mainly related to financial lease and lease liabilities, which are described in Note 19 Other financial liabilities.

(b) Other inflows (outflows) of cash:

	For the year ended December 31, 2021	2020
	ThUS$	ThUS$
Fuel hedge	14,269	(46,579)
Hedging margin guarantees	(4,900)	14,962
Tax paid on bank transaction	(2,530)	(1,261)
Fuel derivatives premiums	(17,077)	(3,949)
Bank commissions, taxes paid and other	(21,287)	(5,828)
Guarantees	(39,728)	(44,280)
Court deposits	(16,323)	38,528
Delta Air Lines Inc. Compensation	-	62,000
Total Other inflows (outflows) Operation flow	(87,576)	13,593
Tax paid on bank transaction	(425)	(2,192)
Guarantie deposit received from the sale of aircraft	18,900	-
Total Other inflows (outflows) Investment flow	18,475	(2,192)
Settlement of derivative contracts	-	(107,788)
Fees paid to financial institutions	(11,034)	-
Total Other inflows (outflows) Financing flow	(11,034)	(107,788)

(c) Dividends:

	For the period ended December 31, 2021	2020
	ThUS$	ThUS$
Latam Airlines Perú S.A. (*)	-	(571)
Total dividends paid	-	(571)

(*) Dividends paid to non-controlling shareholders

(d) Reconciliation of liabilities arising from financing activities:

Obligations with financial institutions	As of December 31, 2020	Cash flows – Obtainment – Capital	Cash flows – Payment – Capital	Cash flows – Payment – Interest	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$
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

Obligations with financial institutions	As of December 31, 2019	Cash flows – Obtainment – Capital	Cash flows – Payment – Capital	Cash flows – Payment – Interest	Non cash-Flow Movements – Interest accrued and others	Non cash-Flow Movements – Reclassifications	As of December 31, 2020
	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$
Loans to exporters	341,475	165,000	(359,000)	(4,140)	8,366	-	151,701
Bank loans	217,255	265,627	(4,870)	(2,397)	49,658	-	525,273
Guaranteed obligations	2,157,327	192,972	(48,576)	(21,163)	(823,984)	(137,720)	1,318,856
Other guaranteed obligations	580,432	1,361,881	(42,721)	(27,744)	67,268	-	1,939,116
Obligation with the public	2,064,934	-	(774)	(55,613)	174,860	-	2,183,407
Financial leases	1,730,843	-	(236,744)	(52,155)	34,837	137,720	1,614,501
Other loans	101,261	-	(101,026)	(1,151)	916	-	-
Lease liability	3,172,157	-	(122,063)	(46,055)	116,967	-	3,121,006
Total Obligations with financial institutions	10,365,684	1,985,480	(915,774)	(210,418)	(371,112)	-	10,853,860

(*) Accrued interest and others, includes ThUS$ 458,642 (ThUS$ (891,407) as of December 31, 2020), associated with the rejection of fleet contracts.

(e) Advances of aircraft

Below are the cash flows associated with aircraft purchases, which are included in the statement of consolidated cash flow, in the item Purchases of properties, plants and equipment:

	For the year ended December 31, 2021	For the year ended December 31, 2020
	ThUS$	ThUS$
Increases (payments)	-	(31,803)
Recoveries	-	8,157
Total cash flows	-	(23,646)

(f) Additions of property, plant and equipment and Intangibles

	For the year ended At December 31,	
	2021	2020
	ThUS$	ThUS$
Net cash flows from		
Purchases of property, plant and equipment	587,245	324,264
Additions associated with maintenance	302,858	173,740
Other additions	284,387	150,524
Purchases of intangible assets	88,518	75,433
Other additions	88,518	75,433

(g) The net effect of the application of hyperinflation in the consolidated cash flow statement for the periods ended December 31 corresponds to:

	For the year ended December 31,	
	2021	2020
	ThUS$	ThUS$
Net cash flows from (used in) operating activities	(65,901)	18,347
Net cash flows from (used in) investment activities	17,223	(13,872)
Net cash flows from (used in) financing activities	-	-
Effects of variation in the exchange rate on cash and cash equivalents	48,678	(4,475)
Net increase (decrease) in cash and cash equivalents	-	-

NOTE 36 - 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.

Some functions of the Corporate Affairs and Sustainability Department in environmental issues, in conjunction with the various areas of the company, is 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, 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 scenario.

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, this, 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 50% of domestic emissions by 2030 and be carbon-neutral by 2050, for this it has focused your strategy in:

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.

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, which has recognized and long-standing experience in biofuels; and Chile, a country with high development potential in green hydrogen.

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 before 2023 and be a zero waste to landfill group by 2027. To achieve these goals, it has reviewed 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 2021, the company worked on the following initiatives:

- Recertification of the standard ISO 14001 in the cargo operation in Miami.
- Certification of all LATAM operations under the IATA Environmental Assessment Program IEnvA in stage 1.
- Measurement and management of the corporate carbon footprint
- Neutralization of domestic air operations in Colombia.
- Launching of the Vuela Neutral compensation program, aimed at corporate customers in the passenger and cargo business, allowing customers to know their emissions and choose to offset their emissions with a portfolio project evaluated by LATAM.
- 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.
- Evaluation of processes for the elimination of single-use plastic in the operation.
- 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 2021, 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 37 - EVENTS SUBSEQUENT TO THE DATE OF THE FINANCIAL STATEMENTS

(1) Within the context of the Chapter 11 Proceedings in which the Company and some of its subsidiaries find themselves:

a. On February 8, 2022, the judge of the Court of the Southern District of New York approved the request to extend the exclusivity period related to the solicitation period for voting on LATAM’s proposed Reorganization Plan until March 7, 2022.

b. On February 10, 2022, an amendment to the restructuring support agreement, or "Restructuring Support Agreement (RSA)", dated November 26, 2021, was signed. Through said amendment, the Ad Hoc Group of LATAM Bondholders, represented by White & Case LLP (W&C), is incorporated as part of the RSA, agreeing among other things, to support the Reorganization Plan presented by LATAM. LATAM agreed mainly to pay certain of this group’s professional fees up to a certain limit With the subscription of this amendment to the RSA, the Reorganization Plan presented by LATAM has, as of this date, the support of more than 67% of the 2024 and 2026 LATAM Bonds, which adds to the support from creditors that represent more than 70% of LATAM's unsecured credits and shareholders that have more than 50% of LATAM's capital.

c. On February 17, 2022, upon approval by the Board of Directors on the recommendation of the Committee of Directors, the proposal for the amendment and restatement of the existing DIP Credit Agreement, the “Proposed Amended and Restated DIP Credit Agreement”, was filed for approval with the Court. This proposed Amended & Restated DIP Credit Agreement extends the expected maturity date of all tranches of the Existing DIP Agreement, refinances and replaces the existing Tranche C financing under the existing DIP Credit Agreement, and includes certain reductions in fees and interest.

   Subsequently, on March 7, 2022, upon approval of the Board of Directors on the recommendation of the Committee of Directors, certain additional amendments (the "Additional Amendments") to the Proposed Amended & Restated DIP Credit Agreement that were agreed upon with potential creditors were submitted to the Court. The terms of the Proposed Consolidated and Amended DIP Credit Agreement (as amended by the Additional Amendments) maintain, in essence, the structure of the Proposed Amended & Restated DIP Credit Agreement submitted to the Court on 17 February 2022.

   LATAM is awaiting the Court's decision in response to the Proposed Amended & Restated DIP Credit Agreement.

(2) On February 25, 2022, an agreement was closed to receive 6 aircraft of the A321NEO family under an operating lease, which will be delivered during 2023.

(3) During the month of February, the Company filed an application to register an additional 200 million ADRs (American Depositary Receipt) with the Securities Exchange Commission ("SEC") with the sole purpose of having them available for issuance in the market, since most of the existing registered ADRs have already been issued. The Company informed that this does not mean that the Company is issuing new shares or 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.

After December 31, 2021 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.

The consolidated financial statements of LATAM Airlines Group S.A. and Subsidiaries as of December 31, 2021, have been approved in the Extraordinary Meeting Session of March 8, 2022.

Affiliates and subsidiaries

LATAM AIRLINES GROUP S.A

Name: LATAM Airlines Group S.A., R.U.T. 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 Nº 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 Santiago de Don Miguel Garay Figueroas Office, 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 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 Registry of Commerce on page 25,128 Nº 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 Meeting of LAN Chile S.A. held on December 21, 2011 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 Registry of Commerce of the Real Estate Records on page 4,238 Nº 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, 2012.

LATAM Airlines Group S.A. is ruled by the regulation applicable to open stock companies, and registered to this effect under N° 306, 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 SUBSIDIARIES

Incorporation: Joint Stock Corporation established in Brazil in May 1997.

Purpose: To participate as 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 transport.

Paid-in Capital: MUS$3,661,721
Profit for the period: ThUS$(746,692)
Stake in 2021: 100.00%
Year over Year Variance (YoY): 0.00%
% of Holding assets: -4.80411%

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

TAM S.A. AFFILIATE COMPANIES

TAM LINHAS AEREAS 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$845,116
Stake in 2021: 100.00%
YOY variation: 0.00%
% of Holding assets: -4.737%

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$9,084
Stake in 2021: 100.00%
YOY variation: 0.00%
% of Holding assets: -0.23271%

Chairman of the Board
Jerome Paul Jacques Cadier

Board Members
Diogo Abadio – Commercial Director
Jefferson Cestari– CFO

TRANSPORTES AEREOS 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$7,326
Stake in 2021: 94.98%
YOY variation: 0.00%
% of Holding assets: 0.62414%

Chairman of the Board
Enrique Alcaide Hidalgo

Board Members
Executive: Enrique Alcaide Hidalgo
Permanent Member: Esteban Burt
Permanent Member: Diego Martíne
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 December 2013.

Purpose: (a) devoted to private and non-private travel agency and tourism activities, provided in the valid tourism legislation; and

(b) management and operation of tourist activities for events and leisure

Paid-in Capital: ThUS$21,220
Stake in 2021: 100.00%
YOY variation: 0.00%
% of Holding assets: 0.04646%

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: (a) To participate in other civil or trade companies, as a shareholder or creditor; and

(b) To manage its own assets

Paid-in Capital: ThUS$34
Stake in 2021: 100.00%
YOY variation: 0.00%
% of Holding assets: 0.00822%

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$5
Stake in 2021: 100.00%
YOY variation: 0.00%
% of Holding assets: 0.03522%

Managers
Claudia Sender Ramirez
Marcelo Eduardo Guzzi Dezem
Daniel Levy

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 Nº 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, 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. Held on August 17, 2004, were reduced, the name was changed to "LAN Cargo S.A.". An extract from this deed was recorded in the Register of Commerce of the Santiago Real Estate Records on page 26,994 n° 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$346,022
Profit for the period: ThUS$(137,747)
Stake in 2021: 99.89804%
YOY variation: 0.00%
% of Holding assets: 3.71571%

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

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 2021: 99.89%
YOY variation: 0.00%
% of Holding assets: 0.05528%

Board Members
Ramiro Alfonsin Balza (LATAM Executive)
Andrés Bianchi Urdinola (LATAM Executive)
Roberto Alvo Milosawiewitsch (LATAM Executive)

General Manager
Jose Benjamin Pate 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 2021: 99.971%
YOY variation: 0.00%
% of Holding assets: 0.00771%

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$263,003
Stake in 2021: 99.98%
YOY variation: 0.00%
% of Holding assets: 0.89572%

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 2021: 87.126%
YOY variation: 0.00%
% of Holding assets: 1.07523%

Board Members
Enrique Cueto Plaza (LATAM Executive)
Ramiro Alfonsin Balza (LATAM Executive)
Roberto Alvo Milosawiewitsch (LATAM Executive)

General Manager
José Tomás Covarrubias Cervero
(LATAM Executive)

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$147
Stake in 2021: 99.00%
YOY variation: 0.00%
% of Holding assets: 1.09786%

Board Members
Andrés Bianchi Urdinola (LATAM Executive)
Ramiro Alfonsin Balza (LATAM Executive)
Roberto Alvo Milosawiewitsch (LATAM Executive)

General Manager
Andrés del Valle (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 2021: 100.00%
YOY variation: 0.00%
% of Holding assets: 0.31366%

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$796
Stake in 2021: 81.31%
YOY variation: 0.00%
% of Holding assets: 1.25865%

Board Members:
Jorge Nicolas Cortazar Cardoso (permanent member)
Jose Mauricio Rodriguez Munera (permanent member)
Jaime Antonio Gongora Esguerra (permanent member)
Andrés Bianchi Urdinola (Alternate Member)
Santiago Alvarez Matamoros (Alternate member)
Helen Victoria Warner Sanchez (alternate member)

Management
Jaime Antonio Gongora Esguerra (permanent member)
Erika Zarante Bahamon (Alternate member)

MAS INVESTMENT LIMITED (A 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 2021: 100.00%
YOY variation: 0.00%
% of Holding assets: 0.17276%

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: 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. *Acquisition, disposal, and overall trading in all types of stocks, equity interests, and any other security allowed by the law. *Providing or contracting technical, advisory, and consulting services, as well as signing contracts or agreements to pursue these goals

Paid-in Capital: ThUS$263,430
Stake in 2021: 66.43%
YOY variation: 0.00%
% of Holding assets: 0.74434%

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 2021: 99.80%
YOY variation: 0.00%
% of Holding assets: -0.02242%

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, negotiate, 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 2021: 99.13%
YOY variation: 0.00%
% of Holding assets: 0.00%

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 2021: 99.80%
YOY variation: 0.00%
% of Holding assets: 0.00875%

Management
Luis Ignacio Sierra Arriola
Treasurer: Alejandro Fernández Espinoza
Luis Miguel Renguel López
Tomás Nassar Pérez
Marjorie Hernández Valverde

LATAM AIRLINES PERU 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$43,445
Profit for the period: ThUS$(109,392)
Stake in 2021: 99.81%
YOY variation: 0.00%
% of Holding assets: -0.64188%

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

LAN INVERSIONES 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 the year 1990, and published in the Official Journal of 2 February 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 for the period: ThUS$90
Stake in 2021: 100.00%
YOY variation: 0.0%
% of Holding assets: 0.00931%

Chairman of the Board:
Andrés del Valle (LATAM Executive)
Ramiro Alfonsin Balza (LATAM Executive)
Roberto Alvo Milosawiewitsch (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) the booking of seats and the sale of tickets in all kinds of domestic and international forms of transportation;

(b) the booking, acquisition, and sale of accommodation and tourist services, tickets or bills to all types of shows, museums, monuments, and protected areas in the country;

(c) the organization, promotion, and sale of the so-called tourist packages, understood as the set of tourist services (catering, transportation, accommodation, etc.), adjusted or projected at the request of the client at a pre-set price, to be operated within the national territory;

(d) air, land, sea, and river tourist transportation within and outside the national territory;

(e) the lease and charter of aircraft, ships, buses, trains, and other forms of transportation for the rendering of tourist services;

(f) offering air transportation in any form, whether for passengers, cargo, or mail; and

(g) any other directly or indirectly related to the rendering of the services described above.

Paid-in Capital: ThUS$10
Stake in 2021: 100.00%
YOY variation: 0.00%
% of Holding assets: -0.00653%

Board Members
Andrés del Valle (LATAM Executive)
Roberto Alvo Milosawiewitsch (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: The 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
Stake in 2021: 99.00%
YOY variation: 0.00%
% of Holding assets: (0.00011%)

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 personal 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. e) 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$16,925
Profit for the period: ThUS$(7,447)
Stake in 2021: 100.00%
YOY variation: 0.00%
% of Holding assets: -9.28638%

Board Members
Andrés del Valle (LATAM Executive)
Roberto Alvo Milosawiewitsch (LATAM Executive)
Ramiro Alfonsin Balza (LATAM Executive)

General Manager
Andrés del Valle (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$467,511
Stake in 2021: 99.984%
YOY variation: 0.00%
% of Holding assets: 0.40466%

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

LATAM TRAVEL S.A.

Individualization: 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$5,640
Stake in 2021: 95.00%
YOY variation: 0.00%
% of Holding assets: -0.01771%

Board member
Jeronimo Cortes
Javier Norberto Macías (Alternate)

Management
Jeronimo Cortes
Javier Norberto Macías
Diego Potenza

ATLANTIC AVIATION INVESTMENTS LLC

Individualization: Limited Liability Company incorporated in the United States

Purpose: Any and all lawful business that the company may undertake

Paid-in Capital: ThUS$1
Stake in 2021: 99.00%
YOY variation: 0.00%
% of Holding assets: 0.08602%
Board Members
Andrés del Valle Eitel

Management:
Andrés del Valle (LATAM Executive)

LATAM AIRLINES ECUADOR S.A. (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 2021: 100.00%
YOY variation: 0.00%
% of Holding assets: 0.11513%

Board Members
Xavier Rivera
Monica Fistrovic – Professional Counsellor
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 2021: 54.791%
YOY variation: 0.0%
% of Holding assets: 0.00730%

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 entering into and execution of contracts for the transportation of passengers, objects or luggage, 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 the future, adhering fully to the provisions of the Code of Commerce, the Colombian Aviation Regulations, and any other rules issued on the matter. 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:

(b) review, inspect, or provide maintenance and/or repairs to its own or third-party aircraft, as well as spare parts and accessories, through the Company's Aeronautical Repair Stations, providing the necessary trainings for said purpose;

(b) organize, establish, and invest in commercial transportation companies in Colombia or abroad to perform, industrially or commercially, the economic activity that is its purpose, so the company can acquire, for any purpose, airplanes, spare parts, replacements, and accessories of any kind, necessary for public air transportation, as well as sell them, and to set up and operate stations to repair and give maintenance to the aircraft;

(c) enter into lease, charter, shared code, location or any other contracts on aircraft to exercise its purpose;

(d) operate scheduled air transport lines for passengers, cargo, and mail and securities, as well as the vehicle for coordinating the development of social management;

(e) integrate with like, similar, or complementary companies to develop their activity;

(f) accept national or foreign representations of services of the same business or of complementary businesses;

(g) acquire property and real estate for the development of its social purposes, build such facilities or constructions, such as warehouses, offices etc., dispose of or tax them;

(h) carry out imports and exports, as well as all foreign trade operations required;

(i) take money on interest and provide personal, real, and bank guarantees, either on its own behalf or for third parties;

(j) participate in all manner of securities transactions, such as purchase or sale of debentures acquired by third parties when resulting in an economic or equity benefit for the company, and obtain loans through bonds or other liability instruments;

(k) enter into contracts with third parties for the management and operation of the businesses it may organize to achieve its corporate purposes;

(l) enter into contracts of companies and acquire shares or stakes in those already established, whether national or foreign; make contributions to both;

(m) merge with other companies and partner with like entities to pursue the development of aviation or for other trade purposes;

(n) promote, assist technically, finance or manage enterprises or companies related to the corporate purpose;

(n) enter or execute any kind of civil or commercial, industrial, or financial contracts that are necessary or desirable for the achievement of their own ends;

(o) conduct business and activities that seek customers, and obtain from the competent authorities the necessary authorizations and permits to render their services;

(p) the development and performance of other activities arising from the corporate purpose and/or related, connected, contributory, or complementary activities thereto, including the rendering of tourist services under any mode permitted by law, such as travel agencies;

(q) managing any lawful business or activity, whether or not in trade, provided that it is related to its corporate purpose, or that it allows the most rational exploitation of the public service to be rendered; and

(r) make investments of any kind to use the funds and reserves that are constituted in accordance with the law or these bylaws

Paid-in Capital: ThUS$3,389
Stake in 2021: 98.94%
YOY variation: 0.00%
% of Holding assets: -0.12836%

Board Members
Jorge Nicolas Cortazar Cardoso (permanent member)
Jaime Antonio Gongora Esguerra (permanent member)
Jose Mauricio Rodriguez Munera (permanent member)
Gabriel Vallejo López (alternate member)
Helen Victoria Warner Sanchez (alternate member)
Santiago Alvarez Matamoros (Alternate member)

Management
Erika Zarante Bahamon
Jaime Antonio Gongora Esguerra

LAN ARGENTINA S.A (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$505,077
Stake in 2021: 95.00%
YOY variation: 0.00%
% of Holding assets: 0.36174%

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 Nº 675 of the year 1998

Purpose: Its corporate purpose is to provide technical training and other types of related services

Paid-in Capital: ThUS$633
Profit for the period: ThUS$181
Stake in 2021: 100.00%
YOY variation: 0.00%
% of Holding assets: 0.01155%

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$0
Profit for the period: ThUS$(50)
Stake in 2021: 100.00%
YOY variation: 0.00%
% of Holding assets: (0.0082%)

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$278
Stake in 2021: 100.00%
YOY var.: 0.00%
% of Holding assets: 0.02142%

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$0
Profit for the period: ThUS$(104,512)
Stake in 2021: 100.00%
YOY variation: 0.00%
% of Holding assets: (2.84011)%

Chairman of the Board
Not applicable

Board Members
Andrés del Valle Eitel
Ramiro Alfonsin Balza
Joaquín Arias Acuña

PEUCO FINANCE LIMITED

Incorporation: Company 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 2021: 100.00%
YOY variation: 0.00%
% of Holding assets: 0%

Chairman of the Board
Not applicable

Board Members
Andrés del Valle Eitel
Joaquín Arias Acuña

LAN Cargo S.A. and Affiliates
Financial Statement

ASSETS	At December 31 2021 THUS$	At December 31 2020 THUS$
Total current assets	695,341	788,956
Total non-current assets	469,437	673,874
TOTAL ASSETS	1,164,778	1,462,830

LIABILITIES AND EQUITY	At December 31 2021 THUS$	At December 31 2020 THUS$
LIABILITIES		
Total current liabilities	785,977	811,274
Total non-current liabilities	278,667	133,172
Total liabilities	1,064,644	944,446
EQUITY		
Net equity attributable to the parent company's owners	164,653	578,004
Non-controlling interest	(64,519)	(59,620)
Total equity	100,134	518,384
Total equity and liabilities	1,164,778	1,462,830

LAN Cargo S.A. and Affiliates
Consolidated Statement of Earnings by Function

	At December 31 2021 THUS$	At December 31 2020 THUS$
Revenues from ordinary activities	1,132,425	532,547
Cost of sales	(1,244,086)	(741,113)
Gross profit (loss)	(111,661)	(208,566)
Gain (Loss) from operational activities	(281,759)	(238,021)
Profit (loss), before tax	(270,123)	(268,048)
Income tax expenses	22,985	(402)
Profit (Loss) for the period	(247,138)	(268,450)
Gain (Loss) attributable to the parent company's owners	(242,249)	(192,820)
Gain(Loss) attributable to non-controlling interests	(4,889)	(75,630)
Profit (Loss) for the period	(247,138)	(268,450)

LAN Cargo S.A. and Affiliates
Consolidated Statement of Comprehensive Income

	At December 31 2021 THUS$	At December 31 2020 THUS$
PROFIT (LOSS) FOR THE PERIOD	(247,148)	(268,450)
Total other comprehensive income not to be reclassified as Income before tax for the period	1,118	(594)
Total other comprehensive income not to be reclassified as Income before tax for the period	220	(347)
Other components of other comprehensive Income, before tax	1,338	(941)
Tax on accrued earnings related to components of other comprehensive Income not to be classified as earnings for the period	(303)	-
Other comprehensive income	1,035	(941)
Total comprehensive income	(246,113)	(269,391)
Comprehensive income attributable to:		
Comprehensive income attributable to the parent company's owners	(241,214)	(193,601)
Comprehensive income attributable to non-controlling interests	(4,899)	(75,630)
TOTAL COMPREHENSIVE INCOME	(246,113)	(269,231)

LAN Cargo S.A. and Affiliates
Statement of Changes in Consolidated Equity

	Equity attributable to owners of the parent company THUS$	non-controlling stake 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
Consolidated Cash Flow Statement – Direct Method

	At December 31 2021 THUS$	At December 31 2020 THUS$
Net cash flows from operating activities	6,449	27,416
Net cash flows used in investment activities	(6,900)	(20,669)
Net cash flows from (used in) financing activities	(7,105)	(10,166)
Net Increase (decrease) In cash and cash equivalents, before effect of changes in F/X rate	(7,555)	(3,710)
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	47,052	54,607

Inversiones LAN S.A.
Financial Statement

ASSETS	At December 31 2021 THUS$	At December 31 2020 THUS$
Total current assets	1,226	1,336
Total non-current assets	58	58
TOTAL ASSETS	1,284	1,394

LIABILITIES AND EQUITY	At December 31 2021 THUS$	At December 31 2020 THUS$
LIABILITIES		
Total current liabilities	-	21
Total non-current liabilities	45	44
Total liabilities	45	65
EQUITY		
Net equity attributable to the parent company's owners	1,239	1,329
Non-controlling interest	-	-
Total equity	1,239	1,329
Total equity and liabilities	1,284	1,394

Inversiones LAN S.A.
Consolidated Statement of Earning by Function

	At December 31 2021 THUS$	At December 31 2020 THUS$
Gain (Loss) from operational activities	6	(7)
Profit (loss), before tax	(90)	23
Income tax expenses	-	27
Profit (Loss) for the period	(90)	50
Gain (Loss) attributable to the parent company's owners	(90)	50
Profit (Loss) for the period	(90)	50

Inversiones LAN S.A.
Statement of Changes in Consolidated Equity

	Equity attributable to owners of the parent company THUS$	Non-controlling stake 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

Inversiones LAN S.A.
Consolidated Statement of Comprehensive Income

	At December 31 2021 THUS$	At December 31 2020 THUS$
PROFIT (LOSS) FOR THE PERIOD	(90)	50
Total comprehensive income	(90)	50
Comprehensive income attributable to:		
Comprehensive income attributable to the parent company's owners	(90)	50
Comprehensive income attributable to non-controlling interests		
TOTAL COMPREHENSIVE INCOME	(90)	50

Inversiones LAN S.A.
Consolidated Cash Flow Statement - Direct Method

	At December 31 2021 THUS$	At December 31 2020 THUS$
Net cash flows from operating activities	-	24
Effects of F/X variations on cash and cash equivalents	(77)	-
Net increase in cash and cash equivalents	(77)	24
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	406	483

LAN Pax Group and Affiliates
Financial Statement

ASSETS	At December 31 2021 THUS$	At December 31 2020 THUS$
Total current assets	232,185	204,062
Total non-current assets	200,085	200,875
TOTAL ASSETS	432,270	404,937

LIABILITIES AND EQUITY	At December 31 2021 THUS$	At December 31 2020 THUS$
LIABILITIES		
Total current liabilities	1,412,684	1,415,327
Total non-current liabilities	236,031	209,610
Total liabilities	1,648,715	1,624,937
EQUITY		
Net equity attributable to the parent company's owners	(1,219,473)	(1,220,319)
Non-controlling interest	3,028	319
Total equity	(1,216,445)	(1,220,000)
Total equity and liabilities	432,270	404,937

LAN Pax Group and Affiliates
Consolidated Statement of Earnings by Function

	At December 31 2021 THUS$	At December 31 2020 THUS$
Revenues from ordinary activities	310,688	187,176
Cost of sales	(281,846)	(266,110)
Gross profit (loss)	28,842	(78,934)
Gain (Loss) from operational activities	(48,133)	28,059
Profit (loss), before tax	(6,624)	(260,367)
Income tax expenses	(823)	(42,427)
Profit (Loss) for the period	(7,447)	(302,794)
Gain (Loss) attributable to the parent company's owners	(7,289)	(291,257)
Gain(Loss) attributable to non-controlling interests	(158)	(11,537)
Profit (Loss) for the period	(7,447)	(302,794)

LAN Pax Group and Affiliates
Statement of Changes in Consolidated Equity

	Equity attributable to owners of the parent company THUS$	Non-controlling stake 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 aGroup and Affiliates
Consolidated Cash Flow Statement – Direct Method

	At December 31 2021 THUS$	At December 31 2020 THUS$
Net cash flows from operating activities	2,596	(61,606)
Net cash flows used in investment activities	11,587	(5,607)
Net cash flows from (used in) financing activities	(115)	(2,224)
Net Increase (decrease) In cash and cash equivalents, before effect of changes in F/X rate	14,068	(69,437)
Effects of F/X variations on cash and cash equivalents	(3,838)	12,010
Net increase (decrease) in cash and cash equivalents	10,230	(57,427)
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	71,537	61,307

LATAM Finance Limited
Financial Statement

ASSETS	At December 31 2021 THUS$	At December 3 2020 THUS$
Total current assets	1,310,734	1,310,735
TOTAL ASSETS	1,310,734	1,310,735

LIABILITIES AND EQUITY	At December 31 . 2021 THUS$	At December 3 . 2020 THUS$
LIABILITIES		
Total current liabilities	187,083	82,572
Total non-current liabilities	1,501,739	1,501,739
Total liabilities	1,688,822	1,584,311
EQUITY		
Net equity attributable to the parent company's owners	(378,088)	(273,576)
Total equity	(378,088)	(273,576)
Total equity and liabilities	1,310,734	1,310,735

LATAM Finance Limited
Consolidated Statement of Earnings by Function

	At December 31 2021 THUS$	At December 31 2020 THUS$
Revenues from ordinary activities	-	5
Cost of sales	(104,511)	(105,103)
Gross profit (loss)	(104,511)	(105,098)
Gain (Loss) from operational activities	(104,512)	(105,100)
Profit (loss), before tax	(104,512)	(105,100)
Profit (Loss) for the period	(104,512)	(105,100)

LATAM Finance Limited
Consolidated Statement of Comprehensive Income

	At December 31 2021 THUS$	At December 31 2020 THUS$
PROFIT (LOSS) FOR THE PERIOD	(104,512)	(105,100)
Total comprehensive income	(104,512)	(105,100)

LATAM Finance Limited
Statement of Changes in Consolidated Equity

	Equity attributable to owners of the parent company THUS$	Non-controlling stake 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
Consolidated Cash Flow Statement – Direct Method

	At December 31 2021 THUS$	At December 31 2020 THUS$
Net cash flows from operating activities	-	(168)
Net cash flows used in investment activities	(1)	51,184
Net cash flows from (used in) financing activities	-	(51,982)
Net increase (decrease) in cash and cash equivalents	(1)	(966)
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	116	117

Professional Airline Services INC
Financial Statement

ASSETS	At December 31 2021 THUS$	At December 31 2020 THUS$
Total current assets	33,766	17,570
TOTAL ASSETS	33,766	17,570

LIABILITIES AND EQUITY	At December 31 2021 THUS$	At December 31 2020 THUS$
LIABILITIES		
Total current liabilities	30,915	14,997
Total liabilities	30,915	14,997
EQUITY		
Net equity attributable to the parent company's owners	2,851	2,573
Total equity	2,851	2,573
Total equity and liabilities	33,766	17,570

Professional Airline Services INC
Consolidated Statement of Earnings by Function

	At December 31 2021 THUS$	At December 31 2020 THUS$
Revenues from ordinary activities	61,572	51,336
Cost of sales	(33,765)	(28,022)
Gross profit (loss)	27,807	23,314
Gain (Loss) from operational activities	478	1,179
Profit (loss), before tax	478	1,179
Income tax expenses	(200)	(165)
Profit (Loss) for the period	278	1,014

Professional Airline Services INC
Consolidated Statement of Comprehensive Income

	At December 31 2021 THUS$	At December 31 2020 THUS$
PROFIT (LOSS) FOR THE PERIOD	278	1,014
Total comprehensive income	278	1,014

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
Consolidated Cash Flow Statement – Direct Method

	At December 31 2021 THUS$	At December 31 2020 THUS$
Net cash flows from operating activities	2,694	(1,749)
Net Increase (decrease) In cash and cash equivalents, before effect of changes in F/X rate	2,694	(1,749)
Net increase (decrease) in cash and cash equivalents	2,694	(1,749)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	189	1,938
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	2,883	189

Holdco I S.A.
Financial Statement

ASSETS	At December 31. 2021 THUS$	At December 31. 2020 THUS$
Total current assets	-	6
Total non-current assets	351,587	351,587
TOTAL ASSETS	351,587	351,593

LIABILITIES AND EQUITY	At December 31. 2021 THUS$	At December 31. 2020 THUS$
LIABILITIES		
Total current liabilities	2,740	2,152
Total liabilities	2,740	2,152
EQUITY		
Net equity attributable to the parent company's owners	348,847	349,441
Total equity	348,847	349,441
Total equity and liabilities	351,587	351,593

Holdco I S.A.
Consolidated Statement of Earnings by Function

	At December 31. 2021 THUS$	At December 31. 2020 THUS$
Gain (Loss) from operational activities	(993)	-
Exchange difference	399	(111)
Profit (Loss) for the period	(594)	(111)
Gain (Loss) attributable to the parent company's owners	(594)	(111)
Profit (Loss) for the period	(594)	(111)

Holdco I S.A.
Consolidated Statement of Comprehensive Income

	At December 31. 2021 THUS$	At December 31. 2020 THUS$
PROFIT (LOSS) FOR THE PERIOD	(594)	(111)
Total comprehensive income	(594)	(111)
Comprehensive income attributable to:		
Comprehensive income attributable to the parent company's owners	(594)	(111)
TOTAL COMPREHENSIVE INCOME	(594)	(111)

Holdco I S.A.
Statement of Changes in Consolidated Equity

	Equity attributable to owners of the parent company THUS$	Non-controlling stake 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.
Consolidated Cash Flow Statement – Direct Method

	At December 31 2021 THUS$	At December 31 2020 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	-	6

Jarletul S.A.
Financial Statement

ASSETS	At December 31 2021 THUS$	At December 31 2020 THUS$
Total current assets	22	35
Total non-current assets	2	2
TOTAL ASSETS	24	37

LIABILITIES AND EQUITY	At December 31 2021 THUS$	At December 31 2020 THUS$
LIABILITIES		
Total current liabilities	1,116	1,079
Total liabilities	1,116	1,079
EQUITY		
Net equity attributable to the parent company's owners	(1,092)	(1,042)
Total equity	(1,092)	(1,042)
Total equity and liabilities	24	37

Jarletul S.A.
Consolidated Statement of Earnings by Function

	At December 31 2021 THUS$	At December 31 2020 THUS$
Revenues from ordinary activities	-	69
Cost of sales	-	(30)
Gross profit (loss)	-	39
Gain (Loss) from operational activities	(47)	(317)
Profit (loss), before tax	(47)	(327)
Income tax expenses	(3)	(5)
Profit (Loss) for the period	(50)	(332)

Jarletul S.A.
Consolidated Statement of Comprehensive Income

	At December 31 2021 THUS$	At December 31 2020 THUS$
PROFIT (LOSS) FOR THE PERIOD	(50)	(332)
Total comprehensive income	(50)	(332)

Jarletul S.A.
Statement of Changes in Consolidated Equity

	Equity attributable to owners of the Parent company THUS$	Non-controlling Stake 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)

Jarletul S.A.
Consolidated Cash Flow Statement – Direct Method

	At December 31 2021 THUS$	At December 31 2020 THUS$
Net cash flows from operating activities	(10)	(91)
Net Increase (decrease) In cash and cash equivalents, before effect of changes in F/X rate	(10)	(91)
Net increase (decrease) in cash and cash equivalents	(10)	(91)
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	22	32

LATAM Airlines Perú S.A.
Financial Statement

ASSETS	At December 31 2021 THUS$	At December 31 2020 THUS$
Total current assets	454,266	629,910
Total non-current assets	30,122	31,811
TOTAL ASSETS	484,388	661,721

LIABILITIES AND EQUITY	At December 31 2021 THUS$	At December 31 2020 THUS$
LIABILITIES		
Total current liabilities	414,997	484,450
Total non-current liabilities	2,070	1,648
Total liabilities	417,067	486,098
EQUITY		
Net equity attributable to the parent company's owners	67,321	175,623
Total equity	67,321	175,623
Total equity and liabilities	484,388	661,721

LATAM Airlines Perú S.A.
Consolidated Statement of Earnings by Function

	At December 31 2021 THUS$	At December 31 2020 THUS$
Revenues from ordinary activities	584,929	372,255
Cost of sales	(614,102)	(467,622)
Gross profit (loss)	(29,173)	(95,367)
Gain (Loss) from operational activities	(93,410)	(165,263)
Profit (loss), before tax	(109,180)	(171,522)
Income tax expenses	(210)	(3,964)
Profit (Loss) for the period	(109,390)	(175,486)
Gain (Loss) attributable to the parent company's owners	(109,390)	(175,486)
Profit (Loss) for the period	(109,390)	(175,486)

LATAM Airlines Perú S.A.
Consolidated Statement of Comprehensive Income

	At December 31 2021 THUS$	At December 31 2020 THUS$
PROFIT (LOSS) FOR THE PERIOD	(109,390)	(175,486)
Total comprehensive income	(109,390)	(175,486)
Comprehensive income attributable to:		
Comprehensive income attributable to the parent company's owners	(109,390)	(175,486)
TOTAL COMPREHENSIVE INCOME	(109,390)	(175,486)

LATAM Airlines Perú S.A.
Statement of Changes in Consolidated Equity

	Equity attributable to owners of the parent company THUS$	Non-controlling stake 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.
Consolidated Cash Flow Statement – Direct Method

	At December 31 2021 THUS$	At December 31 2020 THUS$
Net cash flows from operating activities	37,204	(263,744)
Net cash flows used in investment activities	(868)	(260)
Net cash flows from (used in) financing activities	(217)	270,391
Net Increase (decrease) In cash and cash equivalents, before effect of changes in F/X rate	36,119	6,387
Net increase (decrease) in cash and cash equivalents	36,119	6,387
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	81,682	45,628

LATAM Travel Chile II S.A.
Financial Statement

ASSETS	At December 31 2021 THUS$	At December 31 2020 THUS$
Total current assets	251	293
Total non-current assets	337	650
TOTAL ASSETS	588	943

LIABILITIES AND EQUITY	At December 31 2021 THUS$	At December 31 2020 THUS$
LIABILITIES		
Total current liabilities	1,457	1,625
Total non-current liabilities	-	216
Total liabilities	1,457	1,841
EQUITY		
Net equity attributable to the parent company's owners	(869)	(898)
Total equity	(869)	(898)
Total equity and liabilities	588	943

LATAM Travel Chile II S.A.
Consolidated Statement of Earnings by Function

	At December 31 2021 THUS$	At December 31 2020 THUS$
Revenues from ordinary activities	-	407
Cost of sales	(6)	(19)
Gross profit (loss)	(6)	388
Gain (Loss) from operational activities	86	(599)
Profit (loss), before tax	84	(599)
Income tax expenses	(55)	383
Profit (Loss) for the period	29	(216)
Gain (Loss) attributable to the parent company's owners	29	(216)
Profit (Loss) for the period	29	(216)

LATAM Travel Chile II S.A.
Consolidated Statement of Comprehensive Income

	At December 31 2021 THUS$	At December 31 2020 THUS$
PROFIT (LOSS) FOR THE PERIOD	29	(216)
Total comprehensive income	29	(216)
Comprehensive income attributable to:		
Comprehensive income attributable to the parent company's owners	29	(216)
TOTAL COMPREHENSIVE INCOME	29	(216)

LATAM Travel Chile II S.A.
Statement of Changes in Consolidated Equity

	Equity attributable to owners of the parent company THUS$	Non-controlling stake 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.
Consolidated Cash Flow Statement – Direct Method

	At December 31 2021 THUS$	At December 31 2020 THUS$
Net cash flows from operating activities	(10)	195
Net cash flows used in investment activities	(9)	(4)
Net cash flows from (used in) financing activities	-	(465)
Net Increase (decrease) In cash and cash equivalents, before effect of changes in F/X rate	(19)	(274)
Net increase (decrease) in cash and cash equivalents	(19)	(274)
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	241	260

LATAM Travel S.R.L.
Financial Statement

ASSETS	At December 31. 2021 THUS$	At December 31. 2020 THUS$
Total current assets	64	1,128
TOTAL ASSETS	64	1,128

LIABILITIES AND EQUITY	At December 31. 2021 THUS$	At December 31. 2020 THUS$
LIABILITIES		
Total current liabilities	132	1,173
Total liabilities	132	1,173
EQUITY		
Net equity attributable to the parent company's owners	(68)	(45)
Total equity	(68)	(45)
Total equity and liabilities	64	1,128

LATAM Travel S.R.L.
Consolidated Statement of Earnings by Function

	At December 31 2021 THUS$	At December 31 2020 THUS$
Revenues from ordinary activities	-	11
Gross profit (loss)	-	11
Profit (loss), before tax	(23)	(68)
Profit (Loss) for the period	(23)	(68)
Gain (Loss) attributable to the parent company's owners	(23)	(68)
Profit (Loss) for the period	(23)	(68)

LATAM Travel S.R.L.
Consolidated Statement of Comprehensive Income

	At December 31 2021 THUS$	At December 31 2020 THUS$
PROFIT (LOSS) FOR THE PERIOD	(23)	(68)
Total comprehensive income	(23)	(68)
Comprehensive income attributable to:		
Comprehensive income attributable to the parent company's owners	(23)	(68)
TOTAL COMPREHENSIVE INCOME	(23)	(68)

LATAM Travel S.R.L.
Statement of Changes in Consolidated Equity

	Equity attributable to owners of the parent company THUS$	Non-controlling stake 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.
Consolidated Cash Flow Statement – Direct Method

	2021 THUS$	2020 THUS$
Net cash flows from operating activities	133	(59)
Net cash flows used in investment activities	(2)	(28)
Net increase (decrease) in cash and cash equivalents	131	(87)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	(67)	20
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	64	(67)

Peuco Finance Limited
Financial Statement

ASSETS	At December 31	At December 31
	2021	2020
	THUS$	THUS$
Total current assets	1,307,721	1,307,721
TOTAL ASSETS	1,307,721	1,307,721

LIABILITIES AND EQUITY	At December 31	At December 31
	2021	2020
	THUS$	THUS$
LIABILITIES		
Total current liabilities	1,307,721	1,307,721
Total liabilities	1,307,721	1,307,721
Total equity and liabilities	1,307,721	1,307,721

Peuco Finance Limited
Consolidated Cash Flow Statement – Direct Method

	At December 31	At December 31
	2021	2020
	THUS$	THUS$
Net cash flows from operating activities	-	(643,263)
Net cash flows used in investment activities	-	643,263
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	-	-

TAM S.A. y Filiales
Financial Statement

ASSETS	At December 31 2021 THUS$	At December 31 2020 THUS$
Total current assets	1,262,825	1,492,792
Total non-current assets	1,346,034	1,617,263
TOTAL ASSETS	2,608,859	3,110,055

LIABILITIES AND EQUITY	At December 31 2021 THUS$	At December 31 2020 THUS$
LIABILITIES		
Total current liabilities	2,410,426	2,206,089
Total non-current liabilities	846,722	798,846
Total liabilities	3,257,148	3,004,935
EQUITY		
Net equity attributable to the parent company's owners	(649,058)	104,407
Non-controlling interest	769	713
Total equity	(648,289)	105,120
Total equity and liabilities	2,608,859	3,110,055

TAM S.A. y Filiales
Consolidated Statement of Comprehensive Income

	At December 31 2021 THUS$	At December 31 2020 THUS$
PROFIT (LOSS) FOR THE PERIOD	(756,633)	(1,025,812)
Other components of other comprehensive Income, before tax	(32,031)	(570,327)
Tax on accrued earnings related to components of other comprehensive Income not to be classified as earnings for the period	(483)	1,047
Other comprehensive income	(32,514)	(569,280)
Total comprehensive income	(789,147)	(1,595,092)
Comprehensive income attributable to:		
Comprehensive income attributable to the parent company's owners	(789,254)	(1,594,481)
Comprehensive income attributable to non-controlling interests	107	(611)
TOTAL COMPREHENSIVE INCOME	(789,147)	(1,595,092)

TAM S.A. y Filiales
Consolidated Statement of Earnings by Function

	At December 31 2021 THUS$	At December 31 2020 THUS$
Revenues from ordinary activities	2,003,922	1,809,314
Cost of sales	(2,161,497)	(2,109,529)
Gross profit (loss)	(157,575)	(300,215)
Gain (Loss) from operational activities	(665,917)	(847,429)
Profit (loss), before tax	(748,514)	(831,918)
Income tax expenses	(8,119)	(193,894)
Profit (Loss) for the period	(756,633)	(1,025,812)
Gain (Loss) attributable to the parent company's owners	(756,698)	(1,025,624)
Gain(Loss) attributable to non-controlling interests	65	(188)
Profit (Loss) for the period	(756,633)	(1,025,812)

TAM S.A. y Filiales
Statement of Changes in Consolidated Equity

	Equity attributable to owners of the parent company THUS$	Non-controlling stake 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. y Filiales
Consolidated Cash Flow Statement – Direct Method

	At December 31 2021 THUS$	At December 31 2020 THUS$
Net cash flows from operating activities	(94,067)	(367,638)
Net cash flows used in investment activities	(47,280)	227,469
Net cash flows from (used in) financing activities	(27,510)	134,607
Net Increase (decrease) In cash and cash equivalents, before effect of changes in F/X rate	(168,857)	(5,562)
Effects of F/X variations on cash and cash equivalents	(168,857)	(76,154)
Net increase (decrease) in cash and cash equivalents	(337,714)	(81,716)
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	292,723	237,468

Technical Training LATAM S.A.
Financial Statement

ASSETS	At December 31 2021 TH$	At December 31 2020 TH$
Total current assets	1,616,725	1,345,034
Total non-current assets	75,776	202,075
TOTAL ASSETS	1,692,501	1,547,109
LIABILITIES AND EQUITY	At December 31 2021 TH$	At December 31 2020 TH$
LIABILITIES		
Total current liabilities	170,976	118,243
Total non-current liabilities	223,250	325,370
Total liabilities	394,226	443,613
EQUITY		
Net equity attributable to the parent company's owners	1,298,275	1,103,496
Participaciones no controladoras	-	-
Total equity	1,298,275	1,103,496
Total equity and liabilities	1,692,501	1,547,109

Technical Training LATAM S.A.
Consolidated Statement of Earnings by Function

	At December 31 2021 THS	At December 31 2020 TH$
Revenues from ordinary activities	844,775	698,676
Cost of sales	(646,971)	(584,594)
Gross profit (loss)	197,804	114,082
Gain (Loss) from operational activities	393,553	(128,632)
Profit (loss), before tax	393,553	(128,632)
Income tax expenses	(206,118)	169,035
Profit (Loss) for the period	187,435	40,403
Gain (Loss) attributable to the parent company's owners	187,435	40,403
Profit (Loss) for the period	187,435	40,403

Technical Training LATAM S.A.
Statement of Changes in Consolidated Equity

	Equity attributable to owners of the parent company TH$	Non-controlling stake THUS$	Equity total TH$
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.
Consolidated Statement of Comprehensive Income

	At December 31 2021 TH$	At December 31 2020 TH$
PROFIT (LOSS) FOR THE PERIOD	187,435	40,403
Other components of other comprehensive Income, before tax	12,093	86,761
Other comprehensive income	12,093	86,761
Total comprehensive income	199,528	127,164
Comprehensive income attributable to:		
Comprehensive income attributable to the parent company's owners	199,528	127,164
TOTAL COMPREHENSIVE INCOME	199,528	127,164

Technical Training LATAM S.A.
Consolidated Cash Flow Statement – Direct Method

	At December 31 2021 TH$	At December 31 2020 TH$
Net cash flows from operating activities	(355,265)	(321,544)
Net Increase (decrease) In cash and cash equivalents, before effect of changes in F/X rate	(355,265)	(321,544)
Effects of F/X variations on cash and cash equivalents	51,747	-
Net increase (decrease) in cash and cash equivalents	(303,518)	(321,544)
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	289,736	593,254

Rationale

Comparative analysis and explanation of main trends:

1. CONSOLIDATED FINANCIAL STATEMENT

At December 31, 2021, the company's assets totaled ThUS$13,312,434 which, compared to December 31, 2020, represents a decrease of ThUS$2,337,656 (14.9%).

The company's-current assets decreased by ThUS$508,408 (16.2%) vs. yearend 2020. The main decreases were seen in the following line items: Cash and cash equivalents for ThUS$649,006 (38.3%). This decrease is explained by the net negative change presented in the Company's consolidated statement of flows; inventories, current for ThUS$36,237 (11.2%), mainly associated with an increase in material consumption; Non-current assets or groups of assets held for disposal classified as held for sale for ThUS$129,339 (46.8%) originated mainly by the materialization of the sale of 5 aircraft (US$103 million) and the adjustment to the net realizable value of aircraft classified in this heading, offset by an increase in Commercial debtors and other receivables for ThUS$303,291 (50.6%), mainly explained by an increase in credit card sales.

The company's liquidity index showed a decrease going from 0.42 times at yearend 2020 to 0.21 times at the end of December 2021, mainly due to a 64.7% increase in current Liabilities. Moreover, we can see that the quick ratio decreased from 0.23 times at yearend 2020 to 0.08 times at the end of December 2021.

The company's Non-current assets decreased by ThUS$1,829,248 (14.6%) vs. yearend 2020. The main line items of non-current assets with decreases are: Property, plant, and equipment for ThUS$1,240,402 (11.6%), whose negative variation is mainly explained by the depreciation in the year by ThUS$982,995, renegotiations of assets by right of use associated with 109 aircraft for approximately US$180 million, the rejection of fleet due to the Chapter 11 process for ThUS$1,094,318, exchange difference worth ThUS$40,752, and other movements worth ThUS$143,816, offset by year additions worth ThUS$1,201.479; decrease of Intangible assets other than goodwill by ThUS$27,667 (2.6%), mainly due to exchange adjustments for ThUS$58,734, a decrease of ThUS$51,162 corresponding to the amortization of the year, offset by an increase from additions worth ThUS$82,798; decrease of deferred tax assets by ThUS$549,526 (97.3%), generated mainly by provisions for deferred tax assets estimated to be non-recoverable worth ThUS$1,251,912, offset by recognition of deferred tax by operation 2021 for ThUS$702,386.

At December 31, 2021, the company's liabilities totaled ThUS$20,379,338 which, compared to the value as at December 31, 2020, represents an increase of ThUS$2,286,863 (equivalent to 12.6%).

The company's Non-current assets increased by ThUS$4,844,441 (64.7%) vs. yearend 2020. The main increases were seen in: Other financial liabilities, current for ThUS$1,397,721 (45.7%), which are mainly explained by the increase from obtaining new loans associated with the second draft under DIP Credit Contract for ThUS$661,042 and others for ThUS$567, the increase in interest earned worth ThUS$504,599, and movements for fleet renegotiations and other reclassifications from the non-current line item worth ThUS$1,090,885, offset by capital and interest payments made in the period for ThUS$671,035, debt losses due to fleet rejections, ThUS$188,337; Commercial and other accounts payable, current for ThUS$2,538.028 (109.3%), mainly explained by agreed claims of rejected aircraft and increased maintenance provisions; Accounts payable to related entities, current for ThUS$660,790, explained by the transfer of non-current position to current position on DIP financing for ThUS$396,423 plus interest earned for ThUS$35,030, obtaining financing for ThUS$130,102 associated with the second draft under DIP Credit Contract, and accrued interest and other movements for ThUS$99,235; Other non-financial liabilities, current for ThUS$243,785 (11.7%), explained by increased deferred income of ThUS$236,257 and other miscellaneous non-financial liabilities worth ThUS$7,528.

The indebtedness indicator of the company's current Liabilities for the period stood at 1.75. The impact of current Liabilities on total debt increased by 19.12 percentage points, from 41.41% at yearend 20202 to 60.53% at the end of the current period.

The company's non-current Liabilities decreased by THUS$2,557,578 (24.1%), compared to the sum reached by December 31, 2020. The main decreases are seen under Other non-current financial liabilities by ThUS$1,855.099 (23.8%). This variation is mainly explained by decreases in debt losses due to fleet rejections for ThUS$999,782 and movements due to fleet renegotiations and other reclassifications to the current heading worth ThUS$1,090,885, offset by other movements of the period for ThUS$235,568.

The other decreases are presented under Accounts Payable to Related Entities, Non-Current for ThUS$396,423 (100%) explained mainly by the net effect of reclassification of balance to current position according to the terms of the DIP financing contract; Other non-financial liabilities, non-current for ThUS$189,952 (27.1%), primarily explained by the decrease in deferred income and reclassification to the current compensation position of Delta Air Lines, Inc., offset by an increase in Other provisions, non-current by ThUS$124,222 (21.1%), explained by increases in tax contingencies by ThUS$125,875, Labor contingencies of ThUS$50,139, and the net effect decrease of provisions of onerous contracts and other minor provisions for ThUS$51,792.

The indebtedness indicator of the company's Non-current Liabilities stood at (1.14). The impact of non-current Liabilities on total debt decreased by 19.12 percentage points, from 58.59% at yearend 2020 to 39.47% at the end of December 2021.

The indicator of total indebtedness on the Company's assets at the end of December 2021 is (2.89), 4.54 times lower than at the end of December 2020.

At the end of December 2021, the Company did not maintain current interest rate derivatives positions. Currently, 40% (42% by December 31, 2020) of the debt is fixed in the face of fluctuations in interest rates. Most of this debt is indexed at the reference rate based on LIBOR. Considering these hedges, the average rate on the debt is 5.69%.

The Equity attributable to the owners of the parent company decreased by ThUS$4,620,835 from a negative equity of ThUS$2,435,713 at December 31, 2020 to a negative equity of ThUS$7,056,548 by December 31, 2021. The main effects correspond to the year's result attributable to the owners of the controller, corresponding to a loss of ThUS$4,647,491, a conversion adjustment of ThUS$18,354, and other increments in the year by ThUS$8,302.

2. CONSOLIDATED INCOME STATEMENT

At December 31, 2021, the controller reported a loss of ThUS$4,647,491, representing a negative variance of ThUS$101,604 compared to a loss of ThUS$4,545,887 in the same period last year. Net margin for the financial year settled at -90.9% in 2021 and -104.9% during 2020.

The operating results for the twelve months of 2021 amount to a loss of ThUS$1,119,277 which, compared to the loss of ThUS$1,665,288 as at 31 December 2020, shows a variation equivalent to 32.8%, while operating margin reaches -21.9%, 16.5 percentage points below the margin of -38.4% as at 31 December 2020.

Operating income for the financial year increased 17.9% vs. the same period of 2020, totaling THUS$5,111,346. This increase is largely due to a 23.2% rise in passenger revenues and 27.4% in cargo revenues, while Other revenues decreased by 44.7%. The effect of the Brazilian real's depreciation represents lower ordinary revenues by around US$40 million.

During June 2020, the indefinite cessation of operations of LATAM Airlines Argentina S.A. was announced, due to local industry conditions aggravated by the COVID-19 pandemic, whereby the airline stopped operating 12 domestic destinations. At the end of 2020, LATAM Airlines Argentina S.A. reported Operating revenues of US$50 million in its Individual income statement.

PAX revenues totaled THUS$3,342,381 which, compared to the THUS$2,713,774 from the twelve months of 2020, translates into a 23.2% increase. This variation is due to the 18.0% increase in demand measured in RPK (revenue passenger-kilometer) and 4.3% in the yields compared to the previous year, while load factor shows a negative variation of 2.1 percentage points from the financial year 2020; on the other hand, RASK (revenue per ASK – Available Seat-Kilometer) reported a 1.4% increase, explained by the recovery of demand thanks to the lifting of quarantines and travel restrictions since the second half of the current year.

As at 31 December 2021, cargo revenues reached ThUS$1,541,634, a 27.4% increase from 2020. Despite the 1.4% drop in RTK traffic, yields increased 29.2%, driven mainly by a strong import and export scenario.

The Other Income line item shows a decrease of ThUS$183,671 due mainly to a fall of ThUS$55,990 in Tour Services and Airplane Leasing, in addition to the compensation received for the cancellation of the purchase of four A350 aircraft from Delta Air Lines Inc. for ThUS$62,000 and ThUS$9,240 for the advance return of leased aircraft to Qatar Airways, both during the second quarter of 2020, together with the negative change in compensation income for ThUS$14,279, received from Delta Air Lines Inc. associated with the implementation of the JBA (joint business agreement) signed in 2019.

At December 31, 2021, operating costs totaled THUS$6,230,623 which, compared to 2020, translate into higher costs by THUS$230,666, equivalent to a 3.8% increase, whereas unit cost per ASK decreased by 14.5%. Furthermore, the effect of the Brazilian Real's depreciation on this line item translates into lower costs by roughly US$38 million. Item variations are explained as follows:

a) Remunerations and benefits increased ThUS$79,839 due to higher recognized expenditures for performance bonuses, which were suspended during financial year 2020, partly offset by an 18% decline in the average payroll compared to the previous year.

b) Fuel increased 42.3%, equivalent to ThUS$442,433. This increase corresponds mainly to 25.4% higher average unhedged prices and 15.5% growth in consumption measured in gallons. LATAM recognized a ThUS$10,100 fuel hedge profit in 2021, compared to a ThUS$14,316 loss in the twelve months of 2020.

c) Commissions show a decrease of ThUS$2,701, as a result of the increase in direct sales in own agencies and digital media during 2021.

d) Depreciation and Amortization decreased by ThUS$223,992, mainly explained by a smaller average fleet during 2021 and the penalties levied in the previous year due to the accelerated term of IT projects resulting from the implementation of the LATAM XP digital platform.

e) Other Leases and Landing Fees increased ThUS$35,183, mainly in handling costs, impacted by the recovery of the operation during the second half of 2021 and offset by lower airport fees.

f) Passenger Service decreased by ThUS$20,325, representing a variation of 20.8%, mainly due to restrictions on in-flight catering services, imposed as a result of the COVID-19 pandemic, and lower costs of passenger assistance due to contingencies.

g) Aircraft Lease costs for ThUS$120,630. Since the second quarter of 2021, operational aircraft leases under variable mode were reported, as a result of the various agreements reached by the group.

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 by 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$61,356, equivalent to 13.0%, mainly due to a higher operation since the second half of the current year.

i) The Other Operating Costs show a decrease of ThUS$261,757, mainly due to adjustments in the estimates of write-offs and tax, labor, and civil proceedings.

Financial revenues totaled ThUS$21,107 which, compared to ThUS$50,397 in 2020, represent lower revenues by ThUS$29,290. Despite higher cash levels during the six-month period compared to the same period in 2020, this reduction is due to the limitations of Chapter 11 on the group's cash management, requiring 70% of the cash to be maintained in authorized banks.

Financial Costs increased 37.2% totaling ThUS$805,544 by December 31, 2021. The draft of DIP (debtor in possession) financing during the fourth quarter of 2020, in addition to the three drafts in June, November, and December 2021, increased debt by US$1.95 billion, with a higher interest rate, leading to an increase of approximately US$330 million in interest earned.

The other income/costs as at December 31, 2021 showed a positive change of ThUS$723,360. The contingency generated by the COVID-19 pandemic affected the group's operations, showing signs of impairment that required the carrying out of impairment tests resulting in the penalization of the total goodwill by US$1.72 billion, US$37 million from the penalization of airport slots and US$81 million from fuel hedge contracts, all of which generated a loss during the first quarter of 2020, partly offset by higher reorganization costs during 2021, equivalent to US$1.34 billion.

The main line items in the Consolidated Financial Statement of TAM S.A. and Affiliates, which caused a currency exchange loss of ThUS$3,973 at December 31, 2021, were: Other financial liabilities; THUS$75 loss from USD-denominated loans and financial leasing for fleet acquisitions; net accounts receivable and payable to related companies, totaling a gain of THUS$17,970, and net accounts receivable and payable to third parties, totaling a loss of THUS$27,187. The other line items of net assets and liabilities generated a loss of THUS$11,023.

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 transport 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 has allowed the protection of the Company's liquidity.

The Operating Cash Flow as at December 31, 2021, shows a positive change of ThUS$310,598 over the previous year, due to the positive change in Receipts from Sales of Goods and Service Rendering for ThUS$739,369, Payments to and on Behalf of Employees for ThUS$285,942, and Income Taxes Rebates for ThUS$56,255. This is offset by negative changes in Payments to Suppliers for the provision of goods, whose variations originate from the higher payments made by ThUS$584,146, Other Cash Inflows (Outflows) by ThUS$101,169 and Other Payments for Operating Activities by ThUS$85,837.

The negative ThUS$101,169 variation in the Other Cash Inflows and Outflows in Operating Cash Flow is mainly due to the variation in Delta's compensation for ThUS$62,000, Derivatives Premiums and Margin Guarantees for ThUS$32,990, ThUS$54,851 Court Deposits and Bank Fees, Taxes and Others for ThUS$16,727, offset by a positive variation of ThUS$60,848 in Fuel Derivatives transactions.

Flow from Investment Activities shows a negative variation of ThUS$576,261 compared to the previous period, given the negative changes in the following items: Purchases of Property, Plant, and Equipment and purchases of intangible assets for ThUS$262,981 and ThUS$13,085, respectively, Interest accrued of ThUS$27,803 and the net effect between Other receipts for the sale of equity or debt instruments of other entities and Other payments for the acquisition of equity or debt instruments of other entities by ThUS$323,245. This was slightly offset by positive variations in: Sums derived from the sale of property, plant, and equipment for ThUS$29,434 and other cash inflows (outflows) for ThUS$20,667.

Cash flow from financing activities shows a negative variation of ThUS$1,011,187, compared to the previous year, which is explained by the following negative variations: Sums from short- and long-term loans for ThUS$1,323,871 and related loans for ThUS$243,023. This variation is offset by the following concepts: Loan Payments of ThUS$330,664, Interest Paid of ThUS$105,797, Other Cash Inflows (Outflows) of ThUS$96,754, and Payment of Lease Liabilities of ThUS$18,696, among others.

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 “Revolving Credit Facility (RCF)”. The financing matures on March 29, 2022. The credit line is guaranteed with collateral consisting of aircraft, engines, and spare parts.

(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.

At the end of the financial year, Chapter 11 retains most of the actions against debtors, so debt repayment does not accelerate. The group continues to submit its financial information as at December 31, 2021, including its financial debt and leases, in accordance with the terms originally agreed, pending future agreements it may reach with its creditors under Chapter 11. For agreements that have already been modified or extinguished, financial information has been disclosed in accordance with the new terms and conditions.

(3) On June 24, 2020, the United States Southern District Court of New York approved LATAM’s motion to reject certain aircraft lease contracts. The rejected contracts included 17 aircraft financed under the EETC structure amounting to US$844.1 million, and one aircraft financed with a financial lease of US$4.5 million.

(4) On October 20, 2020, the United States Court for the Southern District of New York approved LATAM’s motion to reject an aircraft leasing contract financed under a financial lease in the amount of US$34.3 million.

(5) On September 29, 2020, LATAM Airlines Group S.A. obtained debtor in possession (“DIP”) financing 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 are guaranteed by collateral consisting of certain assets of 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$1.15 billion on Tranche A and Tranche C, and then, on or around June 22, 2021, LATAM made an additional withdrawal of US$500 million on Tranche A and Tranche C.

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, including stocks, certain engines, and spare parts. The next DIP drafts must be made on Tranche B until the ratio drawn of the latter is equal to that of the previous tranches. Once this ratio is equal, the drafts are pro-rata.

On November 10, 2021, the group made a partial withdrawal of US$200 million of 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 million available for future withdrawals.

The maturity 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 U.S. Court order from the Southern District of New York, but the plan is not yet effective.

(6) 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 group’s motion to extend certain lease contracts on 3 aircraft.

(7) On June 17, 2021, the United States Southern District Court of New York approved the group's motion to reject the lease contract for a financial lease-financed aircraft worth US$130.7 million.

(8) On June 30, 2021, the United States Southern District Court of New York approved the group's motion to reject the lease contract for 3 financial lease-financed aircraft worth US$307.4 million.

(9) On November 1, 2021, the United States Southern District Court of New York approved the group'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 as at December 31, 2021, prior to the effects of exchange rate differences, shows a negative variation of ThUS$1,276,850, 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 group.

(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, 2021, the Company recognized a US$10.13 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, 2021, the market value of existing contracts stood at ThUS$17,641.

(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, 2021, the Company had no active F/X contracts.

During the period ended on December 31, 2021, the Company did not recognize gains from F/X hedges net of premiums. During the same period in 2020, the Company recognized a gain of THUS$3.24 from F/X hedges net of premiums.

(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 London Inter Bank Offer Rate ("LIBOR") and other less relevant interest rates, such as Brazilian Interbank Deposit Certificates ("CDI", for its Portuguese acronym).

At December 31, 2021, roughly 40% of the debt has a fixed rate or is linked to one of the financial hedging instruments arranged. Considering these hedges, the average rate on the debt is 5.69%.

On March 5, 2021, the ICE Benchmark Administration ("IBA") announced that, as a result of the poor access to the information needed to calculate the rates, the release of the USD 1-week and 2-month rates will cease on December 31, 2021, and for all other terms, on June 30, 2023. Although the adoption of alternative rates is voluntary, the imminent interruption of LIBOR makes it essential for market participants to consider moving to alternative rates, such as SOFR and have appropriate alternative language in existing contracts that refer to the discontinuance of LIBOR. In this regard, the Company identifies that its derivative and debt contracts may be affected by the change in the relevant rate. To mitigate the effect, the Company is evaluating adherence to the ISDA protocol in the case of derivatives and is following the recommendations of the relevant authorities, including the Alternative Reference Rates Committee ("ARRC") in the case of debt, in line with the measures generally adopted by the market to replace LIBOR in debt contracts. In the case of derivatives, LATAM does not maintain current contracts indexed to the LIBOR rate.

(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

In order to analyze the economic environment in which the Company exists, below we present a brief explanation of the situation and evolution of the main economies that affect it nationally, regionally, and worldwide.

In the midst of the spread of the new omicron variant of COVID-19 and the emergence of significant inflationary pressures, the global economy has begun 2022 in a weaker position than previously expected. On the one hand, the omicron variant has led some countries to reimpose certain mobility restrictions, while disruptions in the logistics chain and rising oil and energy prices have generated high levels of inflation. These have mainly affected the United States and emerging and developing economies. The International Monetary Fund (IMF) expects inflationary pressures to last longer than previously estimated, as a result of the 2022 continuity of disruptions in the logistics chain and high energy prices, and it should gradually decrease during the year as the supply-demand imbalances balance out, and with the implementation of monetary policies in major economies. In addition, in the context of the war between Russia and Ukraine and the effects of this conflict on the oil supply, there has been a sharp rise in fuel prices, a factor that could continue to significantly impact global inflationary pressures.

In line with this challenging environment for the global economy, the IMF's latest projections consider a cross-cutting downward adjustment between economies for new factors not foreseen in the previous projection related to the early withdrawal of fiscal stimulus mainly in the US, disruptions in the logistics chain, the spread of the omicron variant, and the instability of the real estate sector in China. However, in its last projection in January 2022, the IMF estimated growth of 5.9% for the global economy in 2021, while it projected growth of 4.4% in 2022, 0.5 percentage points (p.p.) below the previous estimate, and a more moderate growth of 3.8% in 2023.

For the United States, the IMF has estimated a 4.0% expansion for 2022 in its last January projection, 0.6 percentage points below the last October 2021 estimate, in response to the early withdrawal of monetary policies and the continuation of disruptions in the logistics chain; and a growth of 2.6% for 2023, 0.4 p.p. above the previous estimate. On the other hand, IMF estimates for Europe during 2022 have also been revised downwards from the previous estimate, expecting a growth of 3.9% in 2022, 0.4 p.p. lower versus the previous estimate; and a 2.5% expansion by 2023, 0.5 p.p. above the last estimate.

On the other hand, the IMF estimated growth of 2.4% for the Latin America and Caribbean region during 2022, 0.6 percentage points below the previous October 2021 forecast, and an expansion of 2.6% for 2023. Brazil's economy is expected to grow by 0.3% in 2022, which is 1.2 percentage points below the previous estimate, while for Chile, the Central Bank estimated in its last Monetary Policy Report (IPoM, for its Spanish acronym) in December 2021 an economic expansion in the range of 1.5 to 2.5% by 2022.

a) Below, we are presenting the main financial indicators in the Consolidated Financial Statement:

	December 31, 2021	December 31, 2020
Liquidity indicators		
Current liquidity (times)	0.21	0.42
(Current assets in operation/		
Current liabilities)		
Acid test (times)	0.08	0.23
(Funds available/ current liabilities)		
INDEBTEDNESS INDICATORS		
Debt ratio (times):	-1.75	-3.08
(Current Liability/ Net Worth)		
(Current liabilities+non-current liabilities/		
Net equity)		
Current debt/ Total debt (%)	60.53	41.41
Non-current debt/ Total debt (%)	39.47	58.59
Hedging of financial expenses	0	0
(R.A.I.I. / financial expenses)		
ACTIVITY INDICATORS		
Total Assets	13,312,434	15,650,090
Investments	587.453	1,465,204
Disposal of property	105.035	1,537,386

Profitability indicators

Profitability indicators are calculated on equity and income attributable to Majority Shareholders

	December 31, 2021	December 31, 2020
Return on Equity[1] (Net income / average net equity)	-	-
Return on assets (Net income/ average assets)	(0.35)	(0.29)
Yield of operating assets (Net income/ average operating assets[2]	(0.38)	(0.31)

1 By December 31, 2021 and December 31, 2020, LATAM Airlines Group S.A. and its subsidiaries have negative equity.

2 Total assets less deferred taxes, personnel current accounts, permanent and temporary investments, and goodwill.

	December 31, 2021	December 31, 2020
Dividend returns (Dividends paid/ market price)	0.00	0.00

For the 12 months ended on December 31 (ThUS$)	2021	2020
Operating income	**5,111,346**	**4,334,669**
Passengers	3,342,381	2,713,774
Cargo	1,541,634	1,209,893
Others	227.331	411.002
Operating Costs	**-6,230,623**	**-5,999,957**
Compensation	-1,041,899	-962,060
Fuel	-1,487,776	-1,045,343
Fees	-89,208	-91,910
Depreciation and Amortization	-1,165,394	-1,389,386
Other Leasing and Landing Fees	-755,188	-720,005
Passenger Services	-77,363	-97,688
Aircraft Leasing	-120,630	0
Maintenance	-533,738	-472,382
Other Operating Costs	-959,427	-1,221,183
Operating Results	**-1,119,277**	**-1,665,288**
Operating Margin	**-21.90%**	**-38.40%**
Financial Revenues	21,107	50,397
Financial costs	-805,544	-586,979
Other Revenues / Costs	-2,180,493	-2,903,853
Income / (loss) before taxes and minority interest	**-4,084,207**	**-5,105,723**
Taxes	-568,935	550,188
Income / (loss) before minority interest	**-4,653,142**	**-4,555,535**
Attributable to:		
Gain/(Loss) attributable to the parent company's owners	-4,647,491	-4,545,887
Gain/(Loss) , attributable to non-controlling interests	-5,651	-9,648
Net Margin	**-90.90%**	**-104.90%**
Effective Tax Rate	**-13.90%**	**-10.80%**
Total shares	**606,407,693**	**606,407,693**
Gain/(Loss) per share (US$)	**-7.66397**	**-7.49642**
EBITDA	**-2,128,725**	**-3,170,107**

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 2021 Integrated Report.

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IGNACIO JAVIER CUETO PLAZA
EFC129CF0D1D48B...
Ignacio Cueto Plaza
Chairman

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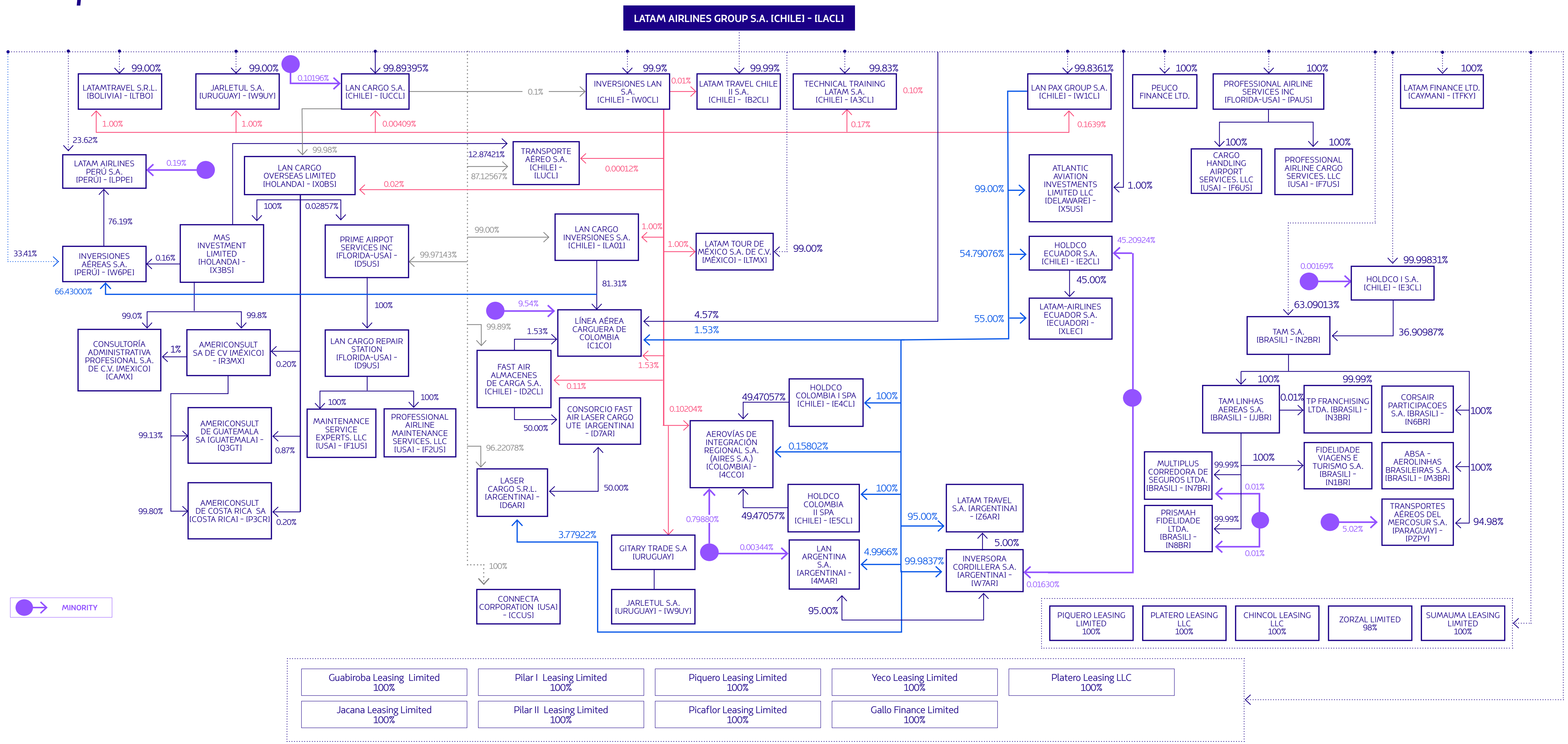
Corporate structure



Credits

COORDINATION
LATAM – Investor Relations
LATAM – Sustainability
LATAM – External Communications

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