2023
ANNUAL REPORT

LATAM

Index

01 *Presentation*

In this chapter

Presentation

GRI 2-2 AND 2-3

In its Integrated Report, LATAM Airlines Group S.A. presents each year the main achievements and challenges of both the company and its affiliates, considering the different areas of the business (economic, social and environmental), corporate governance and safety, as well as the relationship with its stakeholders.

This edition refers to the period from January 1 to December 31, 2023 and meets the requirements of General Standard (NCG, for its Spanish acronym) N° 30 and N° 461 of Chile's Financial Market Commission (CMF, for its Spanish acronym), which incorporates sustainability and corporate governance issues in the annual reports. It should be noted that, for LATAM, this mandatory regulation offers an opportunity to strengthen what was begun in 2018, when the group first published an Integrated Report, i.e. a document that strategically integrated both financial and non-financial information (previously, these were presented separately in two publications: the Annual Report and the Sustainability Report), as well as lending visibility to the corporate governance practices that the company has historically followed.

In this regard, LATAM's Consolidated Financial Statements, which include the financial position as at December 31, 2022 and 2023, are an essential part of this report and have been externally audited by Pricewaterhouse Cooper (PwC). In addition to being available in this document, starting on page 165, they can also be viewed on the CMF website and on the LATAM Investor Relations website.

Furthermore, in the section that provides the information linked to the relevant sustainability topics and the indicators that monitor the group's performance in these affairs, the guidelines were the Global Reporting Initiative (GRI) standards, the main global benchmark for sustainability communication and management. In turn, the contents and indicators linked to the GRI standards were subjected to external verification by Deloitte. Likewise, the information on sustainability is complemented by metrics established for airlines by the Sustainability Accounting Standards Board (SASB)/ International Financial Reporting Standards (IFRS) Foundation. Moreover, this publication has incorporated indicators from the S&P Global Corporate Sustainability Assessment, which is voluntarily completed by LATAM each year.

This edition will be available on LATAM's website, as well as on the CMF website, starting from April 2024.

CONVENTIONS

GRI 2-1

Currency and Exchange Rate

LATAM Airlines Group S.A. and most of its affiliates maintain accounting records and prepare their financial statements in US dollars (USD). At the same time, some of its affiliates use Chilean pesos (CLP), Colombian pesos (COP) or Brazilian reals (BRL). However, the group's consolidated financial statements include the results of these affiliates converted into USD.

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

Names

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

LATAM: References to LATAM, the Group, and the company refer to LATAM Airlines Group S.A. and its consolidated affiliates. These are Transporte Aéreo S.A. (LATAM Airlines Chile); LAN Airlines Perú S.A. (LATAM Airlines Peru), Aerolane, Líneas Aéreas Nacionales del Ecuador S.A. (LATAM Airlines Ecuador); LAN Argentina S.A. (LATAM Airlines Argentina, formerly Aero 2000 S.A.); Aerovías de Integración Regional, Aires S.A. (LATAM Airlines Colombia); TAM S.A. (TAM or LATAM Airlines Brazil); Transportes Aéreos del Mercosur S.A.(LATAM Paraguay); and the cargo subsidiaries, which are: LAN Cargo S.A. (LATAM Cargo Chile) Línea Aérea Carguera de Colombia S.A. (LANCO or LATAM Cargo Colombia);, and Aerolinhas Brasileiras S.A. (ABSA or LATAM Cargo Brazil).

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

LATAM Cargo Group: This refers to the group of cargo operators, i.e. LAN Cargo S.A. (LATAM Cargo Chile), Línea Aérea Carguera de Colombia S.A. (LANCO or LATAM Cargo Colombia) and Aerolinhas Brasileiras S.A. (ABSA or LATAM Cargo Brasil).

LAN: Mentions of LAN refer to LAN Airlines S.A., currently LATAM Airlines Group S.A. This is due to circumstances and events occurring prior to the completion date of the combination between LAN Airlines S.A. and TAM S.A.

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

STANDARDS USED

This report includes information required by General Standard No. 461 and No. 30, the SASB standard for the airline industry and indicators suggested by the Global Reporting Initiative (GRI). The document includes the information related to each of the standards used, ordered within two specific content indexes on pages 116-120. This is to make it easier to obtain the information related to each standard.

GUIDE TO READING THE REPORT

NCG 461

Icon NCG N°461

Contents of General Standard No. 461 applicable to Chilean Annual Reports.

GRI

Icon GRI

Contents of the international standard Global Reporting Initiative (GRI).

SASB

Icon SASB

Contents of the transportation sector from the Sustainability Accounting Standards Board (SASB).

MORE INFORMATION

(GRI 2-3)

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

Highlights

Operational and financial performance

TOTAL REVENUES

11,789 MILLION DOLLARS

+23.9% vs. 2022

ASK

137,251 MILLION

+20.6% vs. 2022

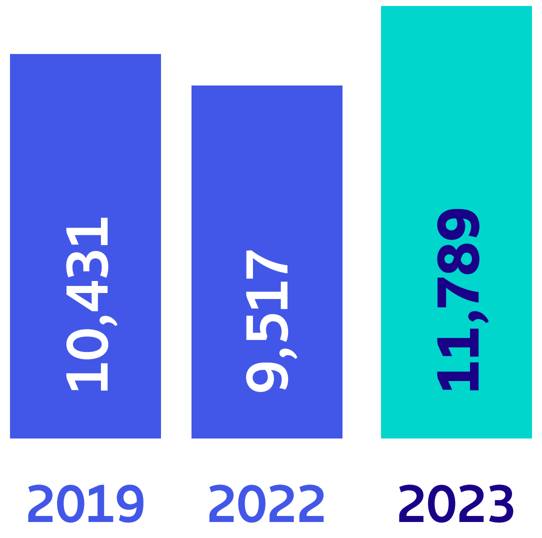
Total revenues in 2023 were better than pre-pandemic levels (2019) and operating and financial results surpassed LATAM group's 2023 Guidance and updated 2022 Business Plan (both previously released).

[1] *Guidance delivered in the company's 2Q23 report*

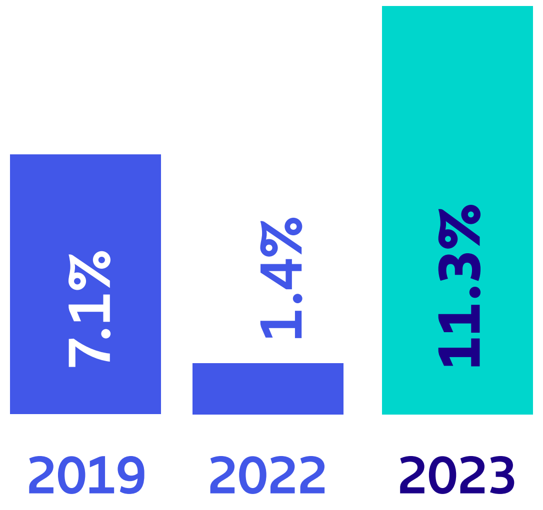
• Revenues by business unit

• Diversification of passenger operations (ASK)

TOTAL REVENUES
(million dollars)



ADJUSTED EBIT MARGIN

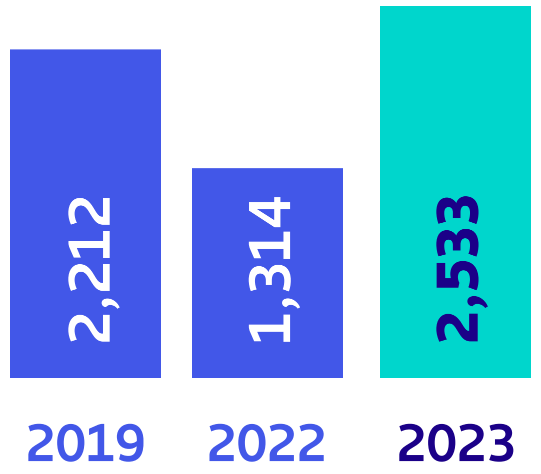


NET LEVERAGE[1]

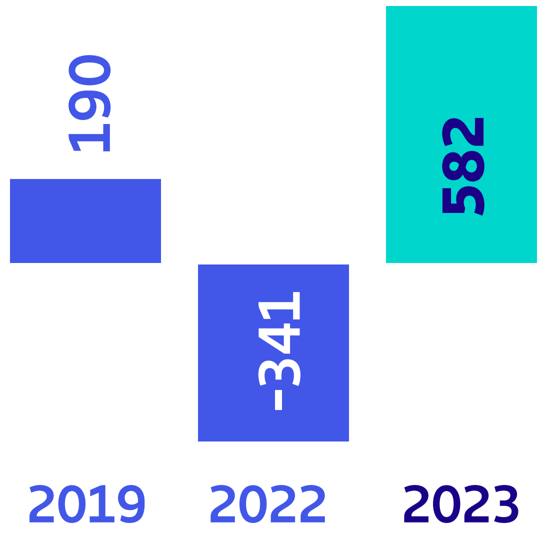
4.0x
2022

2.1x
2023

ADJUSTED EBITDAR
(million dollars)



NET INCOME[2]
(million dollars)



LIQUIDITY[3]
(% last twelve months of revenues)

24%
2023

[1] *Calculation formula: Net Debt / Adjusted EBITDAR.*
[2] *The 2022 result excludes non-opertating impacts worth MUSD$1,680, due to the Chapter 11 restructuring, exited on November 2022.*
[3] *Calculation formula: Cash and cash equivalents and committed and unused revolving credit lines.*
[4] *ASK: Acronym for "available seat kilometers"*
[5] *SSC: Acronym for "Spanish-speaking countries"*

SEE MORE
In chapter "Our Business" (Page 57).

Passenger operations

74 million

passengers transported

26 *countries*

148 *destinations*

4 *continents**

*America, Europe, Oceania and Africa

Load factor: 83.1%
Consolidated traffic (RPK): 114.00 billion
Capacity (ASK): 137.25 billion

Cargo operations

945,500

tons transported

33 *countries* (7 exclusively cargo)

166 *destinations* (18 exclusively cargo)

Load factor: 51.6%
Consolidated traffic (RTK): 3.70 billion
Capacity (ATK): 7.17 billion

RPK: Acronym for "revenue passenger-kilometers".
RTK: Acronym for "revenue ton-kilometers".
ATK: Acronym for "available ton-kilometers".
ASK: Acronym for "available seat-kilometers".

Focus on the customer

4 *routes started*
operating during 2023 as part of the first year of the joint venture with Delta Air Linea, reaching six in total.

30 *aircraft*
joined LATAM fleet in 2023

5 Wide-Body
25 Narrow-Body

20 *freighter aircraft*
are part of the LATAM cargo fleet 2023.

6,481 m² *of lounges distributed across 5 destinations*

- **Bogotá** El Dorado International Airport (BOG): 640 m²
- **Buenos Aires** Ezeiza International Airport (EZE): 653 m²
- **Santiago de Chile** Arturo Merino Benitez International Airport (SCL): 2,400 m²
- **São Paulo** São Paulo - Guarulhos International Airport (GRU): 1,835 m²
- **Miami** Miami International Airport (MIA): 953 m²

In-flight Wi-Fi service
on 99%
of LATAM Airlines Brazil narrow-body aircraft
and installation began on similar aircraft operating in Spanish-speaking markets.

More than 45 million
members enrolled in the frequent flyer program LATAM Pass.

SEE MORE
In chapters "Clients" (Page 100) and "Operations" (Page 25).

Our people

GRI 2-9

35,568

employees

More than

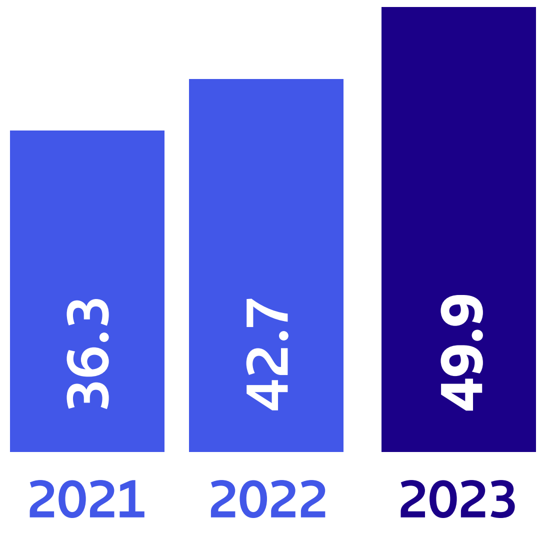
- **4,000** *Pilots*
- **8,500** *Crew members*
- **6,000** *Professionals*
- **7,800** *Airport staff*
- **4,800** *Maintenance*
- **4,000** *Clerical staff*

78 *points* on the Organizational Health Index (OHI) on a scale of 0 to 100.

1-point increase versus last year.

LATAM was within the first quartile of the more than one thousand large companies in the world that implement this survey.

AVERAGE TRAINING
h/employee



LATAM´s culture genuinely cares about people and offers a fair, empathetic, transparent and streamlined experience.

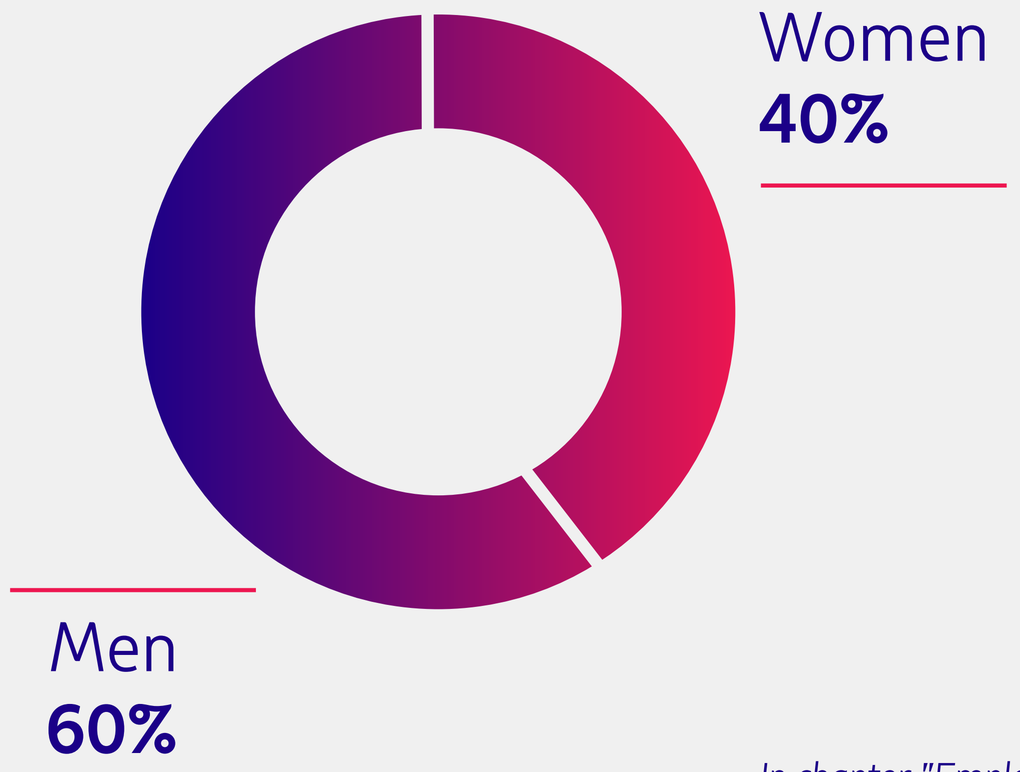
Diversity and inclusion

50
nationalities

We are present in
20+ countries
around the world.

Headquarters in Brazil, Chile, Colombia, Ecuador, Peru and the USA.

78
points
on a scale from 0 to 100 in the Inclusion Evaluation.



SEE MORE
In chapter "Employees" (Page 89).

Sustainability strategy

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

LATAM is committed to becoming an increasingly sustainable company. In fact, according to the most recent Corporate Sustainability Assessment (CSA) by Standard & Poor's (S&P Global), LATAM was the best-performing airline group in terms of sustainability across Latin America and the seventh best in the world in 2023.

This achievement also made it the only airline group in the region to be included in the 2024 edition of "The Sustainability Yearbook", in which the prestigious risk rating agency highlights those companies that have achieved outstanding growth in the evaluation.

ENVIRONMENTAL **MANAGEMENT**

The Environmental Management System certification under IATA's voluntary Environmental Assessment Program (IEnvA) Stage 2 standard was maintained in the affiliates in Chile, Colombia, Peru, Ecuador and Brazil.

CLIMATE **CHANGE**

850,932 thousand *tons* of greenhouse gas emissions managed through reduction or offsetting in 2023.

110,000 *tons of CO_2* reduced, which translates into 35% increase over the previous year.

740,932 *tons of CO_2* were managed through offsetting in strategic ecosystems in Latin America.

CIRCULAR **ECONOMY**

Elimination of more than **1,700** *tons* of single-use plastics[1] throughout the operation,

96% *of the scope defined since the beginning of the strategy.*

SHARED **VALUE**

With its partners, LATAM group transported in 2023, free of charge for social and environmental causes through the Avión Solidario program more than **4,500** *people*

483 *tons of cargo* (such as medicines, medical supplies, food, and others).

[1] *Cutlery, straws, trays, food containers and bags, among others, are considered single-use plastics.*
More information at: latamairlines.com/cl/es/sostenibilidad/economia-circular

SEE MORE
In chapter "Commitment to Sustainability" (Page 69)

Letter from the CEO

GRI 2-22

GRI 2-22

2023 was a year of important progress for LATAM. After the devastating pandemic, which paralyzed the industry worldwide, and a long restructuring process, we were able to implement and apply many of the lessons learned and the plans the group set forth during those difficult years.

Our most important reflection was to understand that results should not be an end in themselves. To understand that they come if things are done right. Thus, we decided to build on the progress and work of the last 25 years. On the solid foundations that LATAM group has developed: its cost structure and sound balance sheet, its network, its brand, its frequent flyer program and its service, among others, and on devoting our energy and efforts to taking care of our **people, clients and environments**, supporting the societies where the group's companies are present. In other words, we set out to work to make LATAM more human.

Today, we understand that our **people** are the group's most relevant asset. Companies are first and foremost social organizations. Everything we think and build is based on people feeling a sense of belonging and commitment. It is a priority that, for each of them, working at one of the companies in LATAM group makes sense both professionally and personally. In 2023, the Organizational Health Index (OHI) reached its best result ever, with 78 points. This places the group in the top quartile of the more than 1,000 large companies worldwide that use this survey. This reflects the group's effort to create a fairer, more empathetic, more transparent and simpler environment for the teams and to bring purpose to our daily work.

"Every day we strive to make traveling with LATAM a more distinctive experience." Whoever reads this sentence will probably not disagree with the objective. It is true that we work hard on improving the travel experience, but today we devote the same amount of effort to improving the whole experience of interacting with LATAM group at any time and at any touchpoint. Today's product definition encompasses all these interactions. From the intention to travel, to the reception of luggage.

Thus, in 2023, the group made great strides in improving service at all times, especially when clients encounter an issue. We are proud of the results, but we are not satisfied. In Chile, Peru, Brazil and Colombia, government agencies have complaint portals and periodically publish their corresponding statistics. In each of these four countries, the companies in LATAM group had the lowest number of complaints per passenger during the past year. Nonetheless, we are aware that there is room for improvement and that, for some of our clients, we did not meet their expectations. We will work in 2024 so that these cases will be fewer each time.

Regarding the travel experience, important changes and improvements were implemented last year.

On the one hand, the group incorporated the Premium cabin on all its flights. Thus, all of our operations with narrow-body aircraft have a Premium Economy cabin, and all of our wide-body flights have a Premium Business cabin. At the same time, the group continued to equip narrow-body aircraft with wifi, reaching 65% of the fleet. In-flight connectivity is already available on 99% of the Brazilian affiliate's narrow-body fleet, on more than 50% of the Colombian, and on 30% of the Chilean.

Also last year, construction began on the LATAM Lounge in Lima, Peru, which will become the group's fifth lounge once the new Jorge Chávez International Airport is inaugurated. In addition,we continued to renovate the lounges located in the international airports of São Paulo, Bogota and Buenos Aires-Ezeiza.

Our most important reflection was to understand that results should not be an end in and of themselves. Rather, to understand that they come if things are done right.

I could comment on many other measures, but what matters in the end has been the results. The tool used by the group to measure customer satisfaction, at a general level, is the Net Promoter Score (NPS). In 2023, the NPS for all our passengers was 48 points, reaching 55 points for our high-value passengers and 58 points for our cargo clients. Each of these results is an all-time high.

In terms of the commitment to the **environment** and to being a contributor to the societies where the group operates, progress was also made and recognition was awarded. The group was, once again, in the spotlight in Standard & Poor's (S&P Global) Sustainability Yearbook. Likewise, LATAM Cargo Chile received the Air Cargo Sustainability Award from The International Air Cargo Association (TIACA).

While these recognitions reinforce that the sustainability strategy launched by the group in 2021 based on four pillars— Environmental Management, Climate Change, Circular Economy and Shared Value— is on the right track, there is still a lot of work to be done. With regard to the Environmental Management Pillar, in 2023 the company continued to work on strengthening its Environmental Management System, which is IEnvA Stage 2 certified in Colombia, Peru, Ecuador, Brazil and Chile, and ISO 14001 certified at our Miami base. With regard to Climate Change, the group's goal is to achieve net zero emissions by 2050. With this goal in mind, LATAM group is working along four lines of action: Operational efficiency, through its Fuel Efficiency program (which this year reached 6.3% fuel efficiency, measured on the same type of operation, since it began to be implemented; fleet renewal, incorporating the latest generation aircraft, which are up to 20% more efficient in fuel consumption compared to previous models; and the use of Sustainable Aviation Fuel (SAF), making its first two international flights in 2023. Lastly, as a complementary measure, LATAM and its clients, together, offset more than 740 thousand tons of CO2 equivalent in projects aimed at preserving strategic ecosystems in the region.

Currently, there are technological and logistical gaps that could limit the feasibility of significantly expanding the use of SAF worldwide. For this reason, together with Airbus, LATAM group announced in 2023 the financing of a study with the prestigious MIT Joint Program on the Science and Policy of Global Change across six Latin American countries—namely, Brazil, Chile, Colombia, Ecuador, Mexico and Peru. This report, which is still under development, will seek to provide a comprehensive analysis of scenarios for the deployment of SAF and the development of alternatives related to, among other things, carbon capture and storage, as well as evaluate the use of incentives, carbon taxes and other types of offsets.

Regarding the Circular Economy pillar, the group set itself a very relevant challenge: to eliminate single-use plastics throughout its operations. To this end, over the past three years, LATAM's different areas have joined forces to generate a transformation, not only at the operational level, but also at the cultural level. Thus, by the end of 2023, the group achieved the elimination of more than 1,700 tons, equivalent to 96% of the baseline.

As for the "Second Flight" program, which is also encompassed under Circular Economy, it seeks to give a second life to unused uniforms. Their transformation into more than 20,000 products was achieved through agreements with eleven NGOs in the region.

Meanwhile, for Shared Value, the Solidary Plane program continued to take off throughout the region. This year, the group's connectivity was again made available to contribute to health, environmental and natural disaster needs. The period ended with 43 solidarity alliances in five South American countries through the Solidary Plane program.

In turn, LATAM was the official airline group of the 2023 Pan American and Parapan American Games and of Team Chile. The group had the opportunity to transport the Pan American Fire from Mexico to Chile in one of its airplanes and mobilize thousands of athletes and their families to be part of the great sporting event.

Financial results

Everything we have done in our financial restructuring, together with the actions that the group has developed with regard to its people, clients and the environment, has allowed us to achieve sound economic results. To this effect, LATAM ended 2023 with an adjusted operating profit (adjusted EBIT) of 11.3%, and a solid liquidity of over USD$2.8 billion, representing 24% of our revenues. The group also reported a record net profit of US$582 million.

These results enabled us to record an adjusted net debt ratio (measured as adjusted EBITDAR to net financial debt) of 2.1x, which translates into a very significant decrease compared to the 4.0x ratio recorded in 2022.

Regarding the size of the operations, and after four years, the group managed to return to near pre-pandemic levels, reaching 74 million passengers transported in 2023—a figure that was 18.3% higher than in 2022 and similar to 2019.

Cuzco, Perú.

This went hand in hand with a major expansion and modernization of the fleet. Thirty aircraft were received (5 wide-body and 25 narrow-body) and four passenger aircraft were converted from passenger to cargo, closing the financial year with 20 freighters.

In addition, the group continued to offer its passengers the best connectivity in the region, reaching 148 destinations in 26 countries, which provided its customers with unprecedented freedom of choice in terms of destinations and services. In the same vein, LATAM group has launched four new routes under the joint venture with Delta Airlines, bringing the total to six. This alliance completed its first year in 2023, benefiting millions of clients through ongoing collaborative work.

At the regional level, the affiliates increased their presence in all the markets where they operate and maintained their shares in three of the five home markets: LATAM Airlines Chile, LATAM Airlines Brazil and LATAM Airlines Peru. On the other hand, LATAM Airlines Colombia increased its market share by nine percentage points, with its quick reaction to allocate additional capacity in Colombia.

During the year, LATAM Pass strengthened its presence as the largest loyalty program in Latin America with more than 45 million members, being recognized as the "Best Program of the Year" by Frequent Traveler Awards in 2023.

As for LATAM Cargo S.A. and its cargo affiliates in Brazil and Colombia, they played an important role in local supply logistics and exports during the year. In fact, the affiliates in Colombia and Ecuador became the number one airlines in the transport of flowers. This is because cargo capacity, which is measured in ATK ("available ton-kilometers"), increased 14.6% in 2023 versus the previous year.

As published for 2024, the group is forecasting annual growth of between 12% and 14% in capacity for passenger operations (ASK) and between 10% and 12% in capacity for cargo operations (ATK).

This progress is the result of years of effort and learning, but we know that we still have a long way to go. We wish to continue strengthening LATAM group in each of our focus areas defined, guaranteeing safety and customer service and striving for efficiency, care for the environment and social well-being.

I would like to express my most sincere thanks to our clients who choose us every day, to the more than 35 thousand employees who are part of LATAM group. Their commitment to our mission has been fundamental in driving the group's progress, and enabling us to consolidate as a sounder group, always focused on the future.

Let us celebrate the present together and prepare for a future full of opportunities.

ROBERTO ALVO M.
CEO LATAM Airlines Group

02 *About us*

In this chapter

LATAM group

NCG 461: 6.1 INDUSTRIAL SECTOR AND 6.2 BUSINESSES

GRI 2-1, 2-6 AND 3-3

LATAM is one of the largest airline groups in the world and the largest in Latin America, with expansive passenger and cargo operations and the largest frequent flyer program in the region. Along this line, it has domestic operations in five South American countries: Brazil, Chile, Colombia, Ecuador and Peru. It also offers the best connectivity within, to and from Latin America, covering 148 destinations in 26 countries with its passenger operations, and 166 destinations in 33 countries with its cargo operations.

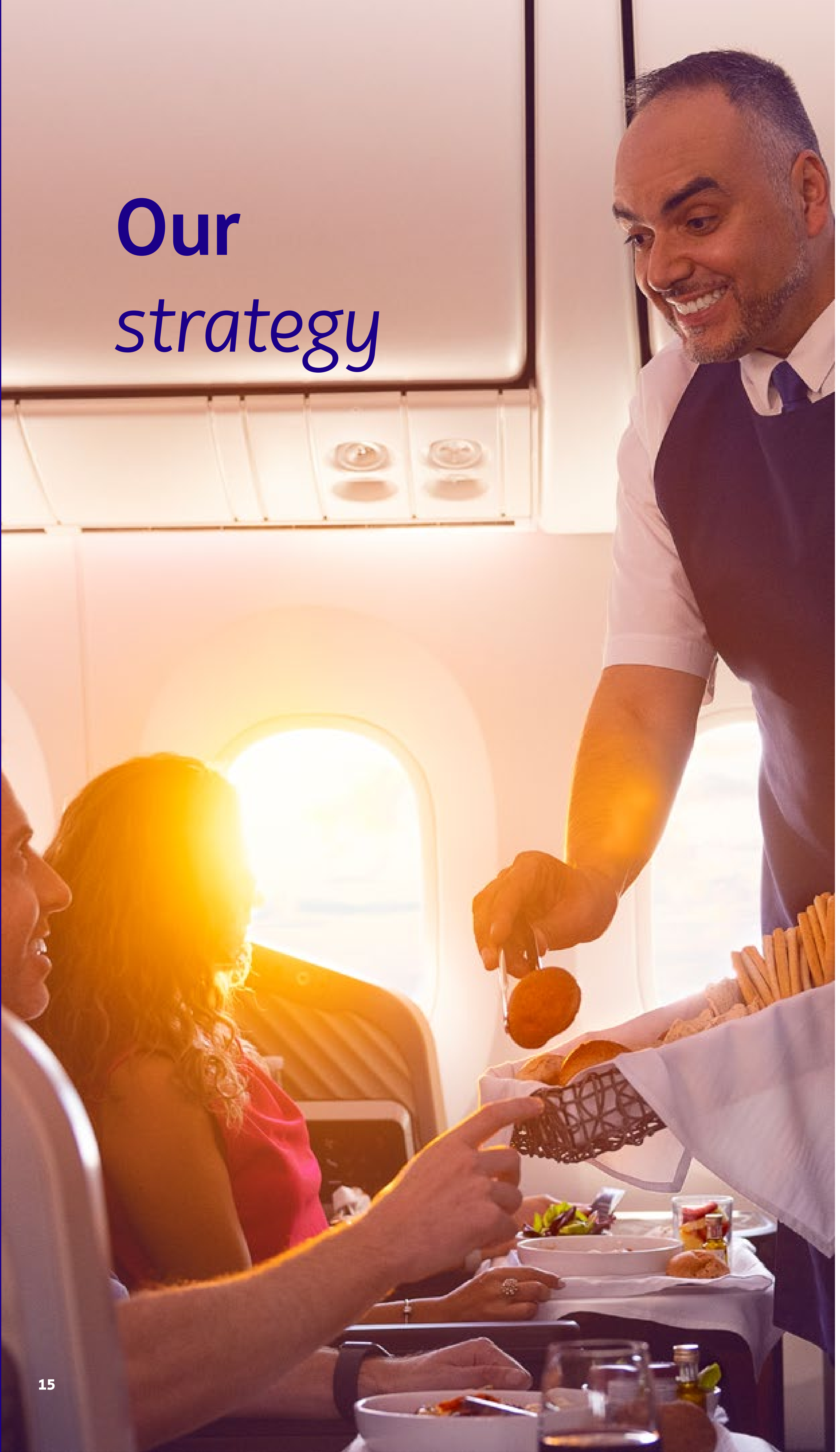
This network, together with the flight frequency and the connection possibilities that it offers to its passengers, enhanced with the connection hubs of São Paulo (Brazil), Santiago (Chile), and Lima (Peru), makes it a benchmark in the regional and global airline industry, enabling it to have a geographically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

After emerging from Chapter 11 of the US Bankruptcy Code, which it filed for in 2020, LATAM emerged as a more efficient and competitive group, with significant cost savings, a reduction in debt and a resulting improvement in capital structure. In 2023, the group continued to build on this path and improved its customer and employee satisfaction indicators, as well as adding 30 new aircraft to its fleet. In addition, it added 21 new routes, 17 of which are international and 4 are domestic.

On the other hand, in September 2023, LATAM and its affiliates completed one year of the joint venture with Delta Air Lines, which includes the markets of Brazil, Canada, Chile, Colombia, the United States, Paraguay, Peru and Uruguay. During this period, six new routes have already begun operations. This is in addition to what has already been achieved between LATAM and its subsidiaries, with Delta Air Lines since 2019, the year when they announced their agreement, which includes the accrual and redemption of miles, as well as benefits for passengers; shared terminals in the airports of Santiago (Arturo Merino Benitez International Airport), São Paulo (São Paulo - Guarulhos International Airport) and New York (John F. Kennedy International Airport); and mutual access to 53 Delta Sky Club lounges in the United States and five LATAM Lounges in South America.

Likewise, in 2023, the airline took significant steps in its commitment to improve its passengers' travel experience. This is verified by the Official Airline Guide (OAG), which states that LATAM was the second airline among the 20 largest airlines with the best on-time performance during 2023.

MORE INFORMATION



NCG 461: 2.1. MISSION, VISION, PURPOSE AND VALUES

We ensure that dreams reach their destination.

Purpose

Mission

Our mission is to connect the region with the rest of the world, providing a wide network for the transportation of cargo and passengers, in a safe manner and taking care of our customers, always seeking a balance between economic growth, efficiency, environmental care, and social well-being.

Vision

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

Values

Safety

We guarantee at all times our safety, the safety of our team and the seafety of our customers.

Being attentive

We genuinely care about people's needs and offer them a fair, empathetic, transparent, and simple (JETS) experience.

Sustainability

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

Pillars of the LATAM group strategy

NCG 461: 4.2 STRATEGIC OBJECTIVES & 4.1 TIME HORIZONS

LATAM undertakes an annual strategic planning process to review and/or establish the strategic objectives for the medium and long term, which are currently explained below:

1 To be a dedicated group focused on providing the best solution to our clients.

UNIQUE PRODUCT AND CONNECTIVITY

To be the airline that offers the best range of destinations to, from and within Latin America, offering an appealing frequent flyer program, and delivering alternatives for all our passengers, keeping in mind their reasons for traveling. To provide an excellent cargo service that makes the best use of our assets deployed across the continent and the world.

- **Unique network:** To continue to expand and diversify our route network to meet the growing demand and explore new opportunities towards the rest of the world.
- **Provide a diversified product:** To strengthen our business diversity, providing passengers and cargo clients with flexible choices.
- **Strategic agreements:** To bolster commercial agreements to improve global and regional connectivity that contribute to the sustainable growth and expansion of our network.

CUSTOMER EXPERIENCE AS A FOCAL POINT

To offer a customer-centric service, ensuring reliability, operational safety and generating loyalty through the LATAM Pass program, increasing the benefits to our passengers.

- **Comprehensive and personalized experience:** To improve the customer experience from flight selection to baggage arrival, emphasizing safety, autonomy and ease at every stage.
- **Investments in technology and digitization:** Committed to excellence, we continue to incorporate technology into key processes of the travel experience.
- **Reliability:** Deliver to all passengers and cargo customers, always and at all times, 100% of the products we promised to deliver.

CULTURE OF COMMITTED INDIVIDUALS

Maximize the motivation and commitment of our team to provide a close, cheerful and caring service, capitalizing on the passion and dedication of our people to constant customer care.

- **Development culture:** To strengthen organizational health through a culture of learning that encourages the professional and personal growth of our team.
- **Diversity and inclusion:** To build a diverse and inclusive workforce reflecting the plurality of the societies in which we operate.
- **Efficiency in talent management:** To improve efficiency in hiring and retention, consolidating effective leaders, ensuring pay equity and maintaining high standards of job security.

2 To be a financially sound and healthy group of companies

OPERATIONAL EXCELLENCE

To continue to provide a frictionless and safe operation for our employees and our clients,

- **Safety:** Absolute priority in delivering safety at all times. Which involves ensuring the safety of both our clients and our team.
- **On-time performance:** Taking care of our passengers' time. We make every effort to ensure that our flights depart and arrive on time at their destinations.
- **Proactive risk management:** To remain committed to proactive risk management, implementing preventive measures and keeping abreast of best practices.
- **Relations with suppliers:** To maintain a close and effective relationship with all our suppliers.

EFFICIENT PERFORMANCE AND A HEALTHY CAPITAL STRUCTURE

To maintain a sound capital structure, ensuring the long-term sustainability of the group through a robust financial structure, efficient operations, and sustainable growth.

- **Operating efficiency:** To maintain a competitive and efficient cost to ensure financial sustainability.
- **Sound financial indicators:** To maintain levels within our financial and liquidity policies.

3 To be a group of companies that takes on the challenges of the future

SOCIAL AND SUSTAINABLE ASSET

Through our role in transportation and connectivity, we seek to become an asset that promotes social, environmental and economic development in the places where we operate. We work to contribute to our community and environment through collaboration and the creation of long-term ties with the various groups with which we interact.

- Progress on sustainability issues through work based on the pillars of the **long-term sustainability strategy:** Environmental Management, Climate Change, Circular Economy and Shared Value.

DIGITAL INTEGRATION

To change the way in which we work to bolster the use of technology, integrating it into all our processes to improve our clients' experience and be more efficient and streamlined every day.

- **Continuous innovation:** To keep up with the latest technological trends and exploring new opportunities.
- **Security and data protection:** To ensure the security and privacy of our clients' data by implementing robust security measures and complying with relevant regulations.
- **Cybersecurity:** To constantly strengthen our culture and systems to safeguard the operation in its technological development, with efficient methodologies and infrastructures against risks.

SUSTAINABILITY: A NECESSARY DESTINATION

NCG 461 4.2 STRATEGIC OBJECTIVES

In 2021, the group launched its sustainability strategy, following a series of dialogs between the organization and representatives of its different stakeholders in the five countries where it is present with domestic operations. In this strategy, LATAM group seeks to move forward with challenging commitments, to play an active role in the region, generating economic, environmental and social value.

The aspirations and commitments that guide LATAM and its subsidiaries were constructed in line with the Sustainable Development aspirations (SDGs) established by the United Nations for 2030.

On the other hand, progress on the implementation of the sustainability strategy in each of its pillars (Environmental Management, Shared Value, Circular Economy, and Climate Change) is reported regularly to the Executive Committee and annually to the Board of Directors. In addition, in each of these pillars, decision-making bodies are developed, involving the executives who lead the respective initiatives.

SUSTAINABILITY COMMITMENTS AND GOALS

LATAM group seeks to contribute through the following aspirations and commitments:

• To maintain and continuously improve the Environmental Management System in all our operations under the IATA IEnvA standard.

• To achieve net zero in Direct emissions (Scope 1), using 2019 as the base year.

• To achieve net zero emissions by 2050.

• To reduce and/or offset the equivalent of 50% of domestic greenhouse gas (GHG) emissions by 2030, using 2019 as the base year.

• Aim to be a zero-waste-to-landfill group by 2027.

• To eliminate single-use plastics throughout the operation by 2023.

• To have the connectivity, capacity, and speed of our passenger and cargo operations for the benefit of communities in South America on three fronts: health, environment and natural disasters.

LATAM's sustainability strategy addresses the environmental and social needs of South America.

The progress and results achieved in 2023 on the sustainability aspirations are covered in the chapter called "Commitment to Sustainability" (Page 69).

SUSTAINABLE DEVELOPMENT GOALS

NCG 461: 4.2 STRATEGIC OBJECTIVES

GRI 2-23

LATAM is committed to the Sustainable Development Goals (SDGs) for 2030, established by the United Nations in 2015. In fact, it focuses its efforts on nine of them in particular:

HUMAN RIGHTS

NCG 461: 2.1 MISSION, VISION, PURPOSE AND VALUES; 4.2. STRATEGIC OBJECTIVES; 5.5 WORKPLACE AND SEXUAL HARASSMENT

GRI 2-23 & 3-3

In order to generate social, environmental and economic value under ethical principles, LATAM group made a public commitment to respect Human Rights in 2018. This document defines the principles that its employees, partners, and third parties must follow, including the rejection of child labor, forced labor and labor similar to slavery or situations of moral, physical and sexual harassment; and the commitment to freedom of association, health and safety, fair remuneration, adequate working conditions without restrictions on gender, race, age, sexual orientation, religion, and nationality.

This commitment was designed following international guidelines, such as the Universal Declaration of Human Rights, the Charter of the United Nations and the Fundamental Principles and Rights at Work of the International Labour Organization (ILO), and it sets forth the envisaged consequences in case of of breaches.

In this regard, it should be noted that LATAM has an ethics channel that seeks to detect any violation of human rights, which is available to everyone who interacts with the organization, including Board members, employees and stakeholders. This channel is constantly monitored by the Compliance team and, in the event that a case is confirmed, LATAM applies plans for both the individuals involved and the groups affected, ranging from training, feedback, and suspensions, even to contract termination, legal action or other measures that may be applicable.

In addition, the company has mitigation measures in place to prevent such situations, as well as for cases where remediation is required, as defined in its internal procedures.

In 2023, LATAM received 20 reports of sexual harassment and 64 reports of moral harassment under Chile's law No. 20,005 and equivalent legislation in foreign jurisdictions where the group operates. All of them followed the corresponding procedure according to the policies of each country.

UN Global Compact and Guiding Principles on Human Rights

LATAM group adheres to the UN Global Compact, which mobilizes the international business community to adopt, in their business practices, fundamental and internationally accepted values in the arena of human rights, labor relations, environment, and anticorruption.

Nonetheless, LATAM does not formally adhere to the United Nations Guiding Principles on Business and Human Rights.

MORE INFORMATION

Human Rights:

- *Declaration of Commitment*
- *Risk mitigation actions*

BENCHMARKING

LATAM group uses the Standard & Poor's Global (S&P Global) Corporate Sustainability Assessment (CSA) as a management, measurement and benchmarking tool. Every year, nearly three thousand companies from more than 60 different industries participate in this questionnaire, which measures their economic, social and environmental performance under some cross-cutting criteria and others specific to each sector. In addition, the results of the process are the basis of information used by the Dow Jones Sustainability Indexes (DJSI) to determine membership.

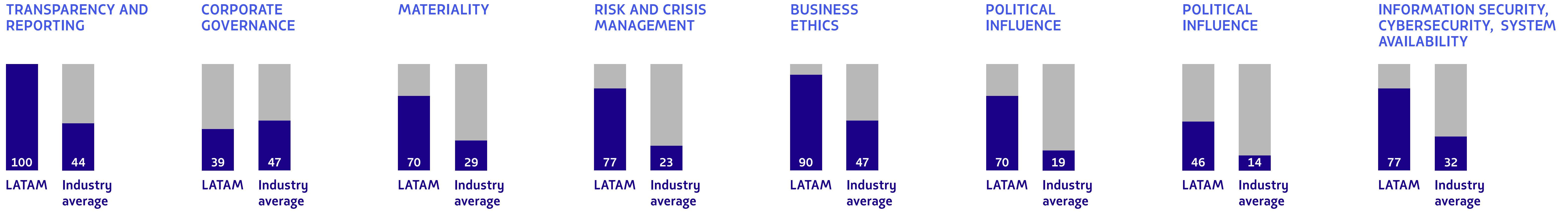
The 2023 evaluation questionnaire completed by LATAM group considered 26 criteria and 114 sub-criteria corresponding to the airline industry. In a year with relevant changes in the requirements, the organization obtained a score that allowed it to be ranked seventh in its industry at a global level and first among Latin American airlines.

S&P GLOBAL SUSTAINABILITY YEARBOOK 2024

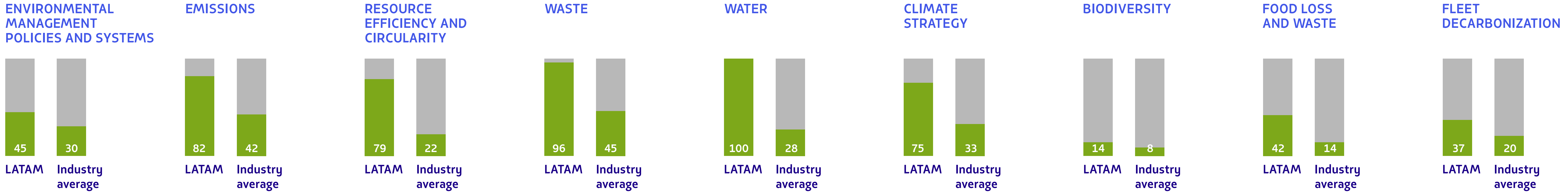
LATAM group was highlighted in the S&P Global Sustainability Yearbook 2024, the prestigious publication that recognized leaders based on their 2023 Corporate Sustainability Assessment (CSA).

RESULTS OF THE 2023 CORPORATE SUSTAINABILITY ASSESSMENT

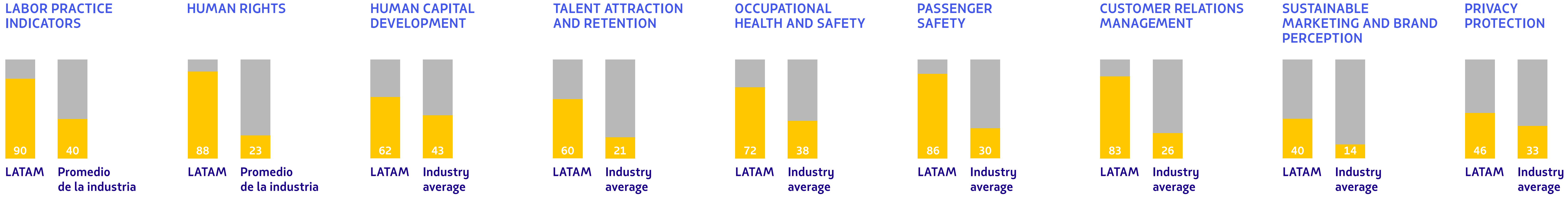
ECONOMIC DIMENSION AND CORPORATE GOVERNANCE



ENVIRONMENTAL DIMENSION



SOCIAL DIMENSION IN 2023



**Results obtained from the S&P Global CSA platform as at February 29, 2024.*

Value generation model

INPUTS	ACTIVITIES	RESULTS	IMPACTS
• LATAM group makes use of capital of various natures (human, financial, natural, intellectual, social and relational, and industrial) that serve as inputs to carry out its own business.	• LATAM group transforms these inputs into results and impacts through its activities.	• Materialization of the work: The results are the most visible dimensions of the operation.	• The added value of the LATAM group lies in its capacity to generate lasting positive impacts for the business and its stakeholders.

INPUTS

Human Capital
• Employees

Financial Capital
• Revenues
• Capital
• Assets

Natural Capital
• Jet Fuel

Intellectual Capital
• Knowledge of the region and the business.
• Operating licenses and slot rights at airports.
• Management Systems (environmental and security).
• Analytics (customizing the customer experience).

Social and Relational Capital
• Frequent Flyer Programs
• LATAM brand
• Relations with authorities and industry
• "Avión Solidario" program

Industrial Capital
• Fleet
• Maintenance Bases
• Hangars

ACTIVITIES

What we do and how we do it

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

Sustainability
• Environmental management
• Climate change
• Circular economy
• Shared Value

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

RESULTS

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

IMPACTS

Customer-centric value proposition

• **For LATAM:** Different customer profiles and segments, as well as revenue diversification.
• **For stakeholders:** Offering adjusted to different needs and expectations, as well as autonomy and freedom of choice.

Connectivity
• **For LATAM:** Market share and leadership in the region.
• **For stakeholders:** Mobility and economic momentum.

Safety
• **For LATAM:** reliability
• **For stakeholders:** trust

Eco-efficiency
• **For LATAM:** Competitive edge and cost reduction.
• **For stakeholders:** Natural resource economy, and less environmental and noise impact.

Commitment to the region
• **For LATAM:** To be a relevant player in society, and to have an identity and purpose.
• **For stakeholders:** Economic development, social strengthening and environmental care.

Strategic dialog
• **For LATAM:** Knowledge sharing, industry development and compliance.
• **For stakeholders:** Joint construction and topics of interest of the various audiences.

Timeline

NCG 461: 2.2 HISTORICAL INFORMATION

LATAM group's history began in 1929 with the emergence of Línea Aérea Nacional de Chile (LAN). Later, in 1946, it made its first international expansion through a trip that included the Santiago (Chile) - Buenos Aires (Argentina) route. Subsequently, routes to Lima (Peru), Miami (United States) and later to Europe were added.

In 1983, Línea Aérea Nacional Chile Limitada was incorporated by Corporación de Fomento a la Producción (CORFO) which, in 1985, became a corporation under the name of LAN Chile. In 1989, the privatization process began. In 1997, on its growth path, this airline began trading on the New York Stock Exchange (NYSE), trading American Depositary Receipts (ADRs). Thus, it became the first Latin American airline company to achieve this milestone.

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

In 2020, the LATAM group experienced one of the most challenging periods in its history with the COVID-19 pandemic, which affected all its operations; this meant that the subsidiaries in Brazil, Chile, Colombia, Ecuador, the United States and Peru had to file for Chapter 11 of the US Bankruptcy Code. In November 2022, LATAM and its subsidiaries successfully completed their restructuring process, managing to restructure their debt and raise funding to prepare for a new stage in their history.

Finally, during 2023, the LATAM group strengthened its operations after its exit from Chapter 11, proving clarity in both its strategic and financial objectives. In addition, it reached the one-year mark since the start of its joint venture with Delta Air Lines, which applies to eight markets in North and South America (Brazil, Canada, Chile, Colombia, the United States, Paraguay, Peru and Uruguay).

Important LATAM group milestones since 1929

1929

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

1947

LAN's first international flight: the route was Santiago (Chile) – Buenos Aires (Argentina).

1956

Inauguration of travel to Lima by LAN (Peru).

1958

LAN begins operations to Miami (United States).

1961

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

1970

LAN begins to offer flights to Europe.

1975

Establishment of TAM Transportes Aéreos Regionais by Captain Rolim Adolfo Amaro.

1976

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

1983

Incorporation of Línea Aérea Nacional Chile Limitada through CORFO.

1985

LAN becomes a corporation (LAN Chile).

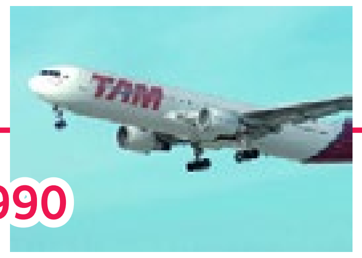
1986

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

1989

The privatization process of LAN Chile is carried out: The Chilean government sells 51% of its equity to domestic investors and to Scandinavian Airlines System (SAS).

1990



VOTEC is renamed Transportes Aéreos Meridionais (TAM).

1993

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

1994

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

1996

TAM buys airline Lapsa from the Paraguayan government and creates TAM Mercosur. Along this line, the São Paulo (Brazil) – Asunción (Paraguay) route begins.

1997

LAN Chile publicly lists its shares on the New York Stock Exchange (NYSE), becoming the first Latin American airline to trade American Depositary Receipts (ADRs).

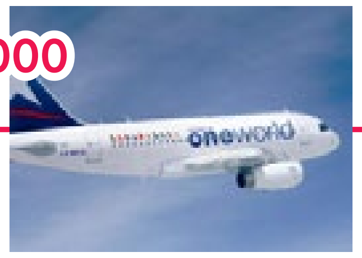
1998

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

1999

LAN Chile's expansion process begins: start of LAN Peru.

2000



LAN Chile joins oneworld®, an alliance of fourteen commercial airlines.

2001

LAN Chile's alliance with Iberia and inauguration of the Cargo terminal in Miami (United States). Likewise, TAM opens the Technology Center and Service Academy in São Paulo (Brazil).

2002

LAN Chile's alliance with Qantas and Lufthansa Cargo.

2003

LAN Chile's expansion process continues: start of LAN Ecuador.

2004

Corporate Image Change: LAN Chile becomes LAN Airlines, which launches the new business class for flights to Paris (France) and Miami (United States). Meanwhile, TAM begins to fly to Santiago (Chile).

2005

Progress in LAN Airlines' regional expansion plan: start of LAN Argentina. Meanwhile, TAM is publicly listed on the São Paulo Stock Exchange (Bovespa) and announces flights to New York (United States) and Buenos Aires (Argentina).

2006

TAM starts flying to London (United Kingdom), Zurich and Geneva (Switzerland) through an agreement with Air France. It also launches the new "Premium Business" class and is publicly listed on the New York Stock Exchange (NYSE).

2007

TAM launches the Milan (Italy) and Cordoba (Spain) route. In addition, Brazil's National Civil Aviation Agency (ANAC, for its Portuguese acronym) authorizes TAM to begin flights to Madrid (Spain) and Frankfurt (Germany). Meanwhile, LAN Airlines implements the Low Cost model in domestic markets and receives a capital increase of ThUSD$320,000.

2008

TAM completes the short-haul fleet renewal process, consisting of A320-family aircraft and receives the first Boeing 777-300ER.

2009

Start of cargo operations in Colombia and passenger operations in the domestic market in Ecuador. In addition, TAM launches the "Multiplus" miles program.

2010

LAN Airlines acquires Colombian airline Aires and TAM officially joins Star Alliance, the airline alliance founded in 1997.

2011

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

2012

LATAM Airlines Group S.A. is born from the association of LAN Airlines and TAM. Here, there is an issuance of 2.9 million shares.

2013

LATAM makes a capital increase of USD$940.5 million.

2014

TAM joins oneworld®, making oneworld® the global alliance for LATAM Airlines Group.

2015

LATAM begins its "Strategic Plan 2015– 2018", focused on becoming one of the most important airline groups in the world.

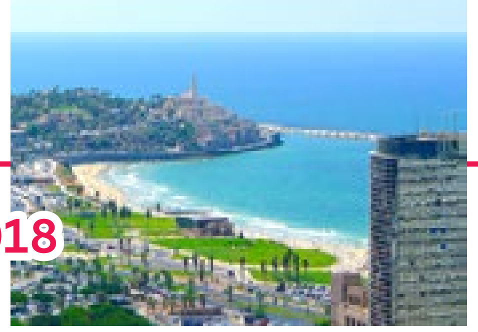
2016

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

2017

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

2018



Inauguration of the first flight to Asia (Tel Aviv, Israel) and a new sales model reaches international flights.

2019

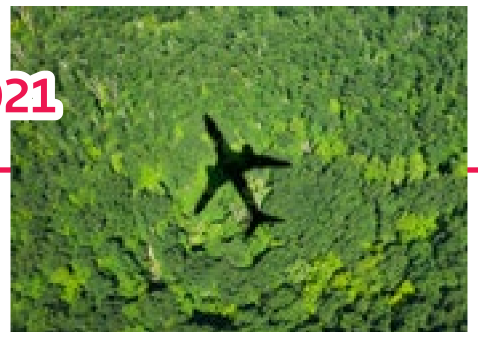
Announcement of strategic agreement with Delta Air Lines to provide more and better options to passengers through a complementary network of connections between Latin and North America. In turn, LATAM announces its exit from the oneworld® alliance as of May 1, 2020, to begin offering miles/benefits with airlines that have some type of partnership.

2020

LATAM and its subsidiaries in Brazil, Chile, Colombia, Ecuador, Peru and the United States enter the financial reorganization process under Chapter 11 of the US Bankruptcy Act and obtain access to up to USD$2.45 billion in debtor-in-possession (DIP) financing. Moreover, the E-Business unit launched, with the aim of improving the digital customer experience. In addition, initiatives are developed to support the fight against COVID-19 in South America.

2021

Launch of the new Sustainability Strategy and LATAM makes public its five-year business plan (2022-2027), and presents its reorganization plan under Chapter 11 of the US Bankruptcy Law.

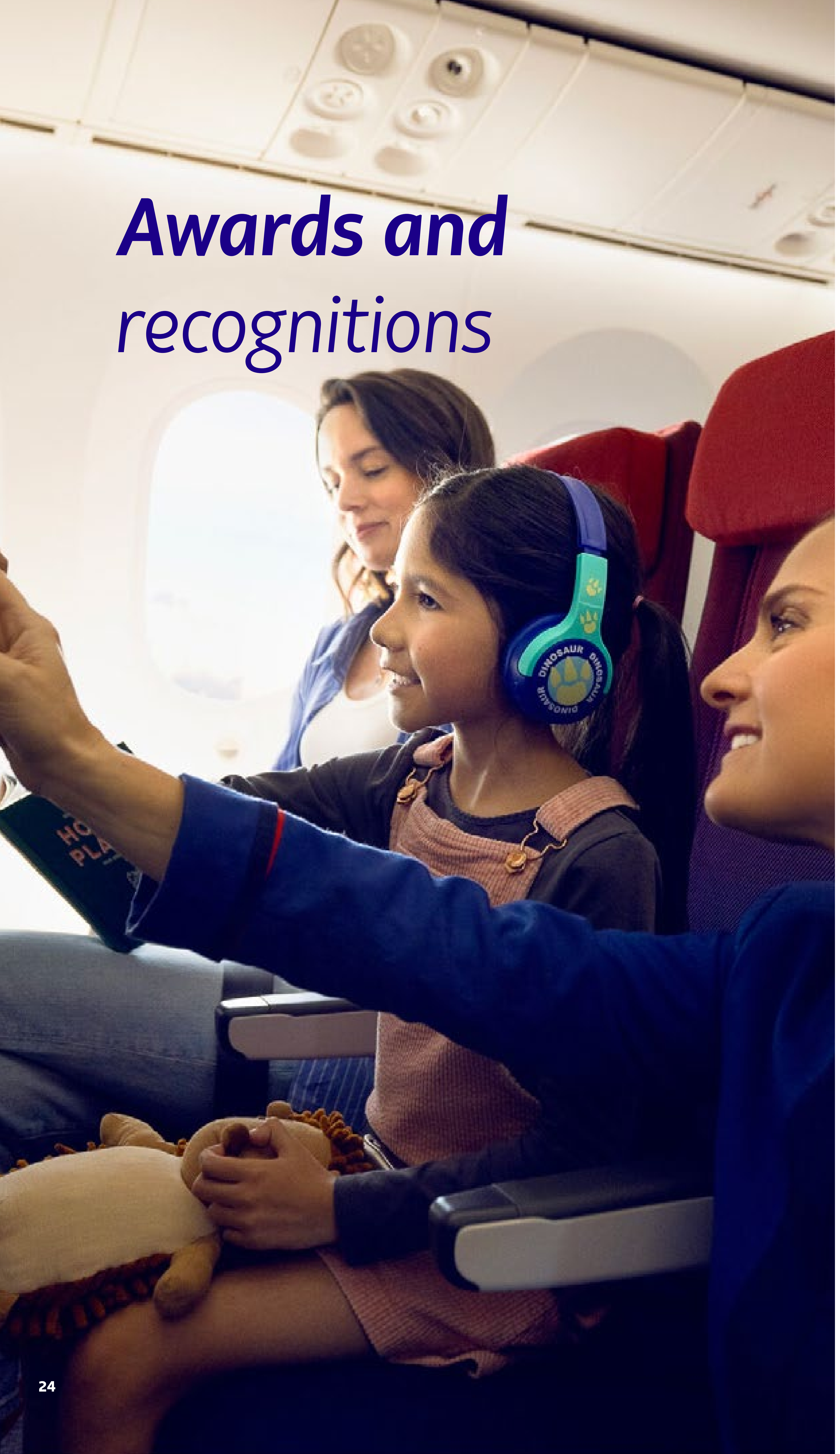


2022

LATAM group and its subsidiaries successfully exit Chapter 11 of the US Bankruptcy Law. On the other hand, the joint venture with Delta Air Lines, which applies to the markets of Brazil, Canada, Chile, Colombia, the United States, Paraguay, Peru and Uruguay, is approved.

2023

The joint venture between LATAM and Delta Air Lines, between North America (United States/Canada) and South America, reaches the one-year mark. In turn, LATAM is making progress on the implementation of its sustainability commitments with a 96% reduction of single-use plastics, equivalent to more than 1,700 tons.



Awards and recognitions

☆ ONBOARD HOSPITALITY AWARDS

LATAM was recognized in the Sustainability category of the Onboard Hospitality Awards 2023, for three of its circular economy projects implemented in its in-flight service.

☆ AIR CARGO INNOVATION AWARD - INTERNATIONAL AIR TRANSPORT ASSOCIATION (IATA)

LATAM group's cargo subsidiaries received this award from IATA for their plastic reduction projects in their Chilean and Brazilian operations.

☆ WORLD AIRLINE AWARDS | SKYTRAX

The Skytrax World Airline Awards, which is considered the airline industry's most important award, named LATAM the "Best Airline in South America" for the fourth consecutive year. In addition, LATAM was recognized for the second consecutive year in the category of "Best Airline Staff in South America" and was also awarded for "Best Business Cabin in South America", "Best Economy Cabin in South America" and "Best Business Class VIP Lounge in South America".

☆ APEX PASSENGER CHOICE AWARDS

APEX recognized LATAM for the second consecutive year with the highest rating in the global airline category. In particular, it was recognized in the Passenger Choice Awards (PCAs), which is based on customer voting among more than 600 airlines worldwide, for having the "Best Seat Comfort" and "Best Catering" in South America.

☆ WORLD TRAVEL AWARDS 2023

World Travel Awards recognized LATAM group for the eighth consecutive year in the "Leading Airline in South America" category. Likewise, it was awarded in the "Best Airline Application in Latin America" and "Best Airline Website in Latin America" categories, too.

☆ FREQUENT TRAVELER AWARD

For the eighth consecutive year, the World Travel Awards recognized LATAM group in the "Leading Airline in South America" category. It also won in the categories of "Best Airline Application in Latin America" and "Best Airline Website in Latin America".

☆ SUSTAINABILITY AWARD | THE INTERNATIONAL AIR CARGO ASSOCIATION (TIACA)

LATAM Cargo was recognized in the fifth edition of the Air Cargo Sustainability Award presented by The International Air Cargo Association (TIACA), for the initiatives of the LATAM group's sustainability strategy.

☆ RESILIENT BRANDING | CADEM CITIZEN BRANDS

After facing and successfully overcoming the worst crisis in its history due to the Covid-19 pandemic, LATAM Airlines Group was awarded as "Resilient Citizen Brand" in the 13th edition of CADEM's "Citizen Brands" study.

☆ THE SUSTAINABILITY YEARBOOK 2024 | S&P GLOBAL

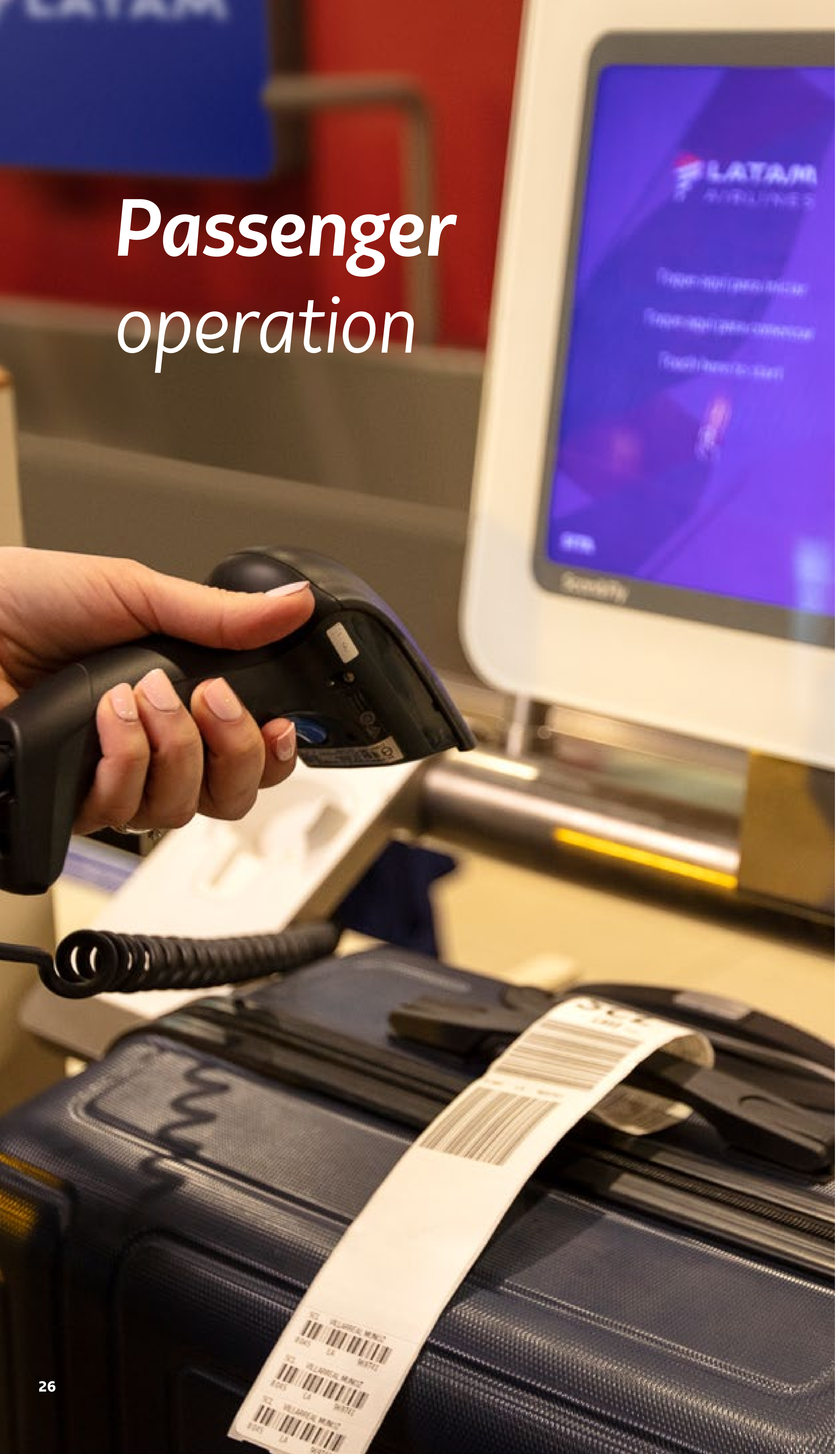
LATAM's results in the Corporate Sustainability Assessment (CSA) ranked it seventh in the global airline industry and first in Latin America. In addition, its performance was recognized by S&P Global's Sustainability Yearbook, which highlights leading companies for the sustainability practices and transparency in their businesses.

For the fourth consecutive year, LATAM was recognized with the World Airline Award from Skytrax as "Best Airline in South America"

03 *Operations*

In this chapter

Passenger operation



GRI 3-3, 2-1 & 2-6

By December 2023, LATAM group had increased the number of passengers transported by 18.3% compared to the previous year, approaching 74 million passengers transported, a figure similar to the pre-pandemic levels. In fact, the group's capacity in this segment, which is measured in ASK (available seat-kilometer), increased from 113,852,000 in 2022 to 137,251,000 at the end of last year, translating into 20.6% growth. In addition, the LATAM group closed last year operating a total of 148 destinations in 26 countries.

In detail, **in domestic markets**, the passenger operations of LATAM affiliates in Brazil, Chile, Colombia, Ecuador and Peru reached a size above that of 2022 in terms of capacity. Along these lines, in 2023, LATAM Airlines Chile averaged 149.8 flights per day, while LATAM Airlines Brazil averaged 675.1 flights per day. Meanwhile, the combined operations of LATAM Airlines Colombia, LATAM Airlines Ecuador and LATAM Airlines Peru recorded an average of 210.2 flights per day.

On the other hand, LATAM Airlines Brazil operated 9.5% more capacity (ASK) in 2023 compare to the previous year, covering a total of 66 destinations. In fact, a total of 12.9 million passengers were transported within Brazil. In turn, passenger demand in "Spanish-speaking countries" (SSC), measured in RPK (revenue passenger-kilometer), grew by 8.1% during 2023, while supply, which is measured in ASK, increased 6.8% and the load factor reached 82%, one percentage point higher than in 2022.

It is worth mentioning that **the passenger operations of LATAM group subsidiaries at the domestic level** cover a total of 110 destinations and that, during 2023, 61 million passengers were transported—i.e., 12.9% more than in the previous year.

On the other hand, **in the international market,** which considers flights within the Americas (North America, and Latin America and the Caribbean) and to three other continents (Africa, Europe and Oceania), the offer for passengers by LATAM group (ASK) increased by 36.2% in 2023 compared to 2022, while passenger demand (RPK) rose by 39.4% during the same period. In this scenario, a total of 13 million passengers flew with LATAM group to international destinations during 2023 and the load factor was 84.9%, 1.9 percentage points above the level recorded in 2022.

STRATEGIC AGREEMENT

LATAM completed one year of implementation of the *joint venture* with Delta Air Lines, which has enabled the launch of six new routes, approximately 15,000 flights, more than three million passengers transported and more than 90 million kilometers flown. In fact, Miami, LATAM group's main hub in the United States, has seen a 10% increase in capacity, expanding connection opportunities to 11 of the cities Delta serves.

New routes

Of the six new routes, four are operated by LATAM Airlines Group S.A.: Atlanta, USA - Lima, Peru; Bogota, Colombia - Orlando, USA; Medellin, Colombia - Miami, USA; and São Paulo/Guarulhos, Brazil - Los Angeles, USA. Two others are operated by Delta Air Lines: Atlanta, USA - Cartagena de Indias, Colombia; and Rio de Janeiro/Galeão - New York/John F. Kennedy, USA.

During 2024, LATAM and its affiliates with Delta Air Lines will seek to open more new routes to connect more and more passengers between South America and North America.

PROGRESS ON THE *JOINT VENTURE* WITH DELTA AIR LINES SINCE ITS BEGINNING (2022)

6 operational routes

4 routes
operated by LATAM Airlines Group S.A.

2 routes
operated by Delta Air Lines

15,000 flights

3,000,000 + passengers transported

90 million + km traveled
equivalent to the distance between Earth and Mars

LATAM group's passenger operations in 2023

NCG 461: 6.1 INDUSTRIAL SECTOR

BRAZIL

52

Destinations

39%

Domestic market share

Main competitors
Gol and Azul

CHILE

16

Destinations

61%

Domestic market share

Main competitors
Sky Airlines and JetSmart

COLOMBIA

18

Destinations

32%

Domestic market share

Main competitors
Avianca, EasyFly, Satena and Wingo (Copa Airlines Colombia)

ECUADOR

7

Destinations

44%

Domestic market share

Main competitors
Avianca

PERU

19

Destinations

63%

Domestic market share

Main competitors
Sky Airlines Perú, JetSmart Perú and Star Perú

Source: ANAC website (Brazil) and market share considers RPKs as at December 2023.
Source: JAC website (Chile) and market share considers RPKs as at December 2023.
Source: DGAC website (Peru) and market share considers the number of passengers as at December 2023.
Source: Diio.net. webiste (Colombia and Ecuador) and market considers ASK as at December 2023.

74 million *passengers*

Consolidated traffic (RPK): 114,007,000
Capacity (ASK): 137,251,000
Load factor: 83.1%

148 *LATAM group destinations*

North America: 8
South America: 128
Europe: 8
Asia and Australasia: 3
Africa: 1

346 *codeshare destinations*

North America: 112
South America: 62
Europe: 94
Asia: 41
Australasia: 18
Africa: 19

National park Barreirinhas Maranhao, Brazil.

Cargo operation

GRI 2-6, 3-3 & 203-2

The group's cargo operations stand out for their high transportation capacity, extensive connectivity and expertise in the handling of cargo transported to, from and within South America. Within it, the main exports include flowers, fish and fruit, and imports include technological products, critical spare parts and pharmaceutical products, among others. The figures provided by WorldACD—a Dutch global benchmark in cargo market data—indicate that, in 2023, the LATAM Cargo group transported 45% of the fish exported from Chile, 40% of the perishables from Peru, such as asparagus, fish and fruit, and 88% of the fish and 16% of the fruit exported by Brazil. Likewise, in the flower export market, it transported 40% of the cargo from Colombia to North America and 65% from Ecuador, standing as the leader in the transportation of flowers from both countries.

In absolute terms, throughout 2023, 945,500 tons of cargo were transported, translating into an increase of 4.9% compared to the figure from 2022. In terms of contribution, cargo operations represent 13% of the LATAM group's consolidated revenues.

Last year, freight revenues decreased by 17% in the period compared to 2022. Meanwhile, revenue per ATK (available ton-kilometers) decreased by 28%, influenced by a 21.3% reduction in yield. The latter was the result of a combination of a normalization of demand after the peak produced by the pandemic and the recovery of belly capacity (transport in the hold of passenger aircraft) at the industrial level. On the other hand, load factor was 51.7%, while cargo capacity increased by 15 as a result of the progress made in the three-year cargo fleet expansion plan, which began in 2021.

This growth plan is consistent with the group's long-term strategy of expanding the Boeing 767-300 freighter fleet to between 19 and 21 aircraft. In view of the speedy recovery of belly capacity, the group opted for a fleet of 19 of these aircraft, which are the ideal model to operate in the region thanks to their efficiency, versatility and size. This plan includes the staggered replacement of some of the older freighters, which is why by the end of 2023, the fleet included 20 Boeing 767-300F/BCF aircraft. With this progress, LATAM Cargo achieved a growth of more than 70% in its cargo capacity compared to 2019.

In addition, during 2023, LATAM group's cargo airlines developed new routes and worked to strengthen their value proposition, diversify their revenues and increase their productivity. In this sense, last year the company continued to make progress on the implementation of the new technological system, which had been implemented in international operations in 2022, now adding domestic cargo operations in Brazil. The system will provide clients with more and better information about their cargo, deliver a more efficient service and a better user experience, as all shipment data—from quote to payment—is integrated into a single end-to-end platform. It also strengthened its long-standing partnerships with *Webcargo* and *cargo.one*, two digital marketplaces specializing in international cargo transportation.

The cargo airlines of LATAM group are key players in the local supply chain and the export industry.

CARGO CUSTOMER SATISFACTION

The LATAM Cargo group's efforts in the design and execution of its value proposition were reflected in the evolution of the Net Promoter Score (NPS), a metric used in customer experience programs, reaching 58 points in 2023. This figure represents a seven-point uptick over 2022 and was the best in the history of the cargo business since the measurement began in 2016.

30 points
2021

51 points
2022

58 points
2023

33
Countries

7
exclusively for cargo
Belgium, El Salvador, Guatemala, Guyana, Honduras, Netherlands and Panama. **vs. 3 in 2022**

166
Destinations

18
exclusively cargo hubs
Amsterdam, Netherlands; Brussels and Liege, Belgium; Chicago, Huntsville and Houston, United States; Cabo Frio, Campinas and São José dos Campos, Brazil; Ciudad del Este, Paraguay; Guatemala City, Guatemala; Panama City, Panama; Santo Domingo, Dominican Republic; San Salvador, El Salvador; San Pedro Sula, Honduras; Santa Lucia, Mexico; Timehri, Guyana; and Zaragoza, Spain. **vs. 10 in 2022**

Tons of cargo transported

945,500
in 2023

900,600
in 2022

801,500
in 2021

Cargo capacity (ATK)

7,171
million ATK in 2023

6,256
million ATK in 2022

4,788
million ATK in 2021

SUPPORT TO EXPORT INDUSTRIES IN SOUTH AMERICA

Market share by country

GRI 203-2

BRAZIL

88% *of fish and*
16% *of fruit*

CHILE

45% *of fish*

COLOMBIA

40% *of flowers*

ECUADOR

65% *of flowers*

PERU

40% *of perishable products, such as asparagus, fish and fruit*

Source: WorldACD, considering subsidiaries Absa, Lanco and LATAM Cargo.

CERTIFICATIONS

Since 2022, and being the first in the world to obtain it, the cargo airlines of LATAM group have the certification Center of Excellence for Independent Validators (CEIV) of lithium batteries certification from the International Air Transport Association (IATA), aimed at improving safety in the handling and transportation of lithium batteries throughout the supply chain. This is because these batteries, whether alone or inside finished products, pose a risk due to their high level of combustion, and their transportation must comply with global safety standards covering the manufacturing process, testing, packaging, branding, labeling, and documentation included.

Along these lines, the LATAM Cargo group quickly passed the audit process, thus confirming the quality of its risk control and mitigation processes, which also extends to passenger operations, as all LATAM group transports follow the same processes and protocols.

Likewise, since 2017, the group has also held IATA's CEIV Pharma certification, which guarantees compliance with safeguarding the integrity of pharmaceutical products requiring a certain temperature until their final destination. The certification was fundamental to the support that LATAM provided at the time to countries with the mass transportation of COVID-19 vaccines.

In 2023, LATAM Cargo received two prestigious sustainability awards. The first, the IATA Innovation Award, was given in recognition of its Circular Economy initiatives aimed at reducing the use of plastic in its operations. The company also received the Air Cargo Sustainability Award from TIACA, a leading organization in the air cargo industry. This recognition was attributed to the LATAM group's sustainability strategy and the progress made by the cargo subsidiaries within the three fundamental pillars of this strategy.

Fleet

GRI 3-3
SASB TR-AL-000.F

As of December 31, 2023, the LATAM group's total fleet consists of 333 aircraft with an average age of 11.48 years.

In this regard, the long-haul international operation has 57 wide-body aircraft, all Boeing, (Models 767, 777, and 787 Dreamliner versions 8 and 9), worldwide benchmarks for fuel efficiency and reduction of greenhouse gas (GHG) emissions and noise. Meanwhile, the fleet dedicated to domestic and regional operations in South America consists of 256 narrow-body Airbus aircraft (models A319, A320, A321, A320neo and A321neo). We should note that "neo" aircrafts use more efficient engines and feature aerodynamic improvements and the latest technologies, which provide 20% more fuel efficiency and improvements in related carbon emissions.

On the other hand, LATAM group's operating cargo fleet totaled 20 Boeing 767F and Boeing 767BCF aircraft by 2023. In fact, since 2021, the group has been making progress on its plan to expand its cargo fleet through the conversion of 10 passenger aircraft to freighters. Along these lines, throughout 2023, four Boeing 767 passenger planes converted for the cargo operation arrived, thus completing its fleet growth plan announced in 2021, and achieving an increase of more than 70% of its cargo capacity, compared to 2019. As for 2024, the group will continue to make progress in expanding its fleet.

MAINTENANCE

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

In Brazil, there are two bases: one is located in São Carlos and has capacity for nine narrow-body or wide-body aircraft, while the other is in Guarulhos and has capacity for LG and check C replacements for B777 and 24M for the narrow-body fleet, 1 service line. In Chile, it is located in Santiago and can simultaneously service two narrow-body and one wide-body aircraft, and in Lima (Peru), 24M narrow-body aircraft are serviced with one production line.

During 2023, the four bases were responsible for 186 maintenance services, representing 89% of total fleet maintenance and a total of 1.5 million man-hours worked. In turn, the rest of the aircraft were serviced by external vendors.

On the other hand, line maintenance (minor, preventive and corrective tasks) is distributed across different LATAM group hangars located in Congonhas and Guarulhos/São Paulo (Brazil); Santiago (Chile); Bogotá (Colombia); Quito (Ecuador); Miami (United States) and Lima (Peru), among others. This network offers various automated and integrated services that ensure compliance with all safety requirements and with local and international regulations.

However, it should be noted that, in terms of maintenance, the LATAM group also invests in the replacement of engines with more modern and fuel-efficient models, thus contributing significantly to the reduction of the fleet's carbon footprint and the promotion of more sustainable practices in the aviation industry. Along this line, it has modified the Serial System Controllers of the Auxiliary Power Units (APU SSC) of the A320-200 aircraft for the APU 131-9A, which is configured to reduce fuel consumption. In fact, the savings are approximately 2.5% per year.

30
aircraft received in 2023

5 Wide-body
25 Narrow-body

333 is the total number of aircraft in the LATAM group's fleet in 2023

OPERATING FLEET

AT DECEMBER 31, 2023	AIRCRAFT ON RIGHT OF USE UNDER IFRS16	AIRCRAFT ON PROPERTY, PLANT & EQUIPMENT	TOTAL
Passenger fleet[1]			
Airbus A319-100	1	39[2]	40
Airbus A320-200	46	90[3]	136
Airbus A320neo	23	1	24
Airbus A321-200	30	19	49
Airbus A321neo	7	0	7
Boeing 767-300ER	0	11	11
Boeing 777-300ER	6	4	10
Boeing 787-8	6	4	10
Boeing 787-9	24	2	26
Total	**143**	**170**	**313**
Cargo Fleet			
Boeing 767-300F	1	19[4]	20
Total	**1**	**19**	**20**
Total fleet	**144**	**189**	**333**

[1] All passenger aircraft bellies are available for cargo.
[2] Includes 28 Airbus A319-100 aircraft classified as non-current assets and available for sale.
[3] Includes 7 Airbus A320-200 aircraft classified as non-current assets and available for sale.
[4] Includes 3 Boeing B767-300 Freighter aircraft classified as non-current assets and available for sale.

For more information 2,3 and 4, see the Consolidated and Audited Financial Statements.

	LENGTH (M)	WINGSPAN (M)	SEATS	CRUISE SPEED (KM/H)	MAXIMUM TAKE-OFF WEIGHT (KG)
Passenger Operation – short haul/*narrow-body* fleet					
Airbus A319-100	33.8	34.1	144	830	70,000
Airbus A320-200	37.6	34.2	180	830	70,000
Airbus A320 -200neo	37.7	34.3	180	830	70,000
Airbus A321-200	44.5	34.4	224	830	89,000
Airbus A321- neo	44.5	35.8	224	800	93,500
Passenger operation – long haul /*wide-body* fleet					
Boeing 767 -300ER	54.9	47.6	233	851	186,880
Boeing 777 -300ER	73.9	64.8	410	894	346,500
Boeing 787-8	56.7	60.2	247	903	227,900
Boeing 787-9	62.8	60.3	300	903	252,650
Cargo operations					
Boeing 767 – 300F	54.9	47.6	N/A	851	186,880

SNAPSHOT

	UNIT	2021	2022	2023
Passenger operation SASB TR-AL-000.A, TR-AL-000.B, TR-AL-000.C, TR-AL-000.E				
Capacity (ASK)	ASK- million	67,636	113,852	137,251
Revenue passenger-kilometer (RPK)	million	50,317	92,588	114,007
Load factor (ASK)	%	74.40%	81.3%	83.1%
Revenues/ASK	USD$ cents	4.9	6.7	7.4
Total PAX transported	thousands	40,195	62,467	73,898
Passenger flights per year	N/A	N/A	439,309	522,558
Cargo operations SASB TR-AL-000.D				
Capacity	ATK- million	4,788	6,256	7,171
Revenue tons-kilometer	RTK- million	3,035	3,532	3,704
Load factor	ATK(%)	63.4%	56.5%	51.7%
Revenues/ATK	USD$ cents	32.2	27.6	19.9
Tons transported	thousands	801.5	900.6	945.5

RTK: revenue ton-kilometers
ATK: Available ton-kilometers

N/A: Not applicable
N/A: Not Available

04 Corporate Governance

In this chapter

Ownership *structure*

NCG 461: 2.3.1 CONTROL SITUATION, 2.3.4 STOCKS, THEIR CHARACTERISTICS AND RIGHTS AND 2.3.5 OTHER SECURITIES

LATAM needs to maintain a suitable level of capitalization to ensure safe access to financial markets, and thus, to develop its medium- and long-term goals, optimizing returns to its shareholders and maintaining a sound financial position.

Thus, by December 31, 2023, LATAM's statutory capital is represented by 604,441,789,335 shares, all issued, common, and without par value. Of this amount, at that time, 604,437,877,587 shares had been subscribed and paid up. Meanwhile, the group's paid-in capital at December 31, 2023 totaled ThUSD$5,003,534 divided among 604,437,877,587 shares from the same and only nominative, ordinary series, without par value.

A year earlier, that is, at December 31, 2022, the paid-in capital was ThUSD$13,298,486 divided among 604,437,584,048 shares, also from the same and only nominative, ordinary series, without par value.

We should note that there are no special series of shares, nor preferences. Thus, the form of the stock certificates, their issuance, exchange, disablement, loss, replacement, and any other circumstance, as well as the transfer of shares, are ruled by the provisions included in the Chilean Corporations Act ("LSA", for its Spanish acronym) and its Regulations.

On the other hand, LATAM's Extraordinary Shareholders' Meeting held on April 20, 2023, agreed to reduce capital by USD$7,501,895,316.23 through the absorption of the total net accumulated losses as at December 31, 2022.

At December 31, 2023, the group has no controlling shareholder and the total number of registered shareholders is 2,100.

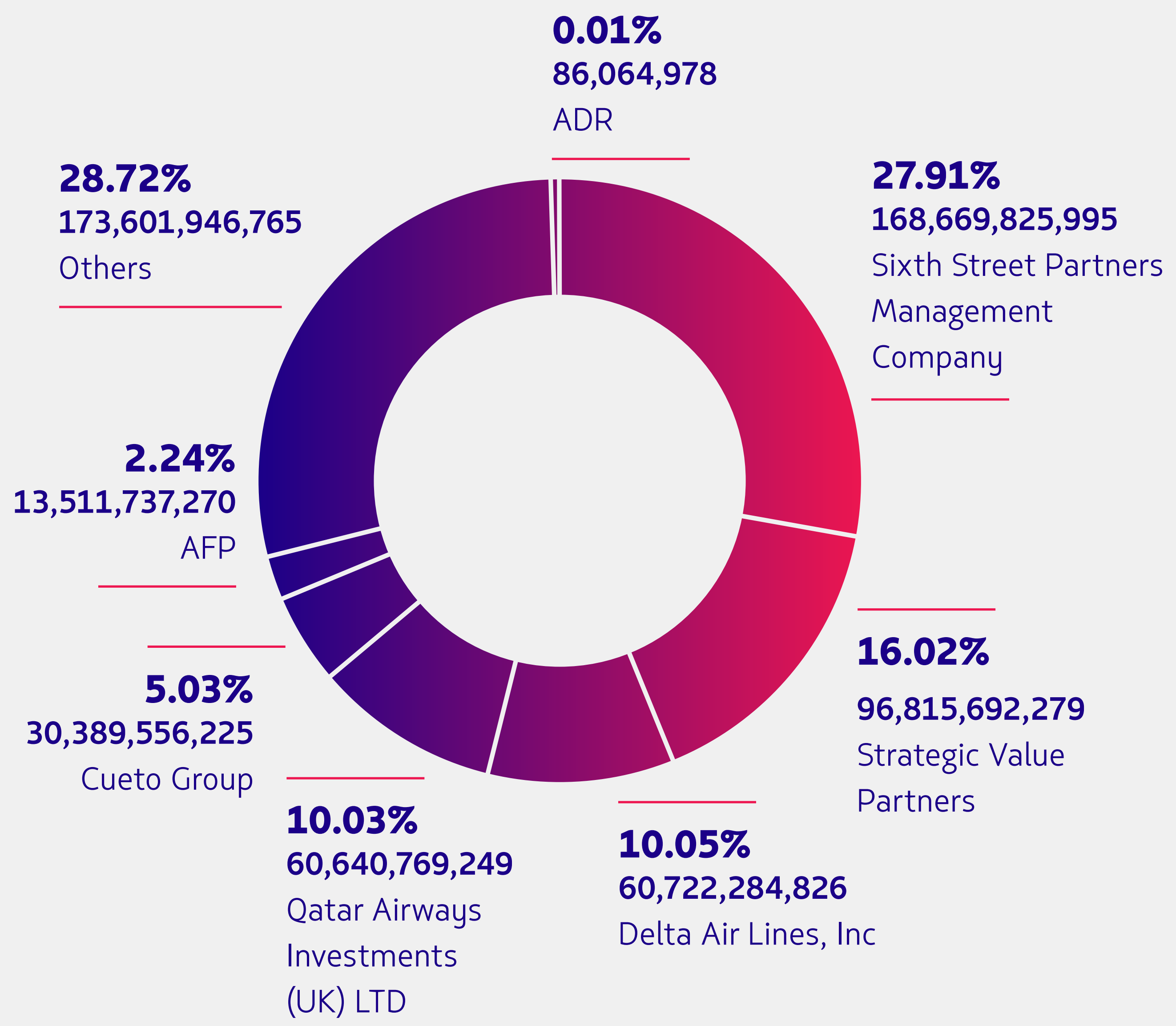
Isla de Pascua, Chile.

SHAREHOLDER STRUCTURE

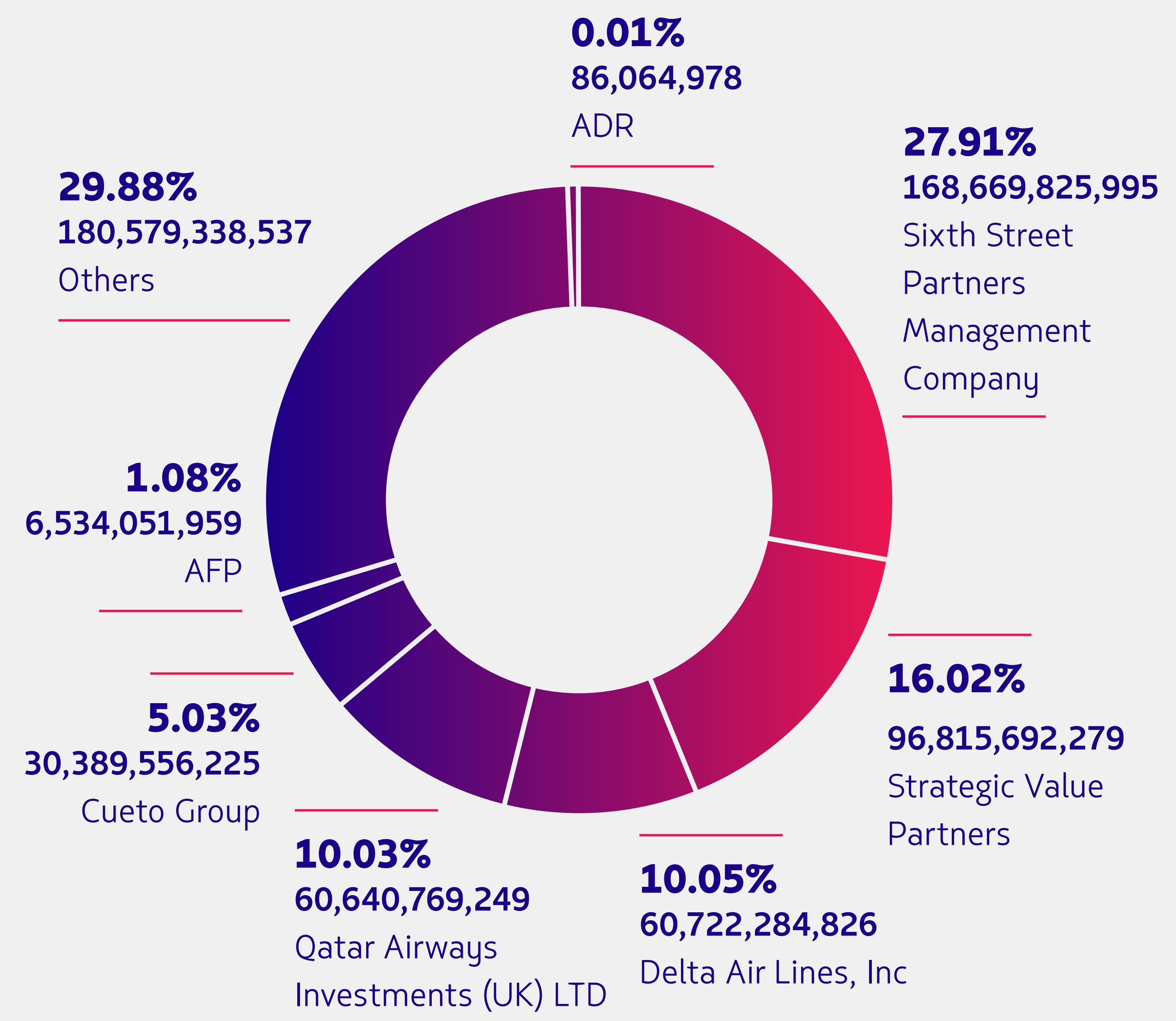
NCG 461: 2.3.2 MAJOR CHANGES IN OWNERSHIP OR CONTROL, 2.3.3 IDENTIFICATION OF MAJORITY PARTNERS OR SHAREHOLDERS AND 2.3.5 OTHER SECURITIES

	2023		2022	
	TOTAL SHARES	%	TOTAL SHARES	%
Sixth Street Partners Management Company	168,669,825,995	27.91%	168,669,825,995	27.91%
Strategic Value Partners	96,815,692,279	16.02%	96,815,692,279	16.02%
Delta Air Lines, Inc	60,722,284,826	10.05%	60,722.284,826	10.05%
Qatar Airways Investments (UK) LTD	60,640,769,249	10.03%	60,640,769,249	10.03%
Cueto Group	30,389,556,225	5.03%	30,389,556,225	5.03%
AFP	13,511,737,270	2.24%	6,534,051,959	1.08%
ADR	86,064,978	0.01%	86,064,978	0.01%
Others	173,601,946,765	28.72%	180,579,338,537	29.88%
Total	**604,437,877,587**	**100.00%**	**604,437,584,048**	**100.00%**

2023



2022



BOARD MEMBERS' AND MAIN EXECUTIVES' STAKES

NCG 461: 3.4.IV SENIOR EXECUTIVES

As in 2022, Ignacio Cueto (Chairman of the BOD of LATAM), Enrique Cueto (member of the BOD at LATAM), and certain other Cueto family members and entities controlled by them, comprise the Cueto Group. Along these lines, by December 31, 2023, the Cueto group's shareholding stands at 5.03% of the shares the same percentage as in the previous year. And just as at the end of the previous year, there are no other Directors or senior executives of the Company who have an ownership stake in the issuer.

CHANGES IN OWNERSHIP

NCG 461: 2.3.4 STOCKS, THEIR CHARACTERISTICS AND RIGHTS

Over the last three years, the only significant changes in the percentage of ownership held by any of LATAM's current major shareholders (with more than 5% ownership) have been represented by (i) a decrease in the Cueto group's ownership from 16.39% by February 28, 2022 to 5.03% by December 31, 2023, (ii) a decrease in Delta Airlines' ownership from 20.00% by February 28, 2022 to 10.05% by December 31, 2023, and (iii) a decrease in Sculptor Capital's ownership from 6.52% by January 31, 2023 to 2.48% by December 31, 2023.

MAIN SHAREHOLDERS

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

AT DECEMBER 31, 2023

NAME	RUT	SHARES SUBSCRIBED AND PAID	%
Banco de Chile por cuenta de State Street	97.004.000-5	277,500,905,697	45.81
Banco de Chile por cuenta de terceros no residentes	97.004.000-5	70,343,556,555	11.94
Delta Air Lines, Inc	59.288.750-9	60,722,284,826	10.05
Qatar Airways Investments (UK) Ltd	59.222.850-5	60,640,769,249	10.03
Banco Santander por cuenta de inv extranjeros	97.036.000-K	25,550,380,291	3.94
Costa Verde Aeronautica S.A.	81.062.300-4	23,789,209,717	3.94
Banco Santander Chile	97.036.000-K	15,382,571,149	3.02
Larrain Vial S.A. Corredora de Bolsa	80.537.000-9	7,394,408,211	1.19
Costa Verde Inversiones Financieras S.A.	76.183.853-9	6,592,460,617	1.09
Banchile Corredores De Bolsa S.A.	96.571.220-8	5,240,203,041	0.82
Banco de Chile por cuenta de Citi Na New York Clie	97.004.000-5	4,407,844,262	0.73
AFP Habitat S.A. Fondo Tipo C	98.000.100-8	2,232,103,282	0.41

AT DECEMBER 31, 2022

NAME	RUT	SHARES SUBSCRIBED AND PAID	%
Banco de Chile por cuenta de State Street	97.004.000-5	284,198,481,733	47.02
Banco de Chile por cuenta de terceros no residentes	97.004.000-5	76,741,518,770	12.70
Delta Air Lines, Inc	59.288.750-9	60,722,284,826	10.05
Qatar Airways Investments (UK) Ltd	59.222.850-5	60,640,769,249	10.03
Banco Santander Chile	97.036.000-K	41,104,259,947	6.80
Costa Verde Aeronáutica S.A.	81.062.300-4	23,789,209,717	3.94
Banco Santander por cuenta de inversionistas extranjeros	97.036.000-K	13,371,541,340	2.21
Larrain Vial S.A. Corredora de Bolsa	80.537.000-9	9,678,756,864	1.60
Costa Verde Inversiones Financieras	76.183.853-9	6,592,460,617	1.09
Banchile Corredores de Bolsa	96.571.220-8	2,604,713,175	0.43
Cia de seguros de vida Consorcio Nacional de Seguros S.A.	99.012.000-5	2,328,707,088	0.39
AFP Cuprum S.A. para fondo de pensión C	76.240.079-0	2,248,823,180	0.37

DIVIDENDS

NCG 461: 2.3.4 STOCKS, THEIR CHARACTERISTICS AND RIGHTS

Pursuant to the LSA and, provided that no financial losses are recorded for balances carried forward from past financial years, LATAM must distribute cash dividends equivalent to at least 30% of the prior year's net profit corresponding to the consolidated annual net income calculated in accordance with International Financial Reporting Standards (IFRS), subject to the terms of Circular No. 856 issued on October 17, 2014 by the CMF, Chile, subject to limited exceptions.

Notwithstanding the above, if according to the balance sheet up to December 31 of the previous year there are no net profits for that year, although it is not legally obligated, LATAM may choose to distribute dividends out of its retained earnings.

Moreover, as long as there are no accrued losses from previous years, the Board of Directors, under the personal responsibility of the members attending the respective resolution, may agree to distribute interim dividends during the year out of the profits generated during the year.

Pursuant to LATAM's bylaws, the annual cash dividend must be approved by the shareholders at an ordinary shareholders' meeting to be held within the first four months of the year immediately following the year out of which the dividend is to be paid. It should be noted that all common shares outstanding are entitled to an equitable share in the dividends declared by LATAM, except for shares that have not been fully paid up by the shareholder after subscription. This policy is intended to be maintained for the next two years.

The gain for fiscal year 2022 of USD$1,339,210 was entirely used to absorb the accrued losses recorded, which totaled USD$8,841,106. Therefore, there was no payment of dividends, in accordance with current legislation.

MORE INFORMATION

Shareholders' Agreement (Page 128).

Composition of the Board of Directors

NCG 461 3.2 BOARD OF DIRECTORS
GRI 2-9, 2-10, 2-11

IGNACIO CUETO
CHAIRMAN*
RUT: 7.040.324-2

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, April 2020 and November 2022. Ignacio Cueto's career in the airline industry extends over 30 years. In 1985, he assumed the position of Vice President of Sales at Fast Air Carrier, a national cargo company of that time and also became Service Manager and Commercial Manager for the Miami sales office. Ignacio Cueto later served on the board of directors of Ladeco (from 1994 to 1997) and LAN (from 1995 to 1997). In addition, Ignacio 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 merger with TAM in 2012. Ignacio Cueto later served as LAN's CEO until April 2017 and also led the establishment of the different affiliates that the Company has in South America, as well as the implementation of key alliances with other airlines. Ignacio Cueto is a member of the Board of the Colunga foundation dedicated to child welfare and is a member of the Cueto Group. As of December 31, 2023, Ignacio Cueto shared in the beneficial owner of 30,389,446,225 common shares of LATAM Airlines Group (5.03% of LATAM Airlines Group's outstanding shares) held by the Cueto Group.

BORNAH MOGHBEL
VICE-CHAIRMAN OF THE BOARD*
RUT: FOREIGNER

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

**Note: LATAM group's Board of Directors was re-elected on November 15, 2022.*

ENRIQUE CUETO
ORDINARY BOARD MEMBER*
RUT: 6.694.239-2

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 merger between LAN and TAM in June 2012. From 1983 to 1993, Enrique Cueto was Chief Executive Officer of Fast Air, a Chilean Cargo airline. From 1993 to 1994, Enrique Cueto was a member of the board of LAN Airlines. Thereafter, Enrique Cueto held the position of CEO of LAN until June 2012. Enrique Cueto is a member of the Board of the Colunga foundation dedicated to child welfare and was a member of the Endeavor foundation, an organization dedicated to the promotion of entrepreneurship in Chile for 15 years. Enrique Cueto holds a degree in Economic Sciences from the Catholic University of Chile and is the brother of Ignacio Cueto, Chairman of the board. Enrique Cueto is also a member of the Cueto Group. As of December 31, 2023, Enrique Cueto is the beneficial owner of 30,389,446,225 common shares of LATAM Airlines Group (5.03% of LATAM Airlines Group's outstanding shares) held by the Cueto Group.

FREDERICO CURADO
ORDINARY BOARD MEMBER*
RUT: FOREIGNER

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

ANTONIO GIL NIEVAS
ORDINARY BOARD MEMBER*
RUT: 23.605.789-5

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

MICHAEL NERUDA
ORDINARY BOARD MEMBER*
RUT: FOREIGNER

Michael Neruda has been a member of the Board at LATAM Airlines Group since November 2022. He is a Partner of Sixth Street, a leading global investment firm that offers capital solutions to companies across all stages of growth. Michael Neruda is Head of Restructuring and Distressed Investing and leads Sixth Street's cross-platform investing in businesses where a combination of public markets expertise and private capital financing may be utilized to improve a company's balance sheet. Prior to joining Sixth Street in 2015, he was a Director at Watershed Asset Management, where he led that firm's investments in the consumer and energy sectors. Michael Neruda was previously an investment analyst at MHR Fund Management, Silver Point Capital and Merrill Lynch. He received a B.S. in Management Science and Engineering from Stanford University, and is a CFA Charterholder. Michael Neruda has served as a board member and investor representative on numerous corporate boards including with LATAM Airlines, Neiman Marcus, and Stallion Infrastructure Services, as well as serving on the Board of Governors of the Boys & Girls Clubs of San Francisco.

**Note: LATAM group's Board of Directors was re-elected on November 15, 2022.*

BOUK VAN GELOVEN
ORDINARY BOARD MEMBER*
RUT: FOREIGNER

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

SONIA VILLALOBOS
ORDINARY BOARD MEMBER*
RUT: 21.743.859-4

Sonia J.S. Villalobos joined the Board of LATAM Airlines in August 2018. Sonia Villalobos is a Brazilian citizen and a founding partner of the company Villalobos Consultoria Starting in 2016, she has participated as a regular board member of Brazilian listed companies, such as Petrobras and Telefónica Vivo. 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, Sonia Villalobos 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 de Investimentos Garantia. She graduated in Public Administration from Escola de Administração de Empresas de São Paulo 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.

ALEXANDER WILCOX
ORDINARY BOARD MEMBER*
RUT: FOREIGNER

Alexander Wilcox has served on LATAM Airlines Group's board of directors since October 2020. Wilcox resides in the United States and has broad experience in the aviation industry where he has held executive positions in several airlines since 1996, including as a founder of JetBlue Airways and as the founding President and COO of a large airline in India. Wilcox is a cofounder and the CEO of JSX, a public charter commuter air carrier in the U.S. and the highest rated air carrier in North America by NPS. Wilcox has been a Henry Crown Fellow of the Aspen Institute since 2011 and is a member of the Dallas chapter of Young Presidents Organization (YPO Gold). Wilcox has been a private pilot since 1987. Wilcox also serves on the Board of Directors of The Compass School of Texas, an elementary school in Dallas. Wilcox holds a BA degree in Political Science and English from the University of Vermont.

Note: LATAM group's Board of Directors was re-elected on November 15, 2022.

Decision-making bodies

NCG 461: 3.2 BOARD OF DIRECTORS AND 3.3 BOARD COMMITTEES
GRI 2-9, 2-10 Y 2-11

The Board of Directors defines and monitors the strategic guidelines of LATAM Airlines Group S.A. It is comprised by nine regular members, who are elected individually for two-year terms by the cumulative voting system—i.e., each shareholder has one vote per share and may cast all their votes in favor of one candidate or distribute them among several. This system is followed to ensure that shareholders of 10% of the shares outstanding can choose at least one representative.

It should be noted that this is a fixed structure, and in cases of contingency or crisis (mainly in aviation emergencies), the Board of Directors remains unchanged and continues to function normally, supporting the continuity of the business' operations.

MEETINGS

The Board of Directors holds both ordinary and extraordinary meetings on a regular basis, depending on the company's needs, following legal requirements. They do not have a minimum time commitment, whether on-site or remote. In accordance with the provisions of the Company's Bylaws, the Board of Directors must meet at least once a month in ordinary meetings, except in February, which implies a minimum of eleven ordinary meetings per year.

In 2023, the average attendance at the 17 ordinary and extraordinary meetings held was 98.7%. In detail, attendance at the meetings was 100% for directors Ignacio Cueto, Enrique Cueto, Frederico Curado, Antonio Gil, Michael Neruda, Bouk Van Geloven and Alexander Wilcox, while attendance was 94.1% for directors Sonia Villalobos and Bornah Moghbel.

For each meeting, the members of the Board of Directors are summoned well in advance, usually one week before, and have access to a digital information system where documents with relevant background information for their preparation, minutes of previous meetings, and the matters to be discussed at the meeting are centralized. This system keeps a record of the historical data of the Board's documents since 2016 and is updated approximately one month after each meeting with the corresponding minutes, remaining available going forward.

FIELD VISITS

NCG 461: 3.2 BOARD OF DIRECTORS

In 2023, the Board of Directors visited some of LATAM group's facilities. During the year, they visited the São Carlos maintenance facilities in Brazil, the hangars in Guarulhos (GRU) and Congonhas (CGH), and the corporate facilities in Santiago (Chile) and Miami (United States), including the Cargo operation in the latter.

These visits, which were aimed at learning more about the operation and the opinions of the local teams, included the general manager and other group executives.

MEETINGS WITH RISK MANAGEMENT, INTERNAL AUDIT AND SOCIAL RESPONSIBILITY UNITS AND WITH INTERNAL AUDIT FIRM

NCG 461: 3.2.VI BOARD OF DIRECTORS AND 3.3 BOARD COMMITTEES

As stated below, the Board of Directors operates through the Directors' Committee, which also acts as Audit Committee, reporting monthly to the Board of Directors, through the account delivered by the Chair of the Audit Committee to the Board of Directors during the latter's ordinary meetings held each month, regarding the Company's audit and internal control, including internal audit and risk management matters. The main topics discussed in the arena of internal audit pertain, among others, to the approval and follow-up of the internal audit plan, monitoring of the progress and results of the external audit and SOX certification (Sarbanes Oxley Act); and in the sphere of risk management, they pertain to a review of the overall status of the main risks and their management.

The Company has a Sub-Committee of the Board of Directors, called the Strategy & Sustainability Sub-Committee, which reviews the Company's social responsibility issues and reports to the Board of Directors.

The Board meets with the external auditing firm in charge of auditing the financial statements four times a year, which takes place in additional and extraordinary meetings, to review and approve the Company's quarterly and annual financial statements.

Additionally, said audit firm reports to the Board of Directors, usually once a year, the external audit work plan for the following year, sometimes coinciding with one of the four meetings mentioned above. The main topics covered in the external audit correspond to the work plan, its scope and focus areas; the results of the audit include a brief review of the main focus points and any recommendations that may have come up.

All of the Board meetings mentioned above are regularly attended by the CEO, the CFO, and the Legal Vice-President, as well as by the senior executives in charge of the different subjects to be reviewed at each Board meeting.

AUDIT COMMITTEE

NCG 461: 3.3 BOARD OF DIRECTORS COMMITTEES AND 3.2 BOARD OF DIRECTORS VI AND VII

The Audit Committee reports monthly to the Board of Directors, through the account delivered by the Chair of the Audit Committee to the Board of Directors at the ordinary meetings held each month, regarding the Company's audit and internal control, including internal audit and risk management matters.

In addition, in compliance with the requirements of the LSA, the U.S. Sarbanes-Oxley Act and the guidelines of the U.S. Securities and Exchange Commission (SEC), the Directors' Committee also serves as the Audit Committee.

Therefore, the main topics discussed in the arena of internal audit pertain, among others, to the approval and follow-up of the internal audit plan, monitoring of the progress and results of the external audit and SOX certification (Sarbanes Oxley Act); and in the sphere of risk management, they pertain to a review of the overall status of the main risks and their management.

In fact, the Internal Audit and Control department, which is in charge of internal audit and risk management matters, reports regularly to the Audit Committee. This is done at the same meetings held by the Audit Committee. In this regard, during financial year 2023, the Audit Committee met ten times with the Audit and Internal Control department to discuss internal audit issues, and on two other occasions, also with the same department, to discuss risk management issues.

The Corporate Affairs and Sustainability department, in charge of topics of social responsibility, among others, reports to the CEO and generally presents once a year before the Audit Committee and the Board. In these meetings, the progress on the implementaiton of the LATAM group Sustainability Strategy has been presented, with a review of its four pillars: environmental management, climate change, circular economy and shared value.

All the Audit Committee meetings mentioned are attended regularly by the Legal Vice-President, as well as the main executives in charge o the various topics reviewed in each Board meeting. The CEO doesn't generally participate in said meetings.

On their part, the Audit Committee also meets with the company in charge of auditing the financial statements four times a year, which takes place in ordinary and extraordinary sessions, to review and make pronouncements on the Company's quarterly and annual financial statements, pursuant to the terms of Article 50 bis of the Corporations Act. In addition, they met on three occasions where the main topics discussed regarding external auditing correspond to work planning, scope and focus areas; relationship with regulatory requirements in the sphere of communication; and the consolidated audit approach, among others. Likewise, the audit firm also reports to the Board of Directors, usually once a year, which sometimes coincides with one of the four meetings mentioned above, the external audit work plan for the following year; the results of the audit, including a brief review of the main potential issues and any recommendations that come up. In all of the Audit Committee meetings mentioned above are regularly attended by the Legal Vice-President. The CEO does not participate regularly in them.

In addition to the Audit Committee, LATAM has three other sub-committees that assist the Board in the decision-making process: Strategy & Sustainability, Leadership and Finance.

By both December 31, 2022 and December 31, 2023, the Audit Committee was comprised by Frederico Curado, Michael Neruda and Sonia J. S. Villalobos, all considered independent under section 10A of the Securities Exchange Act. Meanwhile, according to the Chilean Corporations Act (LSA), only the Board member and Chair of the Audit Committee Frederico Curado is considered an independent Board Member; that is, he has no links, interests, economic, professional, credit, or commercial dependence of any relevant nature or volume on LATAM, the other subsidiaries of the group, or the main executives, nor any family ties with the latter, among other characteristics.

On the other hand, in addition to the Directors' Committee or Audit Committee, LATAM has three other sub-committees that support the Board in decision-making: Strategy & Sustainability, Leadership, and Finance.

BOARD MEMBER TRAINING AND EVALUATION

NCG 461: 3.2 BOARD OF DIRECTORS

GRI 2-17 AND 2-18

Following each election and in observance of the Induction Policy, new members of the Board receive the information and background related to matters under evaluation and analysis by the Board, as well as training on the regulatory framework and the duties involved in the position as Members of the Board. This includes, among other aspects: Sustainability issues, including social responsibility; policies and guidelines, particularly the Code of Conduct; business affairs; risks; and financial and accounting aspects of LATAM.

Following the repeal of NCG No. 385 and the incorporation of several of its topics into the Annual Report, the Board of Directors has not implemented additional performance evaluations.

EXECUTIVE SPHERE

GRI 2-13

LATAM's executive sphere is divided into five large areas. These are Clients, People, Operations, Commercial and Finance. Each has clearly divided responsibilities to execute and monitors the group's strategy. Along these lines, the executives in these five areas, in addition to the Vice-Presidents of Legal & Compliance, Technology & Digital, Corporate Affairs and the Brazil CEO form an Executive Committee, which meets on a weekly basis with the LATAM CEO. Likewise, the Strategic Planning area supports the Executive Committee, and other vice-presidencies participate in meetings to address more specific issues.

It should be noted that each subsidiary has a CEO, as well as a group of executives. They are responsible for each of the operations, respectively.

SUSTAINABILITY

NCG 461: 3.1 GOVERNANCE FRAMEWORK AND 3.2.VI. BOARD OF DIRECTORS & 3.6.IV RISK MANAGEMENT

GRI 2-12 AND 2-13

The commitment to sustainability is a comprehensive part of the business and decision-making at all levels of LATAM. Accordingly, the Corporate Affairs and Sustainability Directorate, together with the organization's leaders and in accordance with the company's objectives and best practices worldwide, defines the group's strategy in this arena and promotes its implementation in the countries where it operates.

To ensure compliance with the objectives, on a quarterly basis, Corporate Affairs consolidates information on the main progress and gaps related to Environmental Management, Climate Change, Circular Economy and Shared Value, which address environmental and social issues that are priorities for the organization. Thus, normally and based on their criticality and relevance, the results are presented to the members of the Executive Committee and the CEO of the group for decision-making, and in addition to this, an annual management review of the results of the Environmental Management System (EMS) is carried out.

Nonetheless, the Strategy and Sustainability Committee of the Board of Directors is the highest authority for analyzing results and making strategic decisions on sustainability, and it is informed annually of the progress on the aspirations and commitments in this arena, including social responsibility topics. In fact, in 2023, this presentation was made in the last quarter.

The Strategy and Sustainability Committee of the Board of Directors is the highest authority after the Board itself for analyzing results and making decisions regarding sustainability.

RISK MANAGEMENT

GRI 3-3

NCG 3.6 RISK GOVERNANCE

In LATAM group, the processes and governance in this area are guided by the Comprehensive Risk Management Policy, whose purpose is to support the achievement of the group's strategic objectives, establishing a transversal model for managing the risks that compromise: sustainability, operational continuity, clients, finances and reputation, together with identifying the main functions and strategies to be developed for each of them.

Roles and responsibilities:

The Board of Directors is responsible for ensuring the existence of a comprehensive process, approving the related policies and promoting a risk culture. To this end, it instructs the Audit Committee to oversee the development and assessment of risks relevant to the company.

In turn, the Audit Committee delegates to the Risk Management Department the administration of the model, which involves detecting, supervising and consolidating the most relevant risks for the companies in LATAM group. To achieve this, Risk Management assists and centralizes the information gathered by the different leaders of the various areas of the Company, who are generally directly responsible for identifying, assessing, monitoring and managing the risks pertaining to their areas.

On the other hand, LATAM group has an Internal Audit department, which is responsible for independently ensuring the operation, effectiveness and compliance with the organization's Risk Management Model. This team is led by the Audit and Internal Control Director, who reports directly to the Audit Committee.

Three lines of defense

Using international risk management methodologies as a benchmark, LATAM group has established a three lines of defense model to maintain an adequate identification and mitigation process.

In this structure, the first line is made up of the business process owners, who are primarily responsible for the identification, evaluation, management and monitoring of their risks.

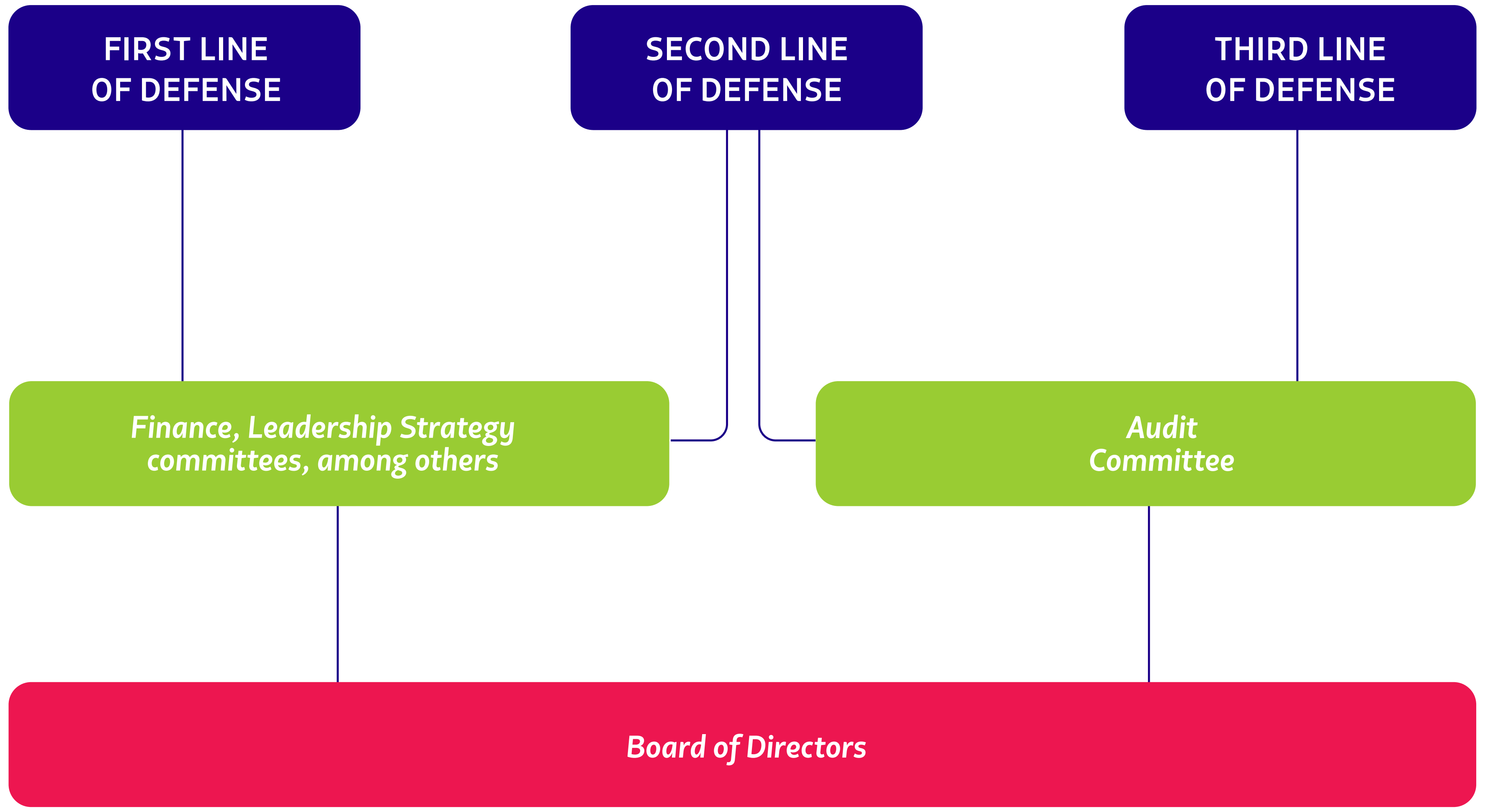
Additionally, areas have been established to operate as second lines of defense, with the purpose of providing specialized support and advice to the businesses to properly manage, through the application of specific frameworks and methodologies, the risks related to their areas. For example, the Operational Safety area does so by following the Safety Management System (SMS); the Sustainability Management applies dual materiality to identify, evaluate and prioritize environmental, social and economic or corporate governance risks; and the Information Security Management follows standards based on ISO/IEC 27001 and NIST, among others.

The second line departments also carry out inspection, verification and external audits. Examples of this are the external inspections and audits for the certification process under the IATA Environmental Assessment (IEnvA) standard for the subsidiaries in Brazil, Chile, Colombia, Ecuador and Peru, as well as the system checks and stress tests carried out by the cybersecurity team, among others.

These activities are complemented with the assurance functions of Internal Audit, which acts as a third line of defense.

LATAM'S THREE LINES OF DEFENSE MODEL

FIRST LINE	SECOND LINE	THIRD LINE
• **Person responsible:** Business process owners. • **Role:** Directly responsible for identifying, evaluating, monitoring and reporting them, as well as establishing mitigation measures so that risks remain at adequate levels, as defined by the Board of Directors.	• **Person responsible:** Risk Management and other departments associated with specific models, such as: Operational Security, Compliance, Comptrollership, Information Security, or Sustainability, among others. • **Role:** Provide methodological support and specialized advice, supervise and monitor the the first line in its risk management process.	• **Person responsible:** Internal Audit • **Role:** Independently evaluates the effectiveness of the comprehensive risk management process, as well as the proper application of policies and procedures.



MORE INFORMATION

In Risk Factors, in Annexes. Pages 140-152.

Risk assessment and mitigation

The Comprehensive Risk Management is part of a fundamental process that allows the LATAM group to deal effectively with uncertainty, identifying risks and opportunities, optimizing the capacity to generate value and achieve the organization's strategic objectives. This process is continuous and must be maintained considering that Risk Management is dynamic, structured and methodical but adaptable over time, as it adjusts to the internal and external contexts of the LATAM group and is strengthened by the learning and experience that the organization acquires over time.

For this purpose, it has implemented a comprehensive risk management model that uses methodologies such as ISO 31,000 and COSO ERM as benchmarks. This process is based on the evaluation and weighting of potential impacts and the probability of occurrence of risks. The impact assessment considers several dimensions, such as financial and reputational, and probabilities are rated on a scale from remote to near certain.

Risk Management updates the exposure status of corporate risks every quarter, delivering a report to the different individuals responsible to be reviewed and managed with the corresponding areas. In addition, in 2023, the Risk team made two presentations to the Audit Committee with an update on the group's risks, in April and December (see details on pages 130-132).

The group implements specific strategies to mitigate risks and ensure operational stability. Some examples of these are in the financial area, where there is a manual for fuel and exchange rate hedging to reduce exposure to fuel prices and exchange rates. In operational terms, it has solid insurance coverage and adopts proactive safety measures, such as the Safety Management System (SMS) and the Emergency Response Plan.

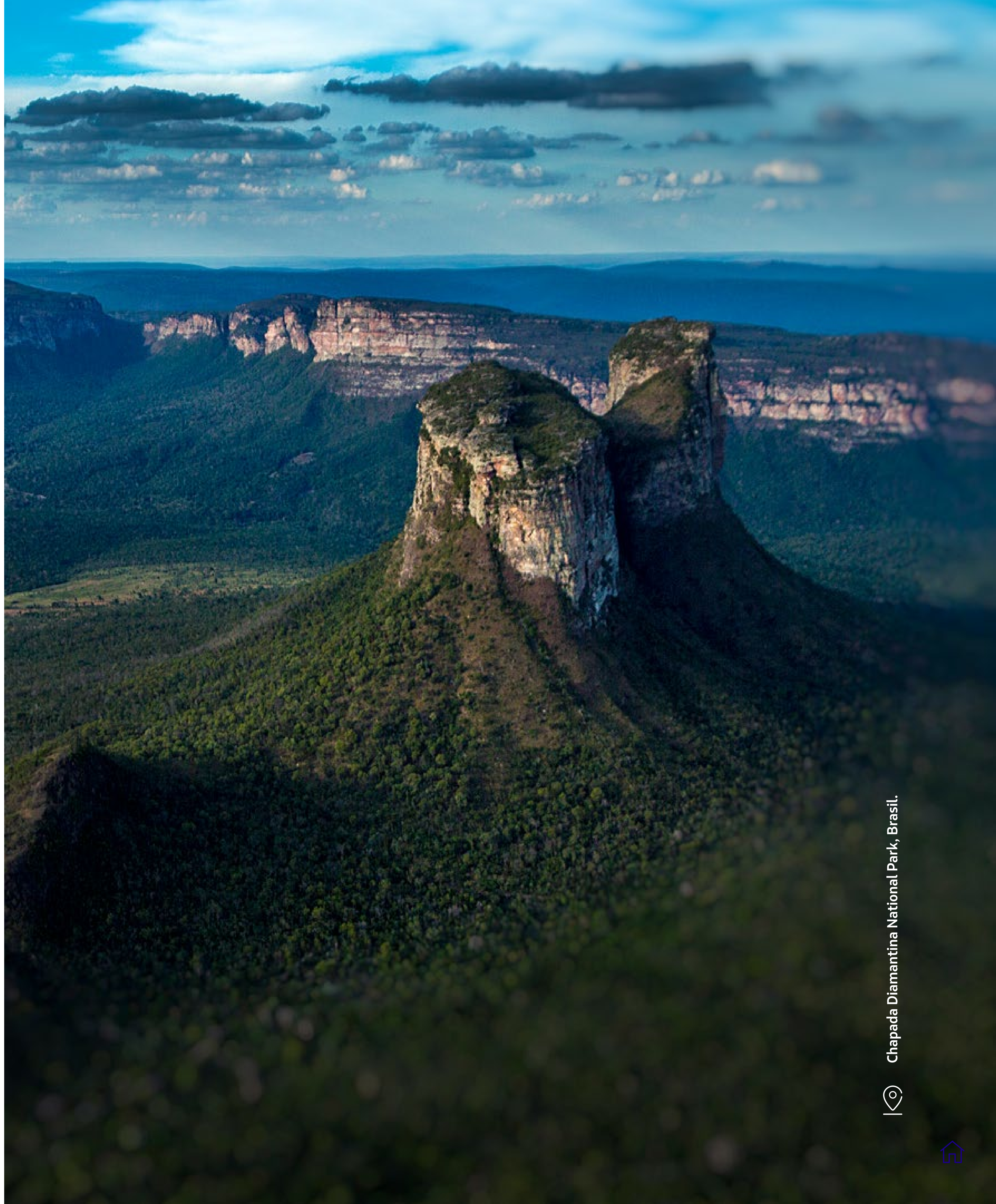
Said actions reflect LATAM Airlines' commitment to effective risk management and operational continuity, and many of them are described in the organization's Annual Report in other chapters, such as: the "Employees" chapter describes measures for organizational climate assessment, benefits offered and other initiatives related to talent management and organizational culture. Likewise, the chapter named "Commitment to Sustainability" explains the strategies aimed at addressing environmental risks. The sections "Operations", "Number 1 Priority" and "Clients", discuss the plans and initiatives that the organization develops to address operational and security risks, among others.

In addition, the main risk factors are presented annually in the 20-F Annual Report and in this Annual Report (see pages 141-153). The risks published in 2023 include those associated with the business, operations and safety, regulations and the environment, indebtedness, and those related to the industry and countries in which the LATAM group operates.

Risk Culture

The LATAM group's risk management model focuses on strengthening the capacity to anticipate risks, manage them appropriately, and promote a culture of valuing the capabilities and aptitudes of its employees and collaborators in the face of risks, encouraging self-assessment.

The LATAM group fosters a risk culture through training, proactive risk identification, employee performance evaluation criteria and escalation channels. In addition to the Confidential Channel, other bodies have been implemented to escalate risks within the organization, such as internal Committees of the areas—for example, the Information Security and Technological Risks Committee and the Operational Security Committee for the detection and escalation of technological and operational security risks, respectively.



Chapada Diamantina National Park, Brasil.

Organizational chart

NCG 461: 3.1 GOVERNANCE FRAMEWORK

LATAM AIRLINES CHILE

LATAM AIRLINES COLOMBIA

LATAM AIRLINES ECUADOR

LATAM AIRLINES PERU

LATAM AIRLINES BRAZIL

CEO

Board

Digital and IT Vice-Presidency

Finance Vice-Presidency (includes Management Control and Investor Relations)

Vice-presidency of Operations

Legal Affairs and Compliance Vice-Presidency

Commercial Vice presidency

Human Rights Vice-Presidency

LATAM Cargo Group

Customers Vice presidency

Strategic Planning

Safety

Corporate Affairs (includes External Communications and Sustainability)

Audit Committee

Internal Audit and Control (includes Risk Management)

MORE INFORMATION

Board Composition (Page 36).
Annual management report of the Audit Committee (Page 130).
Composition of the executive sphere (Page 40).

BOARD OF DIRECTORS' REMUNERATION

NCG 461: 3.2 BOARD OF DIRECTORS AND 3.3 BOARD COMMITTEES

GRI 2-19

The remunerations reported correspond to fixed allowances for attendance to meetings and variable remuneration for the Board of Directors and the Audit Committee. These were approved in the Ordinary Shareholders' Meeting held on Monday, April 20, 2023, a year in which the Board of Directors reported no expenses for accounting, tax, financial, legal or other consulting services. Likewise, the Audit Committee did not record any expenses for consulting services

GUIDELINES FOR ENGAGING SERVICES

NCG 461: 3.2 BOARD OF DIRECTORS

The Board of Directors may hire experts to give advice on specific matters, such as accounting, finance, taxes, legal or others; however, the director or directors who require the engagement of an expert must justify it at a meeting. Along these lines, the engagement of the advisor must follow LATAM's policies for hiring suppliers, conflicts of interests, and market conditions. In addition, senior management will propose a list of names for the Board members to choose from. In fact, it is possible that one or more of its members veto the engagement of a specific advisor. Nonetheless, regarding the services engaged with the company in charge of auditing the Financial Statements or other entities, there are no relevant deviations from the annual budget of the Board.

MORE INFORMATION

In annexes pages 132.

The fixed allowance for participation on the Board of Directors is determined by the Shareholders' Meeting and is the same for all Board members, except the Chairman, who receives twice the sum of other directors.

ALLOWANCE RATIO (MEN/WOMEN) [1]

NCG 461 3.2 BOARD OF DIRECTORS

	AVERAGE[2]	MEDIAN[3]
Regular members	100%	100%
Deputy members	N/A*	N/A*

** Not applicable. There are no deputy members.*

[1] Proportion of women's gross hourly allowance vs. men's gross hourly allowance.

[2] Average: Average value of women's gross allowance divided by men's average gross allowance.

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

REMUNERATION– ALLOWANCE[1] 2023 (USD$)

NAME	POSITION	BOARD	AUDIT COMMITTEE	SUBCOMMITTEE	VARIABLE REMUNERATION	TOTAL REMUNERATION
Ignacio Cueto Plaza	Chairman	160,336	0	50,778	80,802	291,916
Bornah Moghbel	Vice-chairman	-	-	0	-	-
Enrique Cueto Plaza	Board member	80,174	0	40,081	80,802	201,057
Frederico Curado	Board member	80,174	76,839	50,778	107,736	315,527
Antonio Gil Nievas	Board member	80,174	0	50,778	80,802	211,754
Bouk Van Geloven	Board member	-	-	-	-	-
Michael Neruda	Board member	-	-	-	-	-
Sonia J. S. Villalobos	Board member	80,174	50,110	40,081	107,736	278,101
Alexander D. Wilcox	Board member	80,174	0	40,081	80,802	201,057

REMUNERATION– ALLOWANCE[1] 2022 (USD$)

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

[1] Liquid sums.

[2] Directors Michael Neruda, Bouk van Geloven, and Bornah Moghbel have waived their compensations as board members, members of the Audit Committee and members of the sub committees.

Main executives

NCG 461: 3.4 MAIN EXECUTIVES

ROBERTO ALVO
CEO LATAM AIRLINES GROUP
RUT: 8.823.367-0

Roberto Alvo has been the Chief Executive Officer ("CEO") of LATAM since March 31, 2020. Prior to this, he worked as Chief Commercial Officer ("CCO") of LATAM, in charge of managing the group's passenger and cargo revenue. Previously, he was Vice-President of International and Alliances at LATAM Airlines, and Vice-President of Strategic Planning and Development. Roberto Alvo joined LAN Airlines in November 2001, where he served as Chief Financial Officer of LAN Argentina, as Manager of Development and Financial Planning at LAN Airlines, and as Deputy Chief Financial Officer of LAN Airlines. Before working for the group, Roberto Alvo held various positions at Sociedad Química y Minera de Chile S.A. He is a civil engineer, and holds an MBA from IMD Business School in Lausanne, Switzerland.

RAMIRO ALFONSÍN
CHIEF FINANCIAL OFFICER
RUT: 22.357.225-1

Ramiro Alfonsín is LATAM's Chief Financial Officer ("CFO"), a position he has held since July 2016. Formerly, he worked 16 years for Endesa, a leading utilities company, in Spain, Italy and Chile, where he served as Deputy Chief Executive Officer and Chief Financial Officer for their Latin American operations. Before joining the utilities sector, he worked for five years in Corporate and Investment Banking for several European banks. Ramiro Alfonsin holds a degree in Business Administration from Pontificia Catholic University of Argentina.

EMILIO DEL REAL
VICE-PRESIDENT OF HUMAN RESOURCES
RUT: 9.908.112-0

Emilio del Real is the LATAM Chief People Officer, a position he took over in August 2005. Between 2003 and 2005, he was Human Resources Manager at D&S, a Chilean retail company. Between 1997 and 2003, he served in various positions at Unilever, including Human Resources Manager of Unilever Chile, and Manager of Training and Recruitment and Management Development for Latin America. Emilio del Real has a degree in Psychology from the Gabriela Mistral University.

JUAN CARLOS MENCIÓ
LEGAL AFFAIRS AND COMPLIANCE OFFICER
RUT: 24.725.433-1

Juan Carlos Menció has been the Chief Legal Officer at LATAM Airlines Group since September 1, 2014. Previously, he held the position of General Counsel for North America for LATAM Airlines Group and its affiliates, as well as General Counsel for its worldwide Cargo Operations, both since 1998. Prior to joining LATAM, he was in private practice in New York and Florida, representing various international airlines. Juan Carlos 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.

PAULO MIRANDA
CLIENTS VICE-PRESIDENT
RUT: FOREIGNER

Paulo Miranda has been LATAM's Chief Customer Officer since May 2019. Miranda has over 20 years of experience in the aviation industry, having held different positions, first at Delta Air Lines in the United States, and then at Gol Linhas Aéreas in Brazil. In his last role, Paulo Miranda was responsible for the Client Experience department, having previously worked in finance and alliances, as well as in the negotiation and implementation of joint ventures. Paulo Miranda holds a Bachelor of Business Administration degree from the Carlson School of Management, University of Minnesota, USA.

HERNÁN PASMAN
CHIEF OPERATING OFFICER
RUT: 21.828.810-3

Hernán Pasman has been the Chief Operations Officer 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, Hernán 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, Hernán 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. Hernán Pasman holds a Civil Engineering degree from Instituto Tecnológico de Buenos Aires and an MBA from Kellogg Graduate School of Management (2001).

JULIANA RIOS
IT & DIGITAL VICE-PRESIDENT
RUT: FOREIGNER

Juliana Rios been the Chief Digital and IT Officer of LATAM Airlines since January 2021. Juliana Rios has over 20 years of experience in services and technology in the financial and airline industries. Her career spans business transformation, mergers & acquisitions, digitization, IT, and large-scale project management, such as PSS migration. As Chief IT & Digital Officer, she leads LATAM Airlines' digital transformation efforts. Prior to joining LATAM, Juliana Rios was a senior executive at Banco Santander, Brazil, spearheading the retail business and customer experience strategy. She headed integration programs in Brazil, Italy and the Netherlands. Juliana Rios holds a Bachelor degree in Business Administration and an MBA in Corporate Management from IBMEC, Brazil.

MARTIN ST. GEORGE[1]
CHIEF COMMERCIAL OFFICER
RUT: FOREIGNER

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 ran a strategy-consulting firm for airlines and travel industry clients in the United States, the Caribbean and Europe, and served as acting CCO at Norwegian Air Shuttle ASA. From 2006 to 2019, he worked for JetBlue Airways in several positions in marketing and as COO. Martin St. George holds a degree in civil engineering from the Massachusetts Institute of Technology.

[1] *Martin St. George submitted his voluntary resignation effective February 23, 2024.*

JUAN JOSÉ TOHÁ
DIRECTOR OF CORPORATE AFFAIRS AND SUSTAINABILITY
RUT: 16.655.612-0

Juan José Tohá is a journalist with a specialty in Sustainability from Oxford University, as well as a Master's and PhD in Communication from the Autonomous University of Barcelona. Juan José Tohá has vast experience in the design and implementation of communication strategies and the interaction of organizations with their environment. Juan José Tohá has served in FAO's Latin America and Caribbean regional office in Santiago, Chile, and as Communications Manager for Codelco and BHP South America, among others. In 2019, he joined LATAM group as Director of Corporate Affairs and Sustainability, reporting directly to the CEO of LATAM group, and he coordinates the corporate strategy of Public Affairs, External Communications, and Sustainability.

ANDRÉS BIANCHI
CHIEF CARGO OFFICER LATAM
RUT: 8.867.785-4

Andrés Bianchi has been LATAM Cargo's Chief Executive Officer since 2017. In this role he manages and coordinates the air freight activities of the Group's affiliates. Andrés Bianchi joined LATAM Cargo in 2010 and has held various leadership roles prior to his current position, including VP Commercial North America, Europe & Asia, VP Cargo Network and VP of Finance. Prior to joining LATAM Cargo, he worked as a consultant at McKinsey and Company. Additionally, from 2002 to 2006 he served as LAN Airlines' Head of Investor Relations. Andrés Bianchi holds a Business Administration degree from Pontificia Universidad Catolica de Chile and an MBA from The Wharton School of the University of Pennsylvania.

EXECUTIVE REMUNERATION

NCG 461: 3.4 MAIN EXECUTIVES AND 3.6 RISK MANAGEMENT

LATAM has a remuneration policy for salary structures, which applies to all positions across the group, and consists of the methodology of weighting positions (points and grades) and salary scales (based on market research), which rules all salary movements, both for merit and promotions within the organization.

The Leadership Committee, comprised of four directors, is responsible for analyzing LATAM's top-level organizational structure and corporate remuneration policy. Its function is to align remuneration with the company's strategic objectives, to reward good performance and behavior, and to prevent the remuneration policy from generating any type of incentive for key executives to act contrary to the interests of the group, its policies, guidelines and current regulations. Along these lines, the Committee's work includes the review and evaluation of models and best practices available in the market (benchmarking).

In turn, each time there is a change, the LATAM Vice-President of Human Resources must present it to the Audit Committee. Furthermore, once a year, the remuneration for senior management is presented to the Board. It should be noted that the policy is not disclosed to the general public, but it is published on LATAM's internal portal for employees.

In 2023, executive remuneration totaled USD$38,687,858 (USD$24,768,065 from remuneration and USD$13,919,794 from profit-sharing in March 2024). In turn, in 2022, USD$21,277,246 were paid as remuneration and USD$15,162,482 as profit-sharing, totaling USD$36,439,727 as gross remuneration.

The Leadership Committee is responsible for analyzing LATAM's top-level organizational structure and corporate remuneration policy.

CIP GEM

The LATAM group implemented a talent retention program for GEM executives (CEOs and employees whose job description is "Vice-Presidents" or "directors") and those who participate are eligible to receive cash payments for the remuneration units whose value is considered, by way of reference, to be equivalent to the value of one share of LATAM Airlines Group S.A., and consequently, in the event that they are paid, they entitle the employee to receive the cash payment resulting from multiplying the number of Units paid by the value per share of LATAM Airlines Group S.A. to be considered in accordance with the CIP GEM. These units are as follows:

1. Retention Shares Units (RSUs)

That is, units associated with the employee's permanence in the group and, consequently, are associated with the passing of time. Overall, the CIP considers up to 2,346,862,183 RSUs, payable in installments as indicated below.

It should be noted that, as a general rule, RSUs will be eligible to vest at the rate of one-third on each of the following dates: month 24, month 36 and month 42, in each case, counted from the date of the exit date of LATAM group from the reorganization proceedings (the "Chapter 11 Proceeding") under Chapter 11 of the United States of America (the "Exit Date"). The foregoing, subject to the occurrence of a triggering event

GUARANTEED MINIMUM VESTING OF RSUS

Percentage of Units to be vested

Month 30 from Date of Departure	20%
Month 42 from Date of Departure	30%
Month 60 from Date of Departure	50%

related to the volume of transactions of securities issued by LATAM Airlines Group S.A. under the terms considered in the CIP (hereinafter, a "VTE"—Volume Triggering Event). The number of RSUs that are actually vested will be determined based on the net resources accrued as a result of a VTE on the respective determination date (hereinafter, this adjustment will be referred to as the "Pro Rata Factor").

Notwithstanding the foregoing, the CIP GEM also considers a "Guaranteed Minimum Vesting" pursuant to which the percentage of RSUs set forth below will be vested on each date indicated, even if no VTE has occurred. The foregoing, net of any RSUs that may have been vested previously.

2. Performance Shares Units (PSUs)

That is, units associated with both the employee's permanence in the group and the performance of LATAM Airlines Group S.A. as measured by the share price. Consequently, like RSUs, these units are associated with the passing of time. However, PSUs also consider the market value of LATAM Airlines Group S.A. stock, considering a liquid market. However, in the absence of such a liquid market, the share sprice will be determined on the basis of representative transactions. Overall, the CIP considers up to 4,251,780,158 RSUs, payable in installments as indicated below.

It should be noted that, as a general rule, PSUs will be eligible to vest at the rate of one-third on each of the following dates: month 24, month 36 and month 42, in each case, counted from the Date of Departure. The foregoing, subject to (i) the occurrence of a VTE; and (ii) the quotient (hereinafter, the "Net Price/ERO Price Ratio" (EQUITY RIGHTS OFFERING) between the net price of the sales originated in a VTE, divided by the price per share at which the shares issued by virtue of the capital increase agreed at the LATAM Airlines Group S. A. Extraordinary Shareholders' Meeting were placed (i.e. USD$0.01083865799), being greater than 50%. The number of PSUs that will actually be vested will be determined based on the Pro Rata Factor and the Net Price/ERO Price Quotient).

It follows that the PSUs constitute a contingent and non-guaranteed payment. In addition, certain of the GEM Executives will also be entitled to receive a fixed, guaranteed cash payment ("MPP" - Management Protection Plan) on certain dates under the Reorganization Plan, approved and confirmed under the Chapter 11 Proceeding, at the rate of 33% in the 18th month from the Date of Departure, 34% in the 24th month from the Date of Departure, and 33% in the 30th month from the Date of Departure. On the other hand, those employees who are eligible for this MPP will also be eligible for a limited number of additional RSUs ("MPP Based RSUs"). In total, the CIP considers 1,438,926,658 MPP Based RSUs. As a general rule, MPP Based RSUs will be eligible to be vested under the same terms and conditions as the RSUs; provided, however, that they will be eligible for vesting at the rate of one-third on each of the following dates: month 18, month 24 and month 30, in each case, counted from the Date of Departure.

In both cases, the respective employees must have remained as such in the group at the corresponding accrual date to be eligible to receive these benefits.

Given the characteristics of this program, it has been recorded in accordance with IFRS 2 (Share-based payment) and has been considered as a cash settlement award and, therefore, recorded at fair value as a liability under line items Trade accounts payable, other accounts payable and Provisions for non-current employee benefits, which is restated at the closing date

Chiloé, Chile.

of each financial statement, affecting the income for the period classified in the line item Administrative expenses of the Consolidated Income Statement by function.

Nonetheless, the fair value has been determined based on the current value and the best estimate of the future value of the Company's shares, multiplied by the number of base units awarded. This estimate was based on the group's Business Plan and its main indicators such as EBITDAR, adjusted net debt.

CIP (Corporate Incentive Plan)

With the aim of incentivizing the retention of talent among the executives of the Company and in response to the exit of the Chapter 11 Procedure, our Board of Directors approved on April 25, 2023, to extend the grant of an extraordinary and exceptional incentive called Corporate Incentive Plan ("CIP"). The CIP contemplates incentives divided in three categories tailored to three different groups or categories of employees, depending on whether employees were hired by the Company directly or by other companies of the LATAM Airlines Group. These categories are as follows: Non-Executive Employees; Executives Not part of the Global Executive Meeting o "GEM"; and GEM Executives. Employees in each of these groups are only eligible for the CIP that corresponds to their respective category. The terms of each of these CIP categories were communicated to the respective employees between the months of January to December 2023. In all cases, the respective employees must have remained as such in the Company at the corresponding accrual date to qualify for these benefits. During 2023, the amount accrued related to the CIP was US$66.8 million, which is recorded in the "Administrative expenses" line of the Interim Consolidated Statement of Income by Function. As of December 31, 2023, the amount of the CIP recorded in the consolidated statement of financial position is US$118.9 million. For a detailed description, please see Note 22 (Employee Benefits) in our audited consolidated financial statements.

Corporate guidelines

NCG 461: 3.1 GOVERNANCE FRAMEWORK, 3.5 ADHERENCE TO NATIONAL AND INTERNATIONAL CODES, 3.6 RISK MANAGEMENT, 8.1.1 LEGAL AND REGULATORY COMPLIANCE IN RELATION TO CLIENTS, 8.1.2 IN RELATION TO THEIR WORKERS, 8.1.4 FREE COMPETITION AND 8.2 SUSTAINABILITY INDICATORS

GRI 2-26, 2-27, 206-1 & 3-3

SASB TR-AL-520A.1

LATAM group's parent company is LATAM Airlines Group S.A., a corporation with securities registered in the Securities Registry of the CMF in Chile, and as such, is an open corporation in Chile. LATAM Airlines Group S.A. shares are traded on the Santiago Stock Exchange, the Chilean Electronic Stock Exchange, and the over-the-counter (OTC) market in the United States in the form of American Depositary Receipts (ADR). Therefore, its corporate governance model is ruled by the applicable existing regulation, the Stock Market laws (N° 18,045) and Corporations Act (N° 18,046), and the CMF rules, as well as the US SEC and specific regulations of the countries where it operates.

Meanwhile, a series of corporate guidelines direct employee behavior, in accordance with standards of ethics, integrity, transparency, accountability, combating illegal acts (corruption, bribery, antitrust, and money laundering). Along these lines, LATAM constantly evaluates the possibility of implementing best practices, such as adherence to national or international codes.

In fact, the group's Code of Conduct applies to all employees and collaborators of its companies, branches, subsidiaries and offices. Indeed, the Compliance Program, managed by the Legal and Compliance Vice-Presidency, directs monitoring and control processes and their ongoing evolution.

Likewise, LATAM has policies to prevent and detect regulatory breaches regarding the rights of its employees or clients, or that could affect fair competition. Thus, there are a series of trainings on the subject for professionals. We wish to mention that, during 2023, there were no penalties or monetary losses resulting from judicial proceedings related to anti-trust or unfair competition regulations. The number of penalties levied against LATAM and/or any of its affiliates under Law No. 19,496 on Consumer Rights Protection and/or the equivalent legislation in the territories where LATAM group operates are: a) Europe: 1; b) USA: 1; c) Colombia: 1; d) Argentina: 4; e) Chile: 37; f) Brazil: 194; g) Peru: 98; these penalties translate into a total of CLP$2,133,736,953. The number of labor sanctions levied against LATAM and/or any of its affiliates is: a) Chile: 36; b) Argentina: 28; c) Peru: 2; d) Brazil: 19. These penalties total CLP$490,678,963. Only Chile and Colombia were subject to labor rights tutela actions, without any sanctions levied so far.

CONFLICT OF INTEREST

NCG 461: 3.1 GOVERNANCE FRAMEWORK AND 8.1.5 LEGAL AND REGULATORY COMPLIANCE – OTHERS

GRI 2-11 AND 2-15

LATAM has an internal process to detect and manage conflicts of interest. In fact, all candidates to work at LATAM group are required to fill out the Conflict of Interest Statement prior to being hired. Likewise, periodically, group employees must complete a Conflict of Interest form each time they take the Code of Conduct course, as well as update this document when a potential conflict is identified. In addition, suppliers must answer a questionnaire on the subject.

It should be noted that in the event that a potential or actual conflict is identified, whether involving candidates, employees or suppliers, it is reviewed by the Compliance team and submitted to the corresponding authorities for approval.

On the other hand, both employees and collaborators of the LATAM group must request prior permission for non-routine meetings with competitors and public officials. This is done through the Approvals System, which is operated by Compliance, by sending a request and an agenda, which must be previously approved by the Legal department.

In addition, LATAM has a Crime Prevention Manual. The purpose is to prevent crimes of bribery, asset laundering, terrorist financing, handling of stolen goods, incompatible negotiations, corruption among private individuals, misappropriation, and fraudulent administration, among others considered under Chilean Law no. 20,393 and its amendments. In 2023, LATAM had no penalties related to Law no. 20,393.

RELATED-PARTY TRANSACTIONS

LATAM has a Related-Party Transactions Control Policy applicable to the parent, all subsidiaries and all members of the group (directors and employees). The policy states that related-party transactions must be conducted in accordance with the law, under market conditions at the time of the transaction, and must contribute to the social interest. Likewise, the document establishes that, where appropriate, these transactions must be submitted for evaluation by the Audit Committee and for the approval of the Board of Directors or the Shareholders' Meeting, pursuant to applicable law.

Along these lines, the consolidated Financial Statements for the financial year ended December 31, 2023, report the transactions carried out in 2023 between LATAM and its subsidiaries. For more information, see page 163.

POLITICAL CONTRIBUTIONS

GRI 415-1

NCG 461: 3.1 GOVERNANCE FRAMEWORK

The guidelines regarding possible financial support to parties and candidates during electoral campaigns are established in the Political Contributions Policy, which applies to all LATAM countries of operation. Along these lines, contributions must adhere to current local legislation and be in line with the group's Code of Conduct.

We should note that, since the creation of the policy (in late 2016), LATAM has not made any political contributions.

ETHICS AND COMPLIANCE

NCG 461: 3.6 RISK MANAGEMENT

GRI 205-2 AND 205-3

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

During 2023, 100% of the Board of Directors and 91% of the employees participated in trainings on the Code of Conduct. Meanwhile, communications on anti-corruption procedures reached 91% of employees and all suppliers. The latter must accept the so-called Code of Conduct for Third Parties and Third-Party Intermediaries at the beginning of the business relationship, in addition to committing to the anti-corruption clauses contained in contracts and purchase orders.

It should be noted that there were no cases of corruption in 2023. Likewise, LATAM uses the Foreign Corrupt Practices Act (FCPA) definition of corruption. Within it, 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 official position, regardless of whether the corrupt act succeeds in its purpose.

MORE INFORMATION
Code of Conduct.
Corporate Practices Manual (in English).
Political Contributions Policy.
Code of Conduct for Third Parties and Intermediaries.

WORKPLACE HARASSMENT (MOBBING)

NCG 461: 5.5 WORKPLACE AND SEXUAL HARASSMENT

LATAM group's Code of Conduct prohibits all harassing behavior in the workplace, whether sexual or not, and specifies the agencies for escalating and reporting incidents through the Confidential Reports Channel.

Each country where the LATAM group is based has its own workplace and sexual harassment protocols. In the case of Chile, the process is reported in the Internal Regulations for Order, Hygiene and Safety, as required by local regulations.

The LATAM group trains its employees on labor and sexual harassment issues, as part of its Code of Conduct trainings. In addition, the Compliance department conducted focused training sessions on the subject for more than 3,600 employees in 2023.

CONFIDENTIAL CHANNEL

NCG 461: 3.6 RISK MANAGEMENT

GRI 2-16 AND 2-26

LATAM has a Confidential Channel to receive potential reports on breaches of laws and internal rules; breaches of the Code of Conduct; labor irregularities; discrimination; workplace and sexual harassment; fraud; corruption; and bribery, among others. In fact, the LATAM stakeholders can access this anonymously and LATAM guarantees the principle of "non-retaliation" when reports are in good faith.

When a report is made through this channel, which is on the platform of an external and non-LATAM provider, the complainant receives an identification number with which they can follow up on their case. The information provided only refers to the status of the case (whether it is open, under investigation or closed with findings of fact). Along these lines, no information is disclosed of the possible penalties that might be levied against the individuals reported.

In the case of investigation, it is carried out internally by the Compliance team, with support from HR, Legal and any other departments or individuals necessary. The channel is made known through communications, training carried out by the Compliance team, e-learning and group policies.

EMPLOYEES[1] TRAINED ON THE CODE OF CONDUCT 2023

GRI 205-2

	BRAZIL	CHILE	COLOMBIA	ECUADOR	UNITED STATES[2]	PERU	OTHERS	LATAM GROUP
Senior management	11	37	1	0	5	1	3	5
Management	128	330	23	7	30	15	28	561
Leadership	685	438	71	29	64	65	65	1,417
Operators	9,627	1,961	936	119	28	901	436	14,008
Sales force	230	293	18	10	2	41	40	634
Administrative	317	354	58	18	9	50	68	874
Other professionals	832	1,315	54	11	47	42	25	2,326
Other technicians	6,049	2,269	958	277	2	1,750	67	11,372

[1] This percentage does not include personnel on permanent medical leave. Also, LATAM has no professionals in the Auxiliary category.

[2] Percentage based on the personnel to whom the course is made available, i.e. direct personnel hired by LATAM.

FUNCTIONAL CATEGORIES

Senior management
CEOs, Vice-Presidents and directors.

Management
Senior managers, managers and assistant managers.

Leadership
Area managers and department managers.

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

Sales force
Sales Operations and Customer Care.

Administrative
Support activities and general roles.

Other professionals
Middle management in support activities.

Other technicians
Command and cabin crew.

Stakeholder engagement

NCG 461: 3.1 GOVERNANCE FRAMEWORK, 3.7 STAKEHOLDER ENGAGEMENT, 6.1 INDUSTRIAL SECTOR AND 6.3 STAKEHOLDERS
GRI 2-29 AND 3-3

LATAM's main stakeholders include:

• Authorities and different government agencies, which define the regulatory framework and public policies affecting the group and its operations.

• Trade associations, with which LATAM shares common interests.

• International organizations, responsible for the international regulatory framework, and sector benchmarks and references that allow the group to make a comparative analysis of its own performance.

• Capitals market—a key player for business continuity and access to financing.

• Communities with which LATAM puts into practice its commitment to generate and share value.

• Employees, who make LATAM, being essential to the business and its operations.

• Network of suppliers with whom LATAM maintains business relationships.

• Clients who choose to fly with LATAM.

CAPITALS MARKET

NCG 461: 3.7.II

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

Specifically, LATAM's Investor Relations department makes it possible to clarify the concerns of shareholders, investors and other players of the capitals market regarding its financial and economic situation, the main risks, strategy and other aspects of the business. In fact, in the Investor Relations website, the group offers a breakdown of the corporate governance structure, and publishes updated financial statements, quarterly reports, and other relevant data to assist shareholders, investors and market analysts in their decision-making process. All these contents are available in English, Spanish, and Portuguese.

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

Shareholders' Meetings

All shareholders may participate in the so-called Shareholders' Meetings, and have the right to voice and vote therein. In order to carry them out, LATAM complies with the times and information required by the LSA, its Regulations and other applicable regulations (including General Standard 30 of the CMF).

Likewise, prior to the Shareholders' Meetings with the agreement of the Board, LATAM uploads all the relevant information to said process into the Investor Relations website. Meanwhile, with regard to the Board member elections, LATAM publishes the names of the shareholders' nominees along with their nomination and acceptance letters or sworn statements, as may be the case. It is worth noting that no information is published on the Board's opinion regarding the experience, vision and skills that are advisable for new members.

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

MEDIA RELATIONS

The External Communications department engages with the media for all their requirements and to communicate the milestones of the LATAM group. Contact is via e-mail at ComunicacionesExternas@latam.com.

ASSOCIATION MEMBERSHIP

NCG 461: 6.1 INDUSTRIAL SECTOR & 6.3 STAKEHOLDERS

GRI 2-28

LATAM group participates, through memberships, in representative agencies that promote initiatives for strategic debate and the joint construction of solutions. It also collaborates in the discussion of public policies and regulations relevant to the sector. In fact, In 2023, financial contributions to the different agencies totaled USD$1,829,742. All of these amounts went to trade associations, with the largest contributions going to Associação Brasileira das Empresas Aéreas (Abear), which received USD$1,126,644, Sindicato Nacional das Empresas Aeroviárias (Snea), which received USD$208,714, and Sociedad de Fomento Fabril (SOFOFA), which received USD$58,786.

Argentina

- Cámara de Compañías Aéreas en Argentina (JURCA)

Brazil

- Associação Brasileira das Empresas Aéreas (Abear)
- Associação Brasileira das Empresas de Mercado de Fidelização (Abemf)
- Associação Brasileira de Comunicação Empresarial (Aberje)
- Câmara Americana de Comércio para o Brasil (Amcham Brasil)
- G100 Brasil (G100 Brasil)
- Junta dos Representantes das Companhias Aéreas Internacionais do Brasil (Jurcaib)
- Sindicato Nacional das Empresas Aeroviárias (Snea)

Chile

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

Colombia

- Asociación de Líneas Aéreas Internacionales en Colombia (ALAICO) – Carga
- Asociación de Transporte Aéreo de Colombia (ATAC)
- Asociación Nacional de Empresarios de Colombia (ANDI)
- Federación Nacional de Comerciantes (FENALCO)
- Cámara de la Diversidad

Ecuador

- Cámara de Industrias de Guayaquil
- Cámara de Industrias y Producción (CIP)
- Club 30% (OPEV)
- Cámara de Comercio Americana
- Pacto Global
- Cámara Ecuatoriano Alemana
- YPO

Peru

- Asociación de Empresas de Transporte Aéreo Internacional (AETAI)
- Confederación Nacional De Instituciones Empresariales Privadas (CONFIEP)
- Asociación Peruana de Empresas Aéreas (APEA)
- Cámara de Comercio Americana del Perú (AMCHAM PERÚ)
- Cámara Nacional de Turismo (CANATUR)
- Cámara Regional de Turismo de Cusco (CARTUC)
- Instituto Peruano de Economía (IPE)
- Perú Sostenible
- Sociedad de Comercio Exterior del Perú (COMEX PERÚ)
- Asociación Peruana de Hidrógeno (H2 PERÚ)
- UNESCO – Pacto por la Cultura
- Patronato Hombro a Hombro
- Asociación Femenina de Ejecutivas de Empresas Turísticas

POLITICAL CONTRIBUTIONS

GRI 3-3: 205

Since the creation of the Political Contributions Policy in late 2016 until the end of 2023, the LATAM group has not made any political contributions.

Nonetheless, it is worth noting that the Policy establishes guidelines for possible financial support to parties and candidates during election campaigns in all the countries where the group operates. These guidelines state, among other things, that contributions must adhere to current local legislation and be in line with LATAM's Code of Conduct.

MORE INFORMATION

Manual for Handling Relevant Information for Markets

Investor Relations: latamairlinesgroup.net

Contact: InvestorRelations@latam.com or ComunicacionesExternas@latam.com

Financial policies

FINANCING POLICY

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

During the Chapter 11 Proceeding the LATAM group obtained Debtor-in-Possession (DIP) financing, initially for USD$2.45 billion and up to USD$3.70 billion, USD$2.75 billion of which were drawn. This DIP financing allowed the LATAM group to operate with sufficient liquidity during the pandemic and its reorganization process. On October 12, 2022, said DIP credit agreement was fully paid through the DIP-to-Exit financing amounting to USD$2.25 billion in a combination of bridge loans with Term Financing, added to USD$1.14 billion from a Junior DIP, effective during the remaining period of the Chapter 11, and a new Revolving Credit Facility (RCF) for USD$500 million that became fully available.

On October 18, 2022, the bridge loans were partially repaid through bond issuance under SEC Rule 144A. Subsequently, on November 3, 2022, the bridge loans were fully repaid and replaced by an increase in the term financing mentioned above. Likewise, on that date, the LATAM group completed its reorganization process, achieving a reduction of 35% of its financial liabilities, in addition to a re-profiling of its debt maturities, with the next important maturities due in 2027, corresponding to the Term Financing worth USD$1.10 billion and the 2027 Notes for USD$450 million, and in 2029, corresponding to the 2029 Notes for USD$700 million. As part of its new capital structure, the LATAM group has two committed lines of credit totaling USD$1.1 billion, one for USD$600 million secured by aircraft, spare engines and spare parts in general, and the other line for USD$500 million, secured by intangibles. As at December 31, 2023, both lines are fully available.

During its reorganization, the LATAM group focused its resources on maintaining operations and adjusting fleet size in line with current and projected demand for the next few years. The LATAM group reached agreements with Boeing to cancel and postpone aircraft arrivals, as well as to obtain more favorable terms for its financed fleet and fleet under operating leases, such as variable pay periods, rental reduction, and extended payment periods. By December 31, 2023, the LATAM group had placed orders with Boeing for five B787-9 aircraft and with Airbus for 88 A320neo and A321XLR aircraft with delivery by 2029. Normally, the LATAM group finances between 70% and 85% of the value of the assets through bank loans, secured notes covered by the export promotion agencies, or through commercial loans, capital investments, or its own funds. The payment schedules of the various aircraft financing structures are mostly for 12 years. Moreover, the LATAM group contracts a large part of its fleet purchase commitments through operating leases as an additional source of financing.

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

MARKET RISK MANUAL

Given the nature of its operations, the LATAM group is subject to market risks, such as:

1. Fuel price risk.
2. Interest rate risk.
3. Exchange rate risk.

In order to hedge fully or partially against these risks, the LATAM group 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.

1. 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. The LATAM group has the ability to trade derivatives based on jet fuel, as well as other underlying assets, such as Jet Fuel, Brent, WTI and Heating Oil.

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

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

2. Interest rate risk on cash flows

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

The uncertainty surrounding how the market and the governments will behave, and thus, how interest rates will change, leads to a risk related mainly to the LATAM group's debt subject to variable interest and to the investments it makes. 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.

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

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

At December 31, 2023, the company has no interest rates derivatives positions.

3. Exchange rate risk

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

Thereby, the LATAM group is exposed to the fluctuations in various currencies, mainly the Brazilian Real. Up to December 31, 2024, the LATAM group is hedged against the Brazilian Real for USD$414 million for 2023.

On the other hand, balance sheet risks appears when entries in the balance sheet are exposed to exchange rate fluctuations, given that said entries are expressed in a currency unit other than the functional currency and must be converted to the relevant functional currency. The main mismatch factor is seen in TAM S.A., whose functional currency is the Brazilian Real, and as most of its liabilities are stated in U.S. dollars, even though its assets are stated in local currency. While the LATAM group may take out 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 2023, the LATAM group made no hedges against balance sheet risk.

Manhattan, USA.

FINANCIAL POLICY

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

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

The Financial Policy of the LATAM group aims to achieve the following goals:

La Política Financiera del grupo LATAM busca los siguientes objetivos:

• To preserve and maintain suitable cash flow levels to ensure the requirements of the operations, support growth, and fulfill the group's financial obligations.

• To reduce the effects of market risks, such as variations in fuel prices, exchange rates, and interest rates on the Group's net margin and cash position.

• To maintain a suitable level of credit lines with local and foreign banks to gain access to additional liquidity to face contingencies.

• To manage counterparty risk through the diversification and limits on investments and transactions with counterparties.

• To maintain an optimal debt level, diversify financing sources, manage the debt maturity profile, and minimize the cost of financing.

• To maintain, at all times, a short, medium, and long-term visibility of the group's projected financial situation to anticipate scenarios of low liquidity, financial ratio deterioration, etc.

• To capitalize excess cash flow through financial investments that will guarantee a risk and liquidity level consistent with the Financial Investment Policy.

• The Financial Policy delivers guidelines and restrictions to manage Liquidity and Financial Investment transactions, Financing Activities, and Market Risk Management.

Bahia, Brazil.

LIQUIDITY AND FINANCIAL INVESTMENT POLICY

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

As part of its new capital structure, the LATAM group has two committed lines of credit totaling USD$1.1 billion, one for USD$600 million secured by aircraft, spare engines and spare parts in general, and the other line for USD$500 million, secured by intangibles. At yearend, both lines are fully available. In addition, LATAM ended the year with a total liquidity of around USD$2.8 billion and a liquidity index of 23.9%.

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 marked globally by very low rates, whereas 2022 and 2023 witnessed an increase in interest rates.

05 Our Business

In this chapter

Industry *context*

NCG 461: 6.2 BUSINESSES

In 2023, the world economy remained on a path of slow growth, mainly due to the tightening of monetary policies to reduce inflation. Thus, in its latest projection from January 2024, the International Monetary Fund (IMF) estimated a growth of 3.1% for the global economy in both 2023 and 2024.

Under the same projection, the IMF calculated that developed economies will face a slight decrease this year, from a projected growth of 1.6% in 2023 to 1.5% during 2024. Along this line, according to the IMF, the United States will expand by 2.1% in 2024, which is 0.6 percentage points higher than was projected in its October report, due to an increase in both public and private spending, as well as an expansion of supply.

Meanwhile, for the euro zone, the IMF considered 0.9% growth during 2024, down 0.3 percentage points vs. the October 2023 projection, reflecting a decline in consumer confidence, persistently high energy prices and weak investment in both the business and manufacturing sectors.

In addition, the International Air Transport Association (IATA) indicated in its latest report, released in January 2024, that there was a strong recovery throughout the airline industry during 2023. In fact, on a global level, passenger capacity, which is measured in ASK (available seat kilometers), grew 24.1% vs. 2022, while passenger demand, which is measured in RPK (revenue-passenger kilometers), increased 25.3% over the same period. On parallel, cargo capacity, which is measured in ATK (available ton-kilometers), increased by 13.6% in 2023 compared to the previous year. However, IATA has pointed out that there is a production crisis in both aircraft engines and aircraft worldwide. This is due to difficulties in the supply chain and higher raw material prices. In addition, there has also been a shortage of qualified personnel in the airline industry.

As for Latin America and the Caribbean, they are experiencing socio-political processes that have had impacted the economic scenarios of the region's countries. For example, during April 2023, general elections were held in Paraguay, where a new president (Santiago Peña) and vice-president (Pedro Alliana) were elected for the 2023-2028 five-year term, in addition to senators, congressmen, governors and members of the departmental councils.

The IMF estimated 3.1% growth for the global economy in 2023 and 2024.

In turn, in November 2023, the second round of the presidential election was held in Argentina (the first round was held in October 2023, as part of the general elections), with Javier Milei winning 56% of the votes over Peronist Sergio Massa, who obtained 44% of the votes.

However, the projections for Latin America and the Caribbean in the latest IMF report were adjusted with regard to the estimates that it presented in October. Along this line, the growth for the region was forecast to be 1.9% in 2024, with a downward revision of 0.4 percentage points compared to the October estimate. This is due to Argentina's negative growth in the context of a significant adjustment of economic policy to restore macroeconomic stability. However, the IMF expects Brazil to grow 1.7% in 2024. Meanwhile, for 2025, the IMF estimates an expansion of 2.5% for the region.

In Chile, after a 4-year constitutional process, the citizenry decided to reject the last proposed constitution, thus keeping the one approved in 1980, which has undergone several reforms since then. Thus, in February 2024, the Central Bank of Chile estimated that Chilean GDP will close at -0.2%, and that the expansion ranges will stand between 1.25% and 2.25%, and between 2% and 3% for 2024 and 2025, respectively, according to its December 2023 Monetary Policy Report (IPoM, for its Spanish acronym).

1.9%

Latin America and the Caribbean are expected to show 1.9% growth in 2024.

1.7%

Brazil's economy is expected to grow 1.7% in 2024.

between 1.25% and 2.25%

The range of expansion that the Central Bank projects for Chile in 2024 is between 1.25% and 2.25%.

Financial results

GRI 3-3

As of to December 31, 2023, LATAM reported a gain of ThUS$581,831, translating into a negative variation of ThUS$757,379 vs. the previous year's ThUS$1,339,210. This positive balance for 2022 is explained by ThUSD$1,680,934 corresponding to positive non-operating impacts related to the Chapter 11 restructuring process, so taking this into account, the comparable amount is ThUSD -$341,724. Meanwhile, the net margin for the year reached 4.9% in 2023, while during 2022, it was 14.1%. In turn, adjusted operating income for 2023 amounted to ThUS$1,327,901, while adjusted operating margin reached 11.3%, 9.8 percentage points higher than the margin of 1.4% recorded in 2022. On the other hand, operating income for the financial year increased 23.9% vs. the same period of 2022, totaling ThUS$11,789,182. This is largely explained by a 33.8% increase in passenger revenues and a 17.4% contraction in cargo revenues.

In detail, passenger revenues reached ThUS$10,215,148, compared to ThUS$7,636,429 at December 31, 2022. This variation is due to a 23.1% increase in demand and an 8.6% hike in yields compared to the same period of the previous year. On other hand, load factor also shows a positive variation of 1.8 percentage points, reaching 83.1% during 2023, explained by a strong hike in demand.

As for cargo revenues, they settled at ThUS$1,425,393 at December 31, 2023, i.e. 17.4% less than in 2022, explained by the weakening of cargo yields, given the higher capacity. Nonetheless, cargo revenues increased by 33.9% compared to the same period of 2019.

The other income item recorded a total of ThUS$148,641 during the year, which translates into a decrease of 3.7%, in line with the previous year. On the other hand, adjusted operating costs amounted to ThUSD$10,461,281, higher than in 2022, mainly due to the increase in passenger operations and particularly in international operations, which grew by 36.2% compared to 2022.

Wages and benefits increased ThUS$303,484, mainly due to higher crew costs, a 9.6% increase in the average headcount and compensation paid to employees during the last quarter of 2023.

Fuel increased 1.7%, equivalent to ThUSD$64,715. This increase is mainly due to a larger operation, with a 17.5% increase in gallon consumption, net of a lower unhedged price of 13.6%.

Agent commissions showed an increase of ThUSD$77,125, mainly as a result of the increase in operations related to passenger revenues, and the rise in operations across all segments, especially due to the growth of the international business.

Depreciation and amortization increased by ThUSD$25,861, equivalent to 2.2%. This variation is mainly explained by maintenance depreciation costs due to a higher average fleet size during the year compared to the previous year.

Other rental and landing fees increased ThUSD$286,637, mainly in the costs of airport charges and handling services, impacted by the recovery of operations across all segments, both on the domestic and international fronts.

Passenger services reported higher costs, translating into an increase of 47.5% vs. 2022, explained by a significant growth in demand. In fact, the number of passengers transported rose by 18.3%.

Aircraft Rentals reported costs of ThUSD$91,876 as a result of the different agreements reached by LATAM.

We should note that aircraft leasing includes the costs related to leasing payments by the hour (PBH) for contracts that have been modified to incorporate 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, a right-of-use asset and a lease liability were recognized for these amounts at the date of the 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.

Maintenance expenses were higher (an increase of ThUSD$18,956), mainly due to a higher average number of aircraft compared to the previous year.

The other operating expenses reported a percentage increase of 18.9%, due to the effect of higher costs in the crew, marketing, sales, and reservation systems variables.

Overall, interest income totaled ThUS$125,356 which, compared to the ThUS$1,052,295 reported in 2022, represents a decrease of 88.1%. This variation is largely due to movements in the Chapter 11 restructuring process totaling $911.7 million dollars.

Meanwhile, interest expenses decreased 25.9%, totaling ThUSD$698,231 by December 31, 2023, mainly explained by the significant reduction of the company's debt by 40%, possible because of the exit from Chapter 11.

Other income/expenses totaled ThUSD$159 at December 31, 2023. On the other hand, the main items of the consolidated financial statement of TAM S.A. and its Subsidiaries, which produced a gain of ThUS$50,701 due to exchange rate differences at December 31, 2023, are: other financial liabilities, which generated a gain of ThUSD$26,871 thanks to loans and financial leasing for the acquisition of fleet denominated in US dollars; net accounts receivable and payable to related companies, which recorded a gain of ThUSD$46,531; and net accounts receivable and payable to third parties, which had a loss of ThUSD$17,532. We should note that the other items of net assets and liabilities generated a loss of ThUSD$5,168.

Total revenues
USD$11.8 billion

Adjusted operating margin of
11.3%

Net income of
USD$582 million

ECONOMIC VALUE GENERATED AND DISTRIBUTED [1]

(USD$ THOUSANDS)

GRI 201-1

	2023
a) Direct economic value generated[1] (income, financial investments, sale of assets)	**11,914,538**
b) Economic value distributed	**11,507,537**
Operating expenses	9,036,619
Employee wages and benefits	1,583,337
Payment to capital providers (interest payment to lenders and dividend distribution)	872,621
Payments to government (taxes)	14,942
Community investments	18
b) Retained economic value (a-b)	**407,001**

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

SNAPSHOT

FINANCIAL INDICATORS (USD$ THOUSANDS)

	2021	2022	2023
Operating income	5,111,346	9,516,807	11,789,182
Adjusted operating expenses	-6,230,630	-9,381,941	-10,461,281
Adjusted operating income	-964,284	134,866	1,327,894
Adjusted operating margin	-18.90%	1.42%	11.26%
Net profit/(loss)[1]	-4,653,142	1,337,137	581,550
Net Margin	N/S	14.07%	4.94%
Adj. EBITDAR	201,110	1,314,379	2,533,274
EBITDAR margin	3.90%	13.81%	21.49%
Cash and cash equivalents[2] /revenues last 12 months	20.50%	24.30%	23.9%
Net leverage[3]	N/S	4.0x	2.1x

N/S Not significant.
[1] Net profit before minority interest.
[2] Includes the revolving credit line.
[3] Adjusted net debt/Adjusted EBITDAR (last 12 months).

MORE INFORMATION
Risk Factors, in Annexes. Pages 141-153.

Santiago, Chile.

Investment plan

NCG 461: 4.3 INVESTMENT PLANS

Capital expenditures are related to aircraft acquisition, maintenance CAPEX, spare parts replacement, information technology-related CAPEX, fleet projects such as cabin refurbishment, freighter conversions and other specific strategic projects. Along this line, the LATAM group's capital expenditures are recorded in the cash flow statement through the following lines: Purchases of Property, Plant and Equipment, Purchases of Intangible Assets, and partially, Payments to Suppliers for the Supply of Goods and Services (Leased Maintenance Payments).

HISTORICAL CAPITAL EXPENDITURES
as of December 31, 2023
(MILLION USD$)

	2021	2022	2023
Purchases of Property, Plant, And Equipment	(597.1)	(780.5)	(795.8)
Purchases of Intangible Assets	(88.5)	(50.1)	(68.1)
Lease Maintenance Payments	(163.7)	(149.1)	(294.5)

On the other hand, the table below shows the LATAM group's estimated capital expenditures for the years 2024, 2025 and 2026, which are subject to change and may differ from actual capital expenditures. In turn, pre-delivery payments (PDPs) and non-fleet CAPEX represent estimated cash outlays for the company that will be recorded under net cash flow from (used in) activities of investment in Property, Plant and Equipment and Purchases of Intangible Assets, as well as in net cash flow from operating activities in the case of maintenance related to operating leases.

ESTIMATED CAPITAL EXPENDITURES PER YEAR
as of December 31, 2023
(MILLION USD$)

	2024	2025	2026
Prepayments (PDPs)[1]	(91)	(20)	(322)
Non-fleet CAPEX[2]	(1,402)	(1,182)	(1,196)

[1] Pre-delivery payments made by the LATAM group or revenue received by the LATAM group after the aircraft is delivered.
[2] Including estimates of capital expenditures on spare engines and parts, fleet maintenance, projects and others, plus purchases of intangible assets.

Meanwhile, fleet commitments such as the manufacturers' retail price and the present value of lessors' fleet commitments to be received under operating leases, according to International Financial Reporting Standards (IFRS 16), are presented in the table below.

ESTIMATES PER YEAR
as of December 31, 2023
(MILLION USD$)

	2024	2025	2026
Fleet commitments[1]	(511)	(1,209)	(757)

[1] Includes all committed deliveries (from manufacturers and lessors) with estimates of current scheduled delivery dates.

It should be noted that, in general, the LATAM group evaluates financing alternatives to meet its fleet commitments and, therefore, the amounts presented are not necessarily indicative of a cash outflow and, depending on the type of lease (operating or financial), the Cash Flow Statement will record the delivery of the fleet differently: in the case of finance leases, the cash outflow will be recorded under Net cash flow from (used in) investment activities based on the purchase price of the aircraft.

However, aircraft arriving under an operating lease do not represent a cash outflow upon arrival, but rather represent the recognition of a right-of-use asset and a lease liability and, therefore, will not be recorded in the Cash Flow Statement per the accounting rules of the IFRS.

Stock *information*

NCG 461: 2.3.4 STOCKS, THEIR CHARACTERISTICS AND RIGHTS

LATAM Airlines Group S.A. is an open stock corporation registered before the Financial Market Commission (CMF, for its Spanish acronym), under Nº 306, whose shares are traded in Chile on the Santiago Stock Exchange, (BCS, for its Spanish acronym) and the Chilean Electronic Exchange-Stock Exchange (BEC, for its Spanish acronym). On the other hand, following the filing for Chapter 11, the American Depositary Receipts (ADR) program is no longer listed on the New York Stock Exchange (NYSE), but is traded in the United States on the Over-the-Counter (OTC) market.

ANNUAL RETURN

+22.92%
ADR

+63.81%
Local share

+24.73%
S&P 500

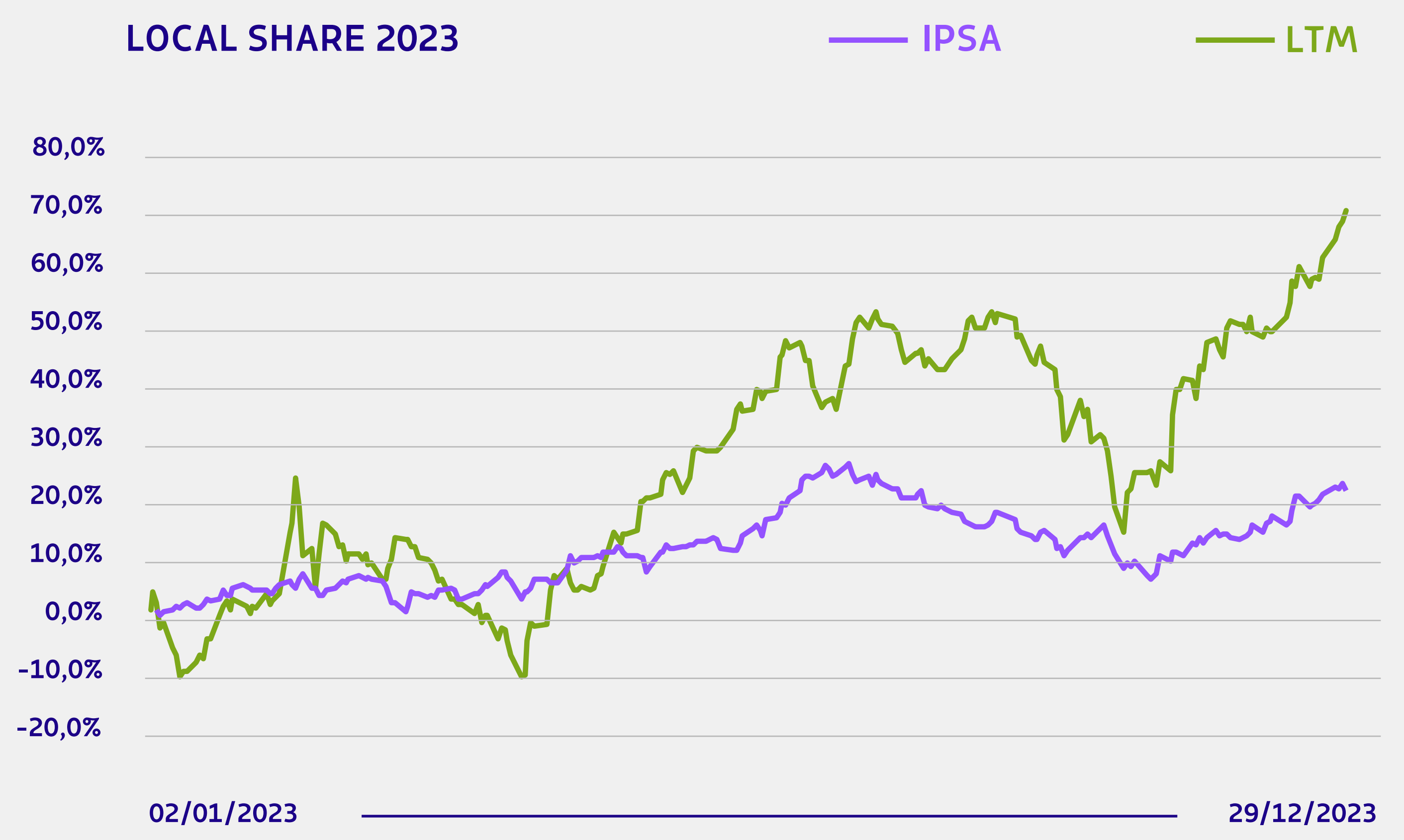
+18.17%
IPSA S&P

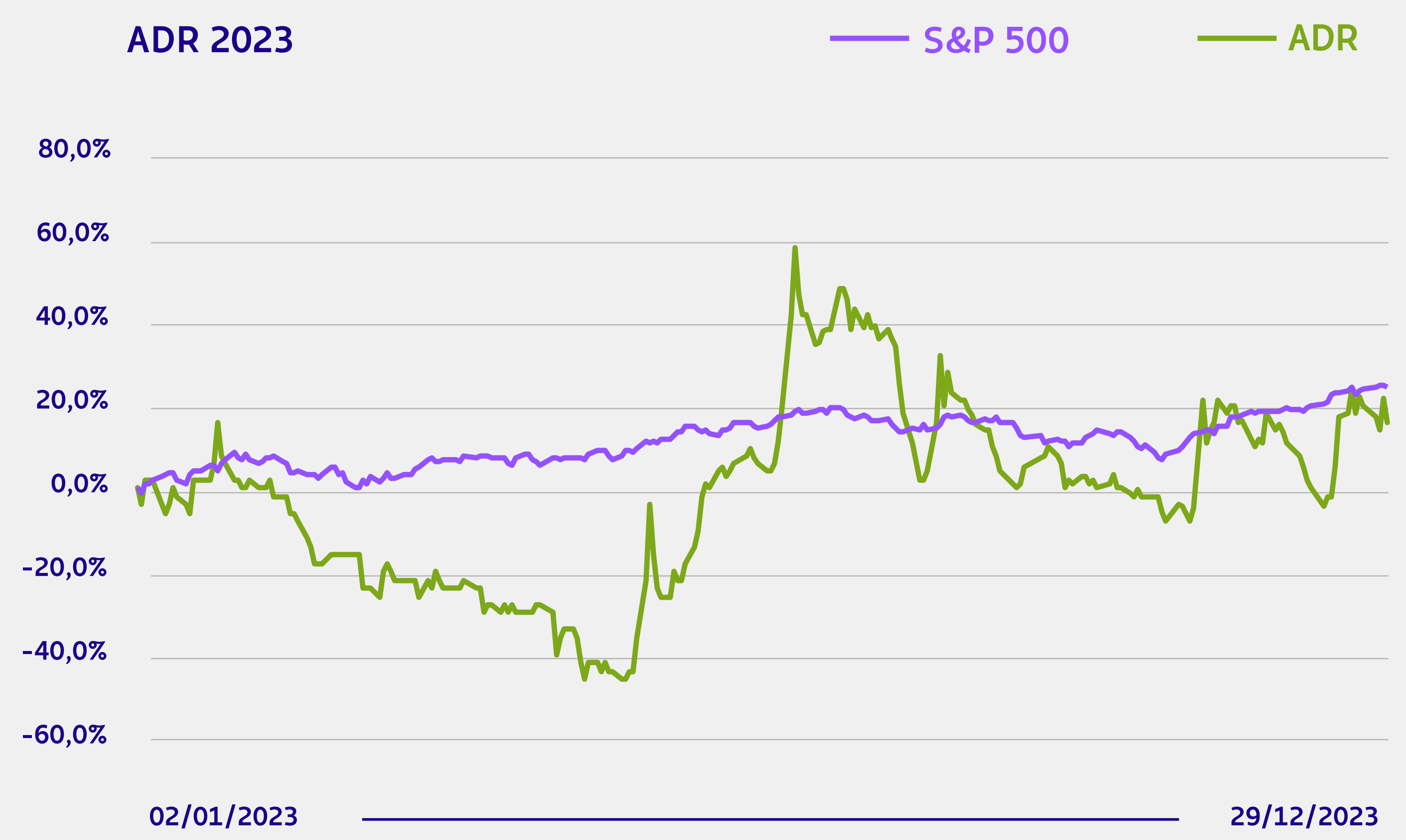
VOLUMES TRADED BY QUARTER—LOCAL STOCK (SANTIAGO STOCK EXCHANGE)

2023	N° of shares traded (million)	Average price (CLP)	Total value (million CLP)
First quarter	20,210	5.90	118,124
Second quarter	35,920	6.24	224,141
Third quarter	55,150	8.15	449,473
Fourth quarter	61,900	7.99	494,581

VOLUMES TRADED BY QUARTER - ADR

2023	N° of shares traded	Average price (CLP)	Total value (million CLP)
First quarter	6,967,870	0.4691	3.27
Second quarter	9,228,850	0.3814	3.52
Third quarter	11,697,850	0.6197	7.25
Fourth quarter	6,812,404	0.5473	3.73





06 *Safety*

In this chapter

Priority Nº1

NCG 461: 8.2 SUSTAINABILITY INDICATORS BY INDUSTRY
GRI 3-3, 403-1 & 403-2
SASB TR-AL-540A.1

For the LATAM group, the safety of its employees, clients and the communities where it operates is fundamental and the number one priority. In this sense, it bases its actions on the **Safety, Quality, Health and Environment Policy,** which establishes the highest standards to safeguard safety as a non-negotiable value in LATAM group. This document complies with the parameters established by the International Civil Aviation Organization (ICAO) and promotes the development of the organization's Safety Management System for the identification, prevention and mitigation of risks.

The group's safety culture focuses on the active participation of teams, continuous improvement of processes and constant monitoring of performance, with the aim of frequently perfecting safety indicators. In addition to rigorously applying the operational procedures established by the authorities, manufacturers, and the company itself as an airline operator, LATAM seeks to surpass its own standards. This is why it increasingly relies on technology and data provided by its systems for decision-making, and collaborates with international and national organizations, as well as with agencies chaired by authorities, with the aim of developing best practices to mitigate risks and promote a safe operation.

INTEGRATED SAFETY MANAGEMENT SYSTEM (SMS)

(SASB TR-AL-540A.1)

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

Along these lines, the SMS brings together tools and programs that enable LATAM to act proactively, monitor performance, identify risk situations, and react promptly to minimize them. In fact, the actions are guided by the matrix of risk factors and criticality degrees, updated periodically with data from internal analyses and events related to global aviation.

In addition to the internal information that streamlines the prioritization of potential risks, the LATAM group annually reviews the risks highlighted in the IATA Annual Safety Report and publishes on its website a breakdown of the mitigation measures for each risk. In addition, it discloses its participation in organizations chaired by national and international authorities and organizations related to commercial aviation, with a focus on the safety of the sector.

SMS 2023 results

25,801 hazards and dangerous situations* were identified by the SMS.

Ninety percent of these situations were mitigated through investigations or some type of audit.

**Note: Risks and hazardous situations are broadly defined as any existing or potential condition that could lead to an accident or incident. The percentage that has not yet been mitigated has already been assigned a management level and will be handled in 2024, in line with internal procedures.*

Also, as part of the integrated system, the LATAM group conducts a series of periodic audits to improve its internal processes, as well as to identify new opportunities in security matters. These are divided into three types:

- **1. Periodic internal audits:** They are carried out by the LATAM team and assess the maturity of the operational processes implemented in the Airports and Maintenance areas.

- **2. Internal audits based on the guidelines of the International Air Transport Association (IATA) Operational Safety Audit:** It aims to ensure compliance with local regulations and that all operational areas meet the highest safety standards in the industry.

- **3. IOSA recertification audits:** IATA's team of auditors has been verifying compliance with IOSA standards in all subsidiaries since 2007. This process is carried out every two years and the most recent edition was held in 2023. The result of this process provides LATAM with improvement opportunities for all its safety processes.

The SMS brings together tools and programs that enable LATAM group to act proactively, monitor performance, identify risk situations, and react promptly to minimize them.

ANALYTICS AND ADVANCED DATA USAGE

LATAM has been a pioneer in the aviation sector in the use of data from its routine operation to develop action plans and ongoing improvement of operational safety.

Project Safety II

Since 2020, the LATAM group has developed project Safety II, which generates valuable flight information and allows the analysis of different variables with the potential to affect operational performance, such as meteorological data, maintenance reports and flight crew alert levels, among others.

In 2023, the growth of this project prompted the creation of the Safety Data Department in the company, with the aim of supporting all operational safety directorate decisions. In addition, the quality and availability of data obtained from various sources was improved. For example, the Human Factor and Dispatch areas were involved, making it possible to broaden the collection of data from different sources and increase the correlation possibilities. This, in turn, opens the opportunity to add new teams from the Vice-Presidency of Security.

Another relevant advance was the development of a new indicator (Safety Performance Index - SPI II), which makes it possible to visualize the nuances of performance in all phases of flight. All these advances have strengthened the capacity to generate correlations, identify trends and carry out other validation exercises to detect strengths and opportunities for improvement in the operation.

DATA MONITORING

Aircraft dispatch processes

After conducting a diagnosis of passenger boarding processes in 2022, which mapped the risks associated with aircraft dispatch, the group has continued to strengthen these processes. In 2023, an automated monitoring system was implemented to collect actual data on potential safety events (Safety Performance Index- SPI) that were previously unavailable.

Through a series of improvements coordinated with Airport Operations in the boarding process, we were able to reduce potential security risk events by more than 90% per month, indicating a significant downward trend. This translates into improved control of the shipping process, reflecting the success of the interventions and improvements implemented during the year.

Flights

LLATAM has a Flight Operations Quality Assurance (FOQA) program designed to monitor flight data. This computerized system allows us to compare actual flight parameters with standard operating procedures (SOPs), as it collects information from each flight, automatically processes the data and identifies deviations in operations, facilitating an operational analysis of our procedures and the management of preventive maintenance processes.

The FOQA is a key component in the Security Management System, essential to detect and identify security breaches. Thanks to this program, in 2023, it was possible to monitor over 96% of flights, providing valuable information to mitigate risk and prevent future recurrences.

Additionally, the FOQA provides information segmented by pilot, which is handled with absolute confidentiality. This data is housed in a mobile application called Pilot LATAM, a mobile application designed specifically for LATAM group pilots, which functions as a full operational information tool and allows crews to view details of their performance, compare it with the fleet average and access incidents identified during flights.

WELL-BEING

GRI 403-7

While the LATAM group is concerned with the safety of all its employees, it is aware that they themselves are the main players in making its operations increasingly safer. Thus, the group invests on an ongoing basis in generating awareness and commitment among all its teams and seeks to bolster the safety culture through training and initiatives in engagement and communication.

Through internal campaigns, the LATAM group seeks to raise awareness among its teams about the importance of safe behavior. In addition, it has implemented an online platform that collects notifications of incidents and deviations. This valuable information is used to map risks and generate improvement plans for the constant evolution towards safer practices.

Microlearning Project

Four Microlearning Project courses were successfully implemented in 2023, which are complementary to the gate-keeper activation process (pilots in charge of analyzing flight data). These have been designed to strengthen key pilot skills in operational events. Based on the PBL (Problem-Based Learning) methodology, these courses have raised the situational awareness of 128 pilots, marking a significant milestone in the improvement of safety and operational efficiency.

Human Factors Program

During this year, a Human Factors Manual was launched that establishes a theoretical framework for application in teaching and work settings. In addition, online training on fatigue and prevention of psychoactive substances was updated, reaffirming the commitment to a safe and healthy work environment.

This is in addition to the “Peer Support Pilot” program, which brings together volunteer pilots in all subsidiaries to develop indicators related to the psychological well-being of this role, and “SeguraMente”, which offers medical consultations and psychological support to pilots.

DISRUPTIVE PASSENGERS

GRI 403-7

In the last three years, disruptions in the LATAM group were mostly linked to COVID-19 pandemic protocols. In 2023, with the recovery of operations, alcohol consumption detected in our passengers has become the main trigger for disruptive behavior. In response to this, courses and training for airport staff have been updated and improved to identify passengers in an altered state prior to boarding.

Each month, statistics on disruptive passengers are presented to the boards of directors and at the highest decision-making levels, with the purpose of reviewing these situations and taking pertinent actions.

In addition, LATAM group has a Sexual Harassment or Sexual Molestation Procedure, which is activated in the event of this type of aggression towards its personnel, ensuring that their physical and emotional well-being is protected during events of this nature and providing professional support afterwards.

Moreover, a detailed analysis of the root cause and contributing causes is carried out in each situation, seeking to promote continuous improvement in any process that may have had an influence, even minimally, on these behaviors within LATAM.

Although this is a common problem in the industry and LATAM’s statistics similarly reflect what is happening at the sector level, the organization continues to work on promoting measures together with the authorities to ensure a regulatory framework that establishes consequences for disruptive passengers and that protects the company should it decide not to transport a passenger deemed dangerous.

CONSTANT IMPROVEMENT: TECHNICAL ASSISTANCE

In 2023, the LATAM group’s Chilean affiliate passenger operation collaborated with the Boeing Flight Operations Support Program (FOSP) to receive technical advice on flight operations safety and training, as well as to improve communications. In addition, the company participated in the Airbus Global Regional Airbus Safety Program (GRASP), which evaluated and strengthened the Safety Management System (SMS) and the Quality Management System (QMS). The evaluation included executive surveys, attendance at Safety Committee meetings, process reviews in Brazil and Chile, with a focus on passenger transportation, and in the United States, for cargo, as well as interviews with leaders in all areas. The final GRASP report provided valuable feedback to optimize our SMS, with the goal of implementing identified improvements in 2024.

AIRPORT SECURITY

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

Security Management System (SeMS)

During 2023, LATAM implemented the Security Management System (SeMS) international standard, with the purpose of further strengthening the structure of the pillars that make it possible to address and maintain airport and facility security. This achievement applied to all LATAM group operations, considering both passengers and employees, and seeks to help ensure operational continuity and safeguard operations against possible threats and risks, with the highest levels of security.

This system incorporates procedures for investigating undesirable situations that apply to the entire LATAM group to identify the causes of events, so that improvement measures can be implemented to prevent the occurrence of new cases.

Staff engagement and an organizational culture around safety are crucial to the SeMS objectives, so the Safety team defines the evaluation and validation of all content managed by the LATAM Corporate Training Academy, with a focus on occupational health and safety. They also participate in defining the content of security briefings for operational teams and often take an active role in these communication sessions.

Inspections

LATAM carries out safety inspections through a work plan that covers the different airport processes, considering infrastructure, mobile equipment, ladders, work-at-height systems and any condition or activity that poses a critical risk, to mitigate risks and the impact on people and operations both for the care of passengers (in accordance with aeronautical regulations) and for the care of employees. In addition, the goal is to fully comply with international and national regulations, as well as internal policies to immediately identify any breach of processes that may arise and that could create exposure to any event of illicit interference, for which reason we establish permanent monitoring of the way in which each of the tasks related to access control to aircraft, cargo holds and facilities are carried out, with particular emphasis on restricted areas.

EMERGENCY RESPONSE PLAN

LATAM has an Emergency Response Plan, which determines what resources and people should be activated in the event of an air emergency; i.e., in incidents or accidents involving damage to property or people. The goal of this plan is to support the affected people and their families, acting as facilitator with the aeronautical authorities in the investigations and maintaining communication with the different stakeholders to ensure the continuity of the operation. Likewise, this plan establishes the organization's bases for other types of emergencies that seriously affect operations, such as natural disasters, pandemics, strikes or severe contingencies.

In fact, there are currently Emergency Committees in each of the LATAM group's subsidiaries in Brazil, Chile, Colombia, Ecuador, Peru and Paraguay, as well as in cities where LATAM has personnel, such as Miami, Buenos Aires and Madrid. The committees participate in working groups, where they interact with experts from different areas, in addition to volunteers, who could provide support should there be affected individuals.

Each year, these Emergency Committees are trained and emergency drills are carried out periodically to ensure the correct response of each area in the event of such a situation occurring. An important training event was the Safety Week held in 2023, which included training sessions focused on emergency response for all subsidiaries, as well as activations of the committees in Ecuador and Chile. Along this line, during 2023, classroom and online trainings exceeded three thousand employees.

In addition, eight simulation exercises were carried out during the year, with the activation of one or more committees simultaneously, to prepare the teams and systems for possible occurrences in the most efficient way possible.

SECURITY INCIDENTS

SASB TR-AL-540A.2

In 2023, there were no aviation accidents in the LATAM group's operations. During the period, there was one incident that activated the Emergency Response Plan for the runway crossing event, which occurred in Florianopolis on July 12. The situation was resolved smoothly, after involving the Chilean and Brazilian committees, which provided all the necessary support for the proper disembarkation of all crew members and passengers. In addition, the relevant analysis was subsequently carried out to identify operational reasons and strengthen security structures.

LATAM teams maintain the safety management systems active, monitoring each event for opportunities to improve processes, and supervising safety indicators to maintain acceptable levels and seek constant improvements. As a result, we have achieved improved safety levels that are reflected in the absence of significant events.

SNAPSHOT

	2020	2021	2022	2023
Accident and safety management NCG 461: 8.2 SUSTAINABILITY INDICATORS				
Aviation accidents[1] SASB TR-AL-540A.2	1	0	2	0
Government measures for the implementation of aviation safety regulations[2] SASB TR-AL-540A.3	N/D	N/D	0	1
Emergency Response				
Members of the emergency team	2,814	2,240	N/D	573
People trained in procedures	746	3,400	3,500	3,549

N/A: not available.

[1] In 2020: Accident with the crew. In 2022: Accident with crew on runway due to collision with fire truck and emergency landing due to bad weather conditions.

[2] The indicator began to be collected in this way in 2022, so there is no information available for previous years.

07 Commitment to sustainability

In this chapter

Objectives and results

For years, LATAM group has sought to collaborate with sustainable development in South America, and in 2021, decided to raise the priority of this mission by placing it at the heart of its decisions. The group charted a course for the next three decades, marking a milestone in its history. This is how its Sustainability Strategy was born, as a result of a deep and thorough reflection on the LATAM group's organizations, together with an open and committed dialog with its various stakeholders.

This strategy is based on four pillars that aim to have a positive impact on the stakeholders with whom LATAM group interacts: Environmental Management, Climate Change, Circular Economy and Shared Value. Together, these pillars strengthen the group's role as one of the players seeking to contribute to solving the social, environmental and economic growth challenges facing society today. It is thus that its name is established: "A necessary destination".

In each pillar of the LATAM group strategy, commitments, as well as challenging and traceable goals, were defined, which contribute to the United Nations' (UN) Sustainable Development Goals (SDGs). All the initiatives that are part of the strategy seek to contribute especially to the following: SDG 3 Good Health and Wellbeing; SDG 5 Gender Equality; SDG 8 Decent Work and Economic Growth; SDG 9 Industry, Innovation and Infrastructure; SDG 12 Responsible Consumption and Production; SDG 13 Climate Action; SDG 15 Life on Land; and SDG 17 Partnerships for the Goals.

Sustainability Strategy

NCG 461: 8.2 SUSTAINABILITY INDICATORS BY INDUSTRY
SASB TR-AL-110a.2
GRI 305-5

ENVIRONMENTAL MANAGEMENT

COMMITMENT
- To maintain and continuously improve the Environmental Management System in all our operations under the IATA IEnvA standard.

2023 GOALS
- Strengthening of Environmental Management Programs.
- Coordination of critical suppliers to support them in their efforts to improve their environmental management performance.

PROGRESS IN 2023
- Establishment of strategic environmental management programs for the mitigation and/or management of environmental impacts and gradual coordination of critical suppliers.

STATUS OF THE COMMITMENT
- Implementation of environmental management plans.

CLIMATE CHANGE

COMMITMENT
- To achieve net zero carbon Direct emissions (Scope 1) using 2019 as the base year.
- To reduce and/or offset the equivalent of 50% of domestic[2] greenhouse gas (GHG) emissions by 2030, using 2019 as the base year.
- To achieve net zero emissions by 2050.

2023 GOALS
- To reduce and offset 780,806 tons of GHG[1] emissions, including carbon offsetting programs with clients.
- To make progress in the consolidation of a portfolio of preservation projects in strategic areas of the region.

PROGRESS IN 2023
- 850,932 GHG emissions[1] managed (13% through operational improvements; i.e. emission reductions, and 87% by supporting the conservation of strategic ecosystems, mainly in the Colombian Orinoco region; i.e. offsetting). On the other hand, through LATAM's carbon offsetting program, its customers offset a total of 66,419 GHG emissions[1].

STATUS OF THE COMMITMENT
- Overall, the reduction of GHG[1] emissions, the offsets made by the group and by clients under the LATAM carbon offseting program are equivalent to 850,932 tons of GHG3 emissions, translating into 15.9% of domestic[2] emissions.

CIRCULAR ECONOMY

COMMITMENT
- Eliminate single-use plastics throughout the operation by 2023[3].
- Aim to be a zero-waste-to-landfill group by 2027.

2023 GOALS
- To reduce single-use plastics[3] in the operation by 100%.
- To make progress with the waste management system at a transversal level.

PROGRESS IN 2023
- Elimination of 96% of single-use plastics[3] across the operation.
- Implementation of the system in the main bases.

STATUS OF THE COMMITMENT
- 96% of the target for the reduction of single-use plastics1 was achieved. The remaining 4% corresponds to a set of elements that could not be replaced or eliminated for legal, safety, sanitary or operational reasons, or because there were no replacement options available on the market.
- New infrastructure and indicators for monitoring waste management were incorporated at the main bases in Brazil, Chile, Peru, Colombia, Ecuador and the United States.

SHARED VALUE

COMMITMENT
To have the connectivity, capacity, and speed of our passenger and cargo operations for the benefit of communities in South America on three fronts:
- Health
- Environment
- Natural disasters

2023 GOALS
- To strengthen the network of strategic partnerships of the Avión Solidario program.

PROGRESS IN 2023
- 43 partnerships with organizations, foundations and government agencies in five countries.
- More than 4,500 individuals transported free of charge, equivalent to 26 full A320 aircraft
- 485 tons transported free of charge for social and environmental causes, equivalent to 10 full B767F aircraft.

STATUS OF THE COMMITMENT
- The Avión Solidario program was bolstered through co-creation with the partnerships.
- Work also began on the design of a system for measuring the social and environmental impact of the program.

[1] Tons of CO_2 equivalent (tCO_2e).
[2] Domestic emissions includes Scope 1 emissions, associated with fuel consumption, mainly from all passenger and cargo flights. In addition to land mobile sources, stationary sources and fugitive emissions (refrigerants).
[3] For more information, visit: latamairlines.com/us/en/sustainability/circular-economy

Environmental *management*

LATAM's environmental management system is guided by the Safety, Quality, Health and Environment Policy, which establishes the group's commitment to environmental protection, pollution prevention and the implementation of best industry practices to achieve this end. In addition, the document was approved by LATAM's senior management, is reviewed at least once a year and is publicly available to its stakeholders.

In line with its policy, LATAM group applies a world-class, transparent, auditable and certified environmental management system in its operations in Chile, Colombia, Peru, Ecuador, Brazil and the United States. The main benchmarks and certifications used by LATAM group are the IATA Environmental Assessment (IEnvA) standard of the International Air Transport Association (IATA), as well as ISO standard 14.001.

The former, present in Brazil, Chile, Colombia, Ecuador and Peru, consists of a voluntary environmental assessment program designed in two stages:

• Stage 1 considers the commitment of senior management, and the mapping of the relevant environmental legal requirements and the environmental aspects and impacts of the activities.

• Stage 2 includes the setting of goals, implementation of programs and operational controls, audits, and team training.

As of 2022, LATAM and the subsidiaries mentioned above have IEnvA - Stage 2 certification, which includes key business processes defined as Core and Core+ (MRO), corresponding to administrative activities, flight operations, as well as aircraft overhaul, maintenance and repair.

Likewise, in LATAM group's ongoing quest to integrate the best environmental practices in the airline industry, the team maintained the certification of its Environmental Management System in the United States subsidiary, through ISO 14.001 standards, which covers air cargo and aircraft maintenance services, including ORG (corporate and administrative activities); GRH (ground activities); MNT (maintenance activities); CGO (cargo and warehouse activities); and SEC (safety, security and environmental activities).

In addition, during this period, we worked on updating the governance structure for the group's environmental management, creating the Environmental Management Sub-directorate, which is part of the Sustainability Directorate, within the Corporate Affairs and Sustainability Department.

Notwithstanding this progress, in 2024, one of the major challenges in terms of environmental management for LATAM will focus on continuing to strengthen the programs in its subsidiaries and the coordination of its critical suppliers, in order to support them in their efforts to bring the group's operations to incorporate best practices at a global level.

Brazil, Chile, Colombia, Ecuador and Peru have IEnvA-Stage 2 certification.

ENVIRONMENTAL COMPLIANCE

NCG 461: 8.1.3 LEGAL AND REGULATORY COMPLIANCE-ENVIRONMENTAL

LATAM's Environmental Management System follows an ongoing process to identify and evaluate environmental compliance with applicable legal requirements in its various subsidiaries, under the guidelines proposed by the IATA Environmental Assessment Program (IEnvA).

As part of this process, the organization has developed a procedure to identify and evaluate legal requirements, to determine the applicable environmental legal requirements by country in a matrix, covering components such as water and energy use, waste management, atmospheric emissions and environmental contingencies.

This matrix records the applicability of the requirements in the different processes, the steps for their compliance, the individuals in charge of their implementation, as well as a list of evidence to verify compliance, among other details that streamline their handling.

With regard to compliance deadlines, they are subject to those established in the applicable standards. The Environmental Management System also has an environmental database establishing the compliance plans and the deadlines set for them.

In addition, to ensure that IEnvA and ISO 14.001 standards remain current and constantly improving, LATAM carries out annual inspections of their facilities by country, along with drills on how to deal with environmental emergencies. These procedures make it possible to verify that the practical training received by personnel is implemented in accordance with the established protocols, to reduce any impact on the environment and ensure the safety of the people involved.

Based on the above, inspections, drills, and internal audits were conducted during 2023, which allowed us to strengthen the action plans to be applied in the different operations. This also made it possible to identify emerging applicable regulations, which have been integrated into the matrix to be addressed in a timely manner.

COMPLIANCE[1]

NCG 461: 8.1.3 ENVIRONMENTAL LEGAL COMPLIANCE

GRI 2-27

In 2023, under the reporting of environmental processes required by General Rule No. 461, LATAM group has no fines outstanding and had three enforceable sanctions and/or an accumulated environmental liability at the end of the year[2] totaling CLP$28,361,832[3]. On the other hand, three compliance programs have been approved and no compliance programs have been implemented. Last, it is worth mentioning that there are no remediation plans for environmental damage presented or implemented in 2023.

[1] Considering internal and external consumption
[2] Considering the Public Sanctions Registry of Chile's Superintendency of the Environment (Superintendencia del Medioambiente) and equivalent agencies in other jurisdictions.
[3] Value converted to Chilean pesos at the exchange rate established by the Central Bank of Chile as at December 2023 (R$182.04); the fines in Reals amount to R$155,800.

MORE INFORMATION

More information on the Environmental Management pillar is available in Spanish at https://www.latamairlines.com/cl/es/sostenibilidad/gestion-ambiental

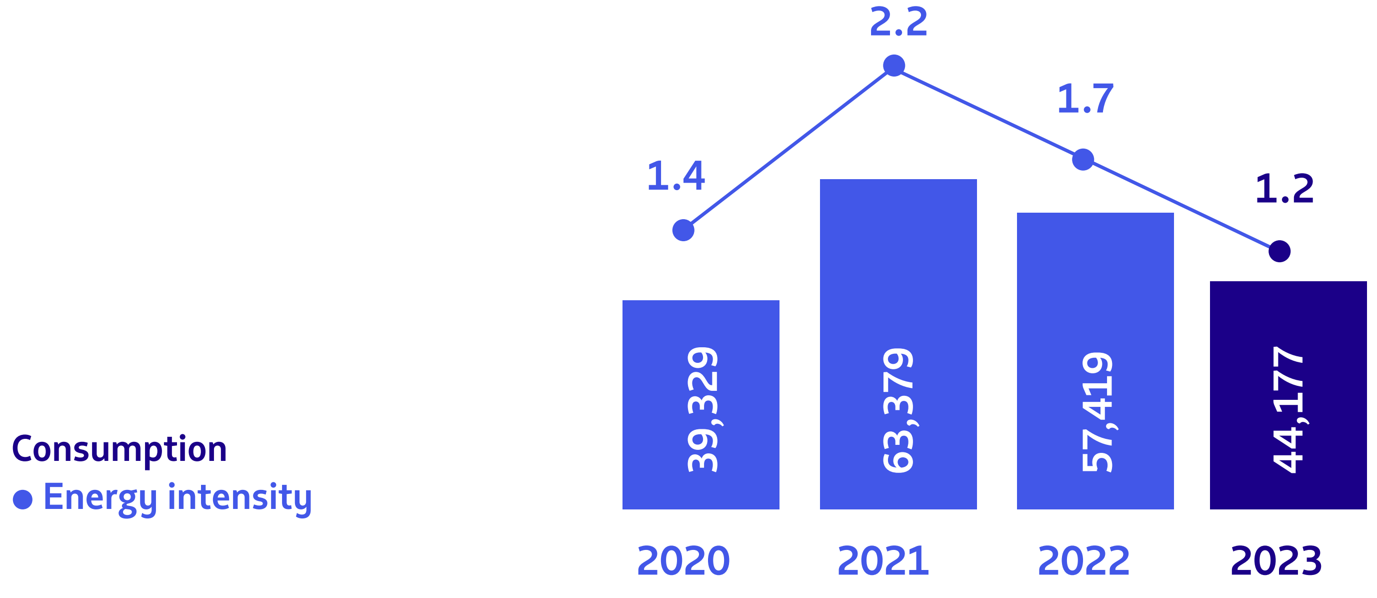
NATURAL RESOURCES

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

We should note that the energy consumed by LATAM is acquired through the power grid of each country; therefore, the composition in terms of renewable and non-renewable energy is built with the latest available information about the composition of the matrix of each of the countries, distributing the consumption according to the corresponding weight.

POWER CONSUMPTION (MWH)[1] AND ENERGY INTENSITY (MWH/FTE)[2]

GRI 302-3



[1] MWh: Megawatt
[2] FTE: Acronym for "full-time employee".

WATER EXTRACTION AND CONSUMPTION (m³)[1]

GRI 303-3

	UNIT	2020	2021	2022	2023
Extraction: Total municipal water supply	Million cubic meters	0.082	0.099	0.086	0.272
Extraction: Fresh water (lakes, rivers, etc.)	Million cubic meters	0	0	0	0
Extraction: Groundwater	Million cubic meters	0	0	0	0
Discharge: Water returned to its source of extraction, at a higher or similar quality to that extracted	Million cubic meters	0	0	0	0
Total fresh water consumption	**Million cubic meters**	**0.082**	**0.099**	**0.086**	**0.272**

[1] Supply is obtained from the municipal networks of the various countries of operation, without LATAM's direct collection of water.
[2] 100% corresponds to fresh water.

INTERNAL ENERGY CONSUMPTION

GRI 302-1

	UNIT	2020	2021	2022	2023
Non-renewable energy					
Jet Fuel	TJ	76,826.10	88.734.84	133,991.16	156,368.83
Gasoline	TJ	3.97	24.32	162.53	5.16
Diesel	TJ	97.74	118,5	67.49	111.20
Liquefied petroleum gas	TJ	6.28	5.41	8.75	366.17
Natural gas	TJ	0.29	0.11	0.02	N/A[1]
Electricity[2]	TJ	35.96	50.47	21.772	136.25
Total non-renewable energy	**TJ**	**76.970,35**	**88,933.7**	**134,251.72**	**156,987.61**
Renewable energy					
Ethanol	TJ	0.20	0.56	0.00	0.08
Electricity[2]	TJ	105.62	177.87	184.99	22.79
Total renewable energy[3]	**TJ**	**105,83**	**178,43**	**184,99**	**22,87**
TOTAL	**TJ**	**77,076.18**	**89,112.08**	**134,436.71**	**157,010.48**

[1] *Natural gas is not among the energy sources for the year 2023.*

[2] *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.*

[3] *In previous years, the share of renewable energy from each country's power grid was used to determine LATAM's share, as energy is acquired through said grids. As of 2023, what is reported as renewable energy only refers to the renewable energy acquired for which the company holds certificates.*

FUEL CONSUMPTION

SASB TR-AL-110 A.3

	UNIT	2020	2021	2022	2023
LATAM fuel efficiency	litros/100 RTK	30.1	31.7	30	29.8
Passenger operations	litros/100 RPK	3.2	3.4	3.7	3.1
Cargo operations	litros/100 RTK	20.7	20.1	22.1	23.1
Fuel Consumption	GJ	76.826.100	88,734,840	133,991,160	156,368,834
% of alternative fuels	%	0.0	0	0	0
% of sustainable fuel	%	0.0	0	0	0

ELECTRIC ENERGY CONSUMPTION[4] - 2023

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

SNAPSHOT

ECO-EFFICIENCY

	UNIT	2021	2022	2023
Energy GRI 302-1 and 302-3				
Energy consumption – ground and air operations	TJ	89,112	134,436.71	157,010.48
Energy intensity	MWh/100 RTK	0.8	0.5	0.3
Water consumption	Cubic meters	98,846	85,656	271,571[1]
Waste Generation	Tons	28,803	37,990	37,367
Environmental management				
Units with Environmental Management System (EMS)/Total Units	%	95%	99%	100%
Units with certified EMS/total units	%	90%	99%	100%

[1] The result for 2023 resembles the pre-pandemic operation in size, considering that consumption in 2019 was 216,626 m³.

Climate change

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

The climate emergency has positioned itself as one of the greatest global challenges today and potentially one of the most relevant that humanity will experience in the coming years. In this context, the aviation industry faces the challenge of uniting on multiple fronts to contribute to both the mitigation and adaptation of climate change. To this end, LATAM group has established various mechanisms, such as the implementation of new technologies to improve efficiency, operational improvements to reduce fuel consumption, ecosystem conservation and carbon sequestration programs, and the development of a roadmap for the use of sustainable fuels, among others.

It is crucial to strategically prioritize each of these efforts, considering both their effectiveness in the short, medium and long term, as well as the specific geographic conditions where they are applied. In this sense, the group seeks to balance climate urgency with the connectivity and sustainability needs of the aviation industry, fostering an informed transition that considers the necessary public policies and the availability of resources in the regions where it operates, as well as the timing of the actions.

The group's commitment to achieve net zero emissions in its operations not only involves the management of operational improvements and conservation strategies in critical areas, but also considers collaborative work with industry, public-private players in the value chain, NGOs and academia. In this sense, moreover, LATAM group has proposed to move forward with the disclosure of climate information, aligned with the transparency frameworks that are a global benchmark.

LATAM'S MANAGEMENT OF CLIMATE CHANGE

Operating Efficiency

Both air and ground fuel efficiency initiatives, such as route optimization, rationalizing the use of auxiliary power units, and weight reduction on flights, among others.

New Technologies

Fleet renewal, use of new software, among others.

Sustainable aviation fuels (SAF)

This type of fuel is crucial to achieve net zero carbon emissions in the operation. However, its production is only incipient in the world and nonexistent in South America, so it is necessary to develop an agenda with the different players to progress in its production and use.

LATAM aims for SAF to represent 5% of its fuel consumption by 2030.

Offsetting Emissions

Development and participation in compensation programs based on strategic ecosystem conservation projects in Latin America. The initiatives involve clients and NGOs, among others.

JOINT EFFORT

In the aviation sector, effort coordination is essential, as technological solutions for the transition to a low-carbon-emissions energy model are not yet available on a massive scale or are in the pilot stages. In this regard, LATAM group has aligned itself with the main international standards and agreements to contribute.

TCFD

Since 2022, LATAM group began work to incorporate the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). The initiative seeks to consolidate best practices in climate risk management and to help standardize climate disclosures for all companies.

Aware of the impacts that climate change could bring to the industry, LATAM group conducted its first climate-related risk and opportunity analysis under the TCFD framework in 2023. This exercise involved the countries where LATAM group has domestic operations, with the participation of more than 30 representatives from different areas of the organization, and aimed to identify the risks that could affect the group's business in the medium (2030) and long term (2050). As a result of this process, 12 risks and opportunities were prioritized and will be published in 2024.

This analysis identified significant information regarding the changes that could take place in the long term, based on weather patterns, to prevent possible physical risks, as well as transition risks. The latter, among others, are related to local, national and international regulations that apply to the operation. In this sense, the company seeks to adopt the best practices that allow it to anticipate these environmental requirements and maintain the initiatives it has been working on for several years, such as measuring and reducing the carbon footprint, improvements in resource and waste management, among others.

In 2024, LATAM group will incorporate the results obtained in its risk and opportunity monitoring and management processes, as part of its continuous improvement approach. Depending on the evolution of these aspects, the need to expand on the identified risks or to re-evaluate them will be reviewed. In addition, a climate scenario analysis will also be carried out for two timeframes: medium and long term.

CORSIA

In 2016, the Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA), a global initiative aimed at reducing the GHG emissions of international civil aviation, was established. This agreement is designed to be implemented in three stages: pilot (2021-2023), first phase (2024-2026) and second phase (2027-2035).

In the first two stages and until 2026, countries' participation is voluntary. Along this line, until 2023, 115 countries were part of the pilot phase and another eleven States, including Ecuador, had committed to begin in 2024.

LATAM is governed by the CORSIA agreement and has designed its climate change targets to cooperate with the aspirations of that plan, on a voluntary and proactive basis.

SBTi

LATAM group continues to develop efforts in pursuit of achieving its goal of being a company with zero net emissions by 2050. In 2020, the company committed to establishing metrics based on the voluntary Science Based Target Initiative (SBTi). Since then, the SBTi has modified its registration requirements for the industry.

LATAM group has continued to work diligently to improve its climate strategy and increase transparency in its management. However, due to changes in SBTi requirements, the group is reviewing its ability to adhere, ensuring that the model adopted is the most appropriate to sustain the organization in the long term, in line with climate urgency. In a dynamic environment where new initiatives have emerged, LATAM approaches this decision with the seriousness it deserves; this requires informed and thorough reflection to establish the most effective engagement in this process.

REDUCING EMISSIONS: LATAM FUEL EFFICIENCY

NCG 461: 3.1 GOVERNANCE FRAMEWORK

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

Between 2011 and 2023, the group achieved 6.3% jet fuel efficiency through the program, and the gross savings amounted to 77 million gallons—an equivalent of 737 thousand tons of CO_2 that were no longer emitted. This is due to the increase in energy efficiency across the operation, taking as a baseline the start of the program. Meanwhile, in economic terms, savings were close to USD$237 million.

The group has joined different initiatives to promote these results. In fact, some have already been routinely incorporated into the operation, based on lessons learned year after year, and program consistency. At the same time, the program seeks to encourage research and development measures that will make it possible to continue increasing efficiency by constantly implementing new measures.

Some examples of initiatives to improve fuel efficiency are:

- Use of external equipment to **reduce auxiliary power unit consumption.**
- Implementation of advanced analytics models to **reduce flight distance and time,** improving flight planning, and therefore, fuel consumption.
- Search for opportunities to **eliminate unnecessary weight during the flight,** for example the in-flight water program, which consists in reducing the potable water load on the aircraft, based on different pre-calculated factors that ensure the availability of this resource during the flight, thus reducing fuel consumption due to less weight and at the same time, increasing the available cargo weight capacity.
- **Upgrades and replacement of engines,** through adjustments to their original configuration, allowing a reduction in performance, to maximize fuel savings. In addition, the engines are washed to maintain their operation with greater efficiency.
- **Standardization of LATAM's reserve fuel policy.**

FLEET OVERHAULS

In 2023, LATAM group continued to make progress on its commitment to have a fleet prepared to offer a safer, more comfortable and efficient travel experience. In fact, during the period, it incorporated Boeing wide-body aircraft, including five aircrafts of the 787-9 model, a last-generation aircraft that also emits 20% less CO_2 than an average aircraft of previous generations, according to its manufacturer's data.

It also added eight A320neo and seven A321neo, models that are equipped with more fuel-efficient technology vs. previous versions, and therefore have lower associated carbon emissions. In fact, according to the manufacturer's data, both are 20% more fuel efficient and reduce their acoustic footprint by at least 50% compared to previous generations.

The group also added two Boeing 767-300F freighters to its fleet, as they have a modern air-conditioning system for transporting perishable products, enhancing versatility and efficiency in cargo transportation.

Overall, LATAM group's new fleet reflects the company's commitment to efficiency and innovation in sustainability, prioritizing investment in modern aircraft that contribute favorably to climate change mitigation in the aviation industry.

Through operational efficiencies, new technologies, sustainable fuels and offsetting, LATAM will seek to achieve its climate commitments.

SAF - SUSTAINABLE FUELS

NCG 461: GOVERNANCE FRAMEWORK

Aware of the need to develop a more sustainable commercial aviation and move towards the decarbonization of the industry, LATAM group reinforced in 2023 its goal to incorporate sustainable aviation fuel (SAF) into its operations. According to data from the International Air Transport Association (IATA), SAF provides a reduction in emissions of up to 80% compared to traditional fuels, and is proposed as the most immediate tool to contribute to a more sustainable aviation operation.

Currently, the development of the SAF market faces significant challenges due to high costs, ranging from 2 to 5 times higher than conventional jet fuel, and shortages in supply. According to IATA data for 2023, SAF production represents only 0.1% to 0.15% of total jet fuel consumption, which poses a major obstacle to its expansion.

Added to this, there is no local production of SAF, despite the region's potential for its production, as can be seen in cases such as Brazil and Colombia, countries that already have an established industry and experience in biofuels, or in the case of Chile, with its promising potential in the production of green hydrogen.

Against this backdrop, LATAM group is working closely with various public and private sector players in the region to foster the creation and development of the SAF market, as well as to promote the creation of public policies tailored to local needs and realities.

In this sense, LATAM group actively participates in different initiatives with the aim of generating conditions in the region to enable the development of SAF both at the public and private level in the various countries. An example of this was its representation in the National Sustainable Aviation Fuels Program (Programa Nacional de Combustível Sustentável de Aviação or ProBioQAV) in Brazil, the SAF Technical Roundtable in Colombia and the public-private Sustainable Aviation Fuels (SAF) working group in Chile. The latter is part of the Vuelo Limpio (Clean Flight) program, which seeks, through industry collaboration and innovation, to achieve operational improvements that reduce emissions.

LATAM group works closely with its corporate clients to promote the use of this sustainable fuel. During 2023, LATAM group established alliances with two corporate clients through LATAM Cargo, carrying out its first international flight using this type of fuel. This flight took off from Zaragoza to North America, using the first batch of SAF produced in Zaragoza by AirBP. Likewise, the group generated a second strategic alliance, also through LATAM Cargo, in which an equivalent amount of SAF was used to reduce emissions from a flight transporting flowers from Bogota to Miami during the Mother's Day season.

In addition, as part of its fleet overhaul plan and in collaboration with Airbus, LATAM group carried out its first Ferry Flight using SAF, with a flight from Toulouse (France) to Fortaleza (Brazil). A Ferry Flight is a flight that has a purpose other than transporting cargo or passengers, such as moving the aircraft from one base to another, or to a maintenance facility. In total, 10 such flights were conducted using sustainable fuels as part of this initiative.

Study on decarbonization options in Latin America with MIT and Airbus

LATAM has a challenging target of 5% of the total fuel consumption of its fleet to come from SAF, to the extent that it is produced primarily in the region by 2030. Therefore, during 2023, together with Airbus, it has funded a Massachusetts Institute of Technology (MIT) Joint Program study on Global Climate Change Science and Policy.

The study, entitled "Options to sustainably decarbonize aviation in Latin America: an assessment of carbon policies, carbon prices and aviation fuel consumption up to 2050," analyzes scenarios for the deployment of sustainable aviation fuels (SAF) and explores avenues such as low-carbon hydrogen, direct air capture and bioenergy with carbon sequestration and storage. It also evaluates policy instruments, such as incentives and carbon taxes, to offset aviation emissions.

Along these lines, the researchers of the MIT Joint Program aim to publish the results in April 2024 and their analysis includes viable recommendations for Brazil, Chile, Colombia, Ecuador, Mexico and Peru on ways to decarbonize the airline industry. With this in mind, LATAM expects to continue contributing to the innovation and development of the decarbonization of the industry and of the conditions to enable it in the region.

PRESERVE ECOSYSTEMS

GRI 3-3

Within LATAM group's climate change pillar, two fundamental aspects are the conservation of strategic ecosystems and the preservation of biodiversity. In line with these objectives, the group supports projects that contribute to these goals, using the carbon sequestration potential of these initiatives and making progress on emissions offsets as a complementary measure.

As for eligibility criteria, LATAM group prioritizes nature-based solutions implemented in Latin America, recognizing the importance and need to protect the region's natural resources. Collaborative work that generates environmental, social and economic benefits is especially valued, as is the engagement with local communities committed to the protection of ecosystems and the scalability of the initiatives.

CO_2BIO INITIATIVE

In 2023, LATAM group reaffirmed its commitment to the CO_2Bio alliance, an initiative of the Cataruben Foundation of Colombia and the community in the Orinoco Region of that country. The partnership aims to preserve and restore flooded savannas and forests, whose importance lies in their high capacity to capture carbon dioxide, the preservation of biodiversity and the positive impacts on the community.

During the period, we worked jointly on structuring the initiative's governance system and strengthened its corporate governance to streamline decision-making. In addition, compliance processes were consolidated and communication mechanisms were strengthened through two-way channels.

Thanks to this progress, CO_2Bio received two important awards. On the one hand, it was recognized among nearly 120 applicants with the BIBO award, granted by Colombian media El Espectador, winning first place in the category of Social Appropriation of Knowledge. On the other hand, non-profit organization Reforestamos México also recognized this program for its positive impact on forest ecosystems with the "Los Boscares" award in the transportation and energy sector.

Specifically, the CO_2Bio project, which is located in the Orinoco Region of Colombia and was supported by the Natural Wealth Program of the United States Agency for International Development (USAID), expects to preserve areas of great environmental importance by 2030, totaling more than 575,000 hectares—the equivalent of more than three times the size of cities such as Bogota or Sao Paulo. In turn, it seeks to benefit 700 families in the area and contribute to the protection of around 2,000 species, some of them considered endangered, threatened or vulnerable. Moreover, it has the potential to capture 11.3 million tons of CO_2 by 2030.

EMISSIONS OFFSETTING (1 + 1 SCHEME)

Aiming to contribute to the protection of the environment and ecosystems in a collaborative manner, as well as to engage its clients in these initiatives, LATAM group offers its corporate clients, in cargo and passenger operations, the opportunity to participate in the offsetting of emissions generated on their flights.

Along these lines, the group developed its 1+1 Scheme compensation program, through which clients can choose from a portfolio of projects with high environmental value that have been previously verified and validated by LATAM group, to offset the emissions generated by their air travel. Then, for every ton that the client decides to offset, the group matches the number of tons offset by them to leverage that impact.

In keeping with this commitment, the program expanded its scope in 2023 to allow final passengers of the affiliates in Peru, Ecuador and Chile to access this initiative.

LATAM-supported projects contribute environmental, social and economic co-benefits to the communities.

CARBON FOOTPRINT

SASB: TR-AL-110A.1

GRI 305

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

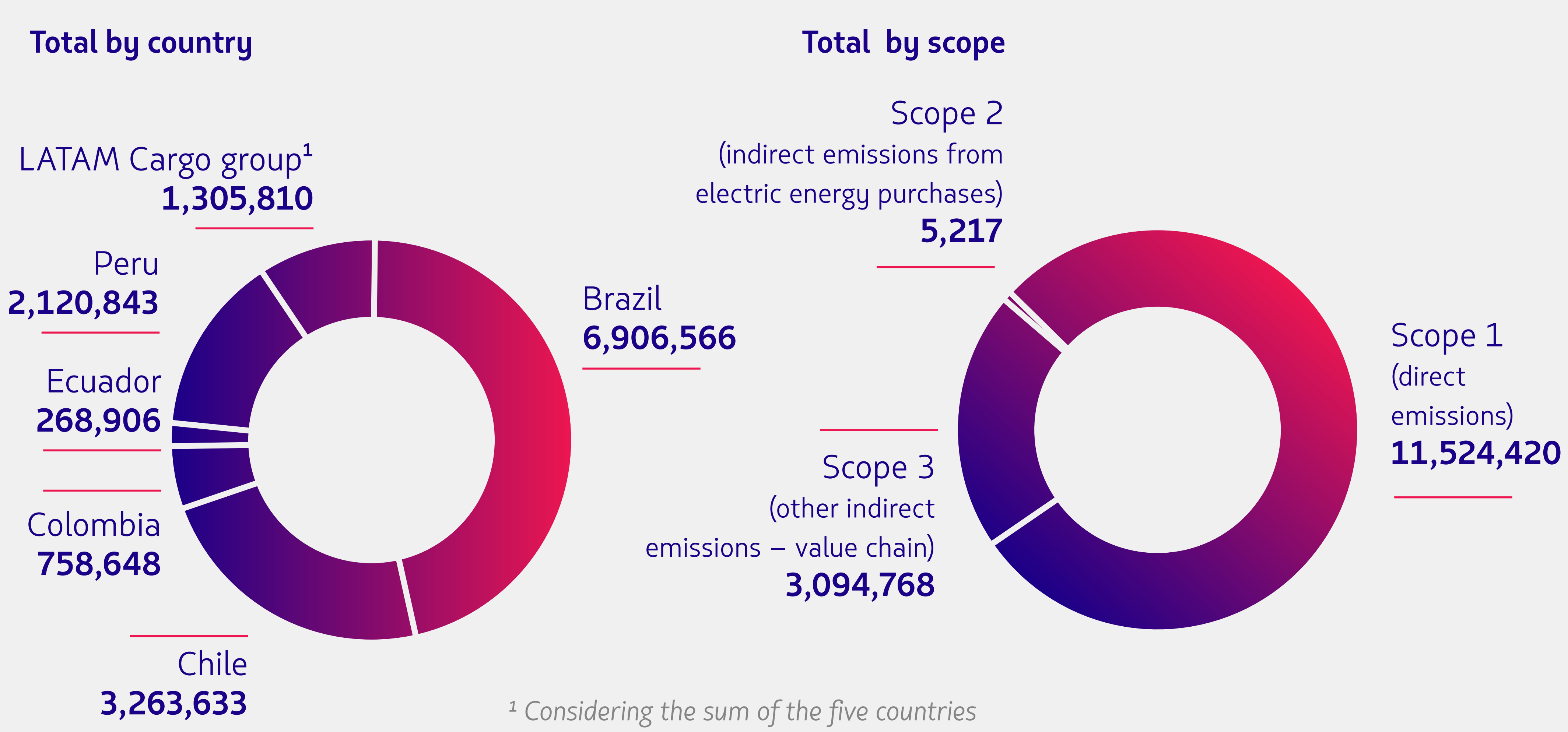
In 2023, emissions totaled 14,624,405 tons of CO_2e—a 12.7% increase compared to 2022. This growth was mainly due to the recovery of operations, which are approaching pre-pandemic levels. In fact, considering that LATAM group's passenger operations grew by 20.5% and the amount of cargo transported increased by 4.9% compared to the previous year, emissions intensity was reduced by 5% in its total footprint and 0.5% in its scope 1, measured in $kgCO_2e$/100RTK. This reduction in scope 1 emissions intensity is mainly explained by the measures implemented within the framework of the LATAM Fuel Efficiency program and the fleet renewal plan. In turn, the reduction in total footprint intensity is mainly explained by the decrease in scope 3 emissions, which fell by 3.2% to 2022.

In turn, in view of its commitment to carbon-neutral growth in its direct emissions (Scope 1) compared to 2022, in 2023, LATAM group offset 674,513 tons of CO_2e through carbon credits from preservation projects. Mainly from the project located in the Orinoco Region (Colombia[1]) of the BioCarbon Registry, which uses the BCR0002 methodology (Quantification of GHG Emission Reductions from REDD+ Projects).

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

CARBON FOOTPRINT IN 2023 (t CO_2e)

GRI 305-1, 305-2, 305-3



[1] Considering the sum of the five countries where LATAM group has cargo operations.

TOTAL: 14,624,405 t CO_2e

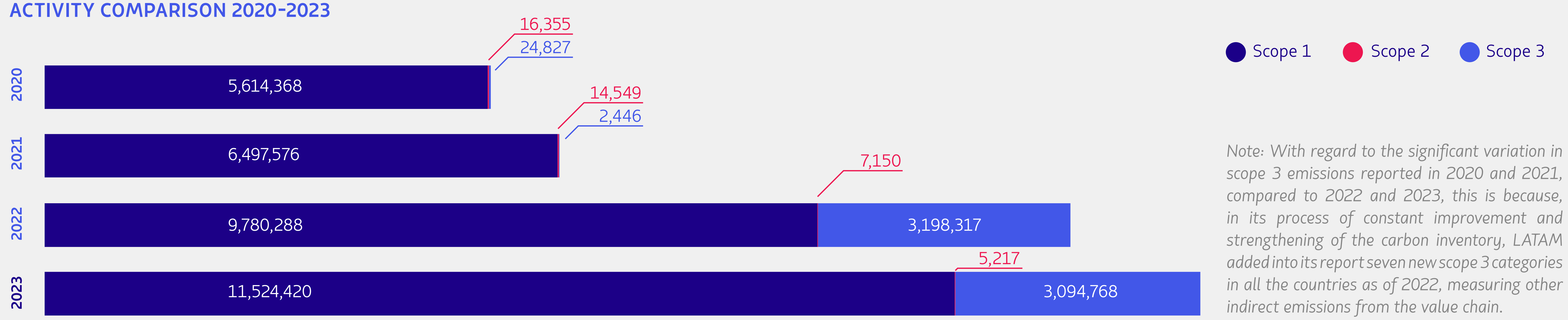
Challenges for 2024

Continue to strengthen fuel efficiency programs to maintain and improve the achievements to date.

Make progress in the coordination of preservation and restoration projects in strategic areas of South America.

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

ACTIVITY COMPARISON 2020-2023



Note: With regard to the significant variation in scope 3 emissions reported in 2020 and 2021, compared to 2022 and 2023, this is because, in its process of constant improvement and strengthening of the carbon inventory, LATAM added into its report seven new scope 3 categories in all the countries as of 2022, measuring other indirect emissions from the value chain.

BREAKDOWN OF SCOPE 3 INDIRECT EMISSIONS

GRI 305-3

	UNIT	2022	2023
Goods and services purchased	t CO_2e	1,100,644	380,599
Capital goods	t CO_2e	N/A	251,032
Activities related to fuel and energy (not included in scopes 1 or 2)	t CO_2e	2,030,710	2,390,446
Upstream transport and distribution	t CO_2e	37,637	56,606
Waste generated in operations	t CO_2e	2,091	1,373
Business travel	t CO_2e	14,582	1,055
Employee commutes	t CO_2e	12,364	13,656
Upstream leased assets	t CO_2e	N/A	N/A
Downstream transportation and distribution	t CO_2e	N/A[1]	N/A
Processing of products sold	t CO_2e	N/A	N/A
Use of products sold	t CO_2e	N/A	N/A
End-of-life treatment of products sold	t CO_2e	N/A	N/A
Downstream leased assets	t CO_2e	N/A	N/A
Franchises	t CO_2e	N/A	N/A
Investments	t CO_2e	N/A	N/A
Others upstream	t CO_2e	N/A	N/A
Others downstream	t CO_2e	N/A	N/A

[1]Data corrected in relation to the 2022 Annual Report.

OTHER EMISSION INDICATORS

GRI 305-4

	UNIT	2020	2021	2022	2023
Intensity Scope 1	kg CO_2e/100 RTK	76.31	80.55	76.67	76.16
Intensity Total footprint	kg CO_2e/100 RTK	76.87	80.76	101.8	96.65
Intensity of net emissions in the total operation	kg CO_2e/100 RTK	75.04	76.1	97.02	92.19

MORE INFORMATION

- *Greenhouse gases: Inventory, emission factors and scope of information (Pages 154-155).*
- *Significant atmospheric emissions (Page 155)*

SNAPSHOT

NCG 461: 8.2 SUSTAINABILITY INDICATORS BY INDUSTRY

GRI 305-1, 305-2 & 305-3

SASB TR-AL-110A.1

	UNIT	2020[1]	2021[1]	2022	2023
Total emissions	t CO_2e	5,655,551	6,514,570	12,985,755	14,624,405
Net emissions[2]	t CO_2e	5,521,062	6,138,957	12,411,550	13,949,892
Scope 1[3] emissions	t CO_2e	5,614,368	6,497,576	9,780,288	11,524,420
Scope 2 Emissions	t CO_2e	16,355	14,549	7,150	5,217
Market based	t CO_2e	N/A	N/A	N/A	N/A
Location based	t CO_2e	16,355	14,549	7,150	5,217
Scope 3 Emissions	t CO_2e	24,827	2,446	3,198,317	3,094,768

RTK: Acronym for "revenue ton-kilometers".
RPK: Acronym for "revenue passenger-kilometers".
[1] Not including the measurement of Scope 3 emissions.

[2] Net emissions are the total emissions, minus the offsets made.

[3] Scope 1 emissions: refers to direct emissions—fuel consumption in air operations, fixed sources, and LATAM fleet vehicles, as well as fugitive refrigerant gas emissions.

N/A: Not applicable.

Circular economy

GRI 306-1 y 306-2

LATAM has two challenging goals, which are: to seek to be a zero waste-to-landfill (read definition in the box) group by 2027, and to eliminate single-use plastics. Along these lines, the group ended 2023 with a reduction of more than 1,700 tons, representing 96% of the scope defined by LATAM as single-use plastics.[1]

These goals were established based on the diagnosis carried out in 2021 in the main areas that generate waste across the operation, such as in-flight service, cargo, maintenance and airport. Likewise, the survey made it possible to establish the most relevant types of waste and, therefore, those where changes in processes and materiality would have the greatest impact.

As a result, a strong cultural change and transversal involvement across different areas of the group were initiated, coordinating the transformation of processes, from the design of the travel experience through to the operational lines, with a common goal.

These efforts, which resulted in the elimination of 96% of single-use plastics, involved relevant changes throughout the company, the highlight being the use of materials evaluated using sustainabiilty criteria, and the redefinition of products used in the in-flight service, airports, lounges, maintenance, and offices. The limitations linked to the remaining 4% are related to legal, safety, health, and operational restrictions, or because there are no viable replacement options available on the market[1].

The Circular Economy pillar makes it possible to contribute to the fulfillment of four of the United Nations' (UN) Sustainable Development Goals (SDGs). These are: SDG 8 Decent Work and Economic Growth, SDG 9 Industry, Innovation and Infrastructure, SDG 12 Responsible Consumption and Production, and SDG 17 Partnerships for the goals.

[1]*MORE INFORMATION*

For more information, visit https://www.latamairlines.com/us/en/sustainability/circular-economy

ZERO WASTE ROADMAP

The definition of our roadmap towards being a zero waste-to-landfill group involves differentiated actions according to the type of management and operation, whether it is LATAM's own or outsourced. Among the strategies to be followed, we will strengthen and incorporate new facilities into our Waste Management System, we will work on the inclusion of supplier contract clauses for waste management and/or recovery of waste and on the creation of strong partnerships with key suppliers.

The above, alongside the reduction in the use of materials, changes to reusable and/or recyclable materials, and services redesign of processes and services, among others.

In 2023, more than **1,700 tons** *were reduced*

representing about **96% of the scope** *defined by LATAM for single-use plastics.*

equivalent to **266 million** *plastic bags.*

DEFINITION OF ZERO WASTE TO LANDFILL

According to the TRUE (Total Resource Use and Efficiency) Zero Waste certification, "zero waste to landfill" refers to an average of 90% or greater overall diverting of non-hazardous solid waste from disposal in landfills, dumps, incineration and the environment.

PROGRAMS AND INITIATIVES

GRI 306-2

Waste Management System at our operating bases:

With expert advice, we implemented improvements in our Waste Management System in Chile (Santiago), Colombia (Bogota), Ecuador (Quito), Peru (Lima), Brazil (Guarulhos and São Carlos) and the United States (Miami). Among the improvements were the inclusion of new infrastructure for waste management and segregation, the implementation of recovery or recycling processes for different materials, indicator monitoring systems, the creation of a Recycling Committee, and guidelines and training for employees. In addition, modifications were made to the purchasing policy, including sustainability criteria.

Project Fénix

In 2023, the Phoenix Project was launched in Chilean and Brazilian operations, which seeks to recover aircraft parts for internal use, sale or reutilization by third parties. Along these lines, at the end of 2023, 1,800 aircraft parts were recovered for operational inventory (valued at ThUSD$5.2), which reduced the recovery time of an aircraft on the ground (AOG) by 26% and diverted more than 30 tons of waste from landfill disposal.

Recycle Your Trip

Program that seeks to separate and recycle waste from the domestic in-flight service. In Brazil, Chile and Peru, segregation of PET plastic bottles is carried out by the in-flight crew, and in Colombia and Ecuador, segregation of aluminum, PET plastic and Tetra Pak is carried out on the ground by the airports, in Bogota and Quito, respectively.

In 2023, the program was launched in Brazil and bolstered in the countries where it was already in operation: Chile, Ecuador, Peru and Colombia, ensuring the recycling of PET plastic bottles. This allowed more than 170 tons of these bottles to be recycled.

Second Flight: uniform upcycling

The Second Flight program allows LATAM to give a second life to its employees' unused uniforms and transform them into new products. Through Second Flight, the company not only reduces the impact on the environment with the conversion of textile waste, but also is also able to build a more sustainable community through partnerships, employment generation, and the encouragement of responsible consumption.

During 2023, we worked in partnership with 14 organizations in Brazil, Chile, Colombia, Ecuador, Peru and Paraguay. Thirty-one tons of unused uniforms were handed in, enabling the creation of more than 21,000 new products such as key rings, handbags, passport holders, purses, luggage identifiers and cases. Some of these products were then used in the group's events and activities, while others were sold and generated income for the craftswomen in the program.

More sustainable lounges

The group is working on a gradual transformation of its lounges to offer a more sustainable experience through the use of renewable energies, elimination of single-use plastics, waste segregation, water and energy efficiency, among others.

Throughout last year, LATAM, together with the Chilean consulting firm Ecoretorna, conducted a diagnosis of Chile's lounges and evaluated their gaps in order to obtain TRUE Zero Waste and LEED O&M certifications. These verify criteria related to zero waste, energy and water efficiency, resource use, and environmental quality, among others. Based on this information, we will continue to make progress on the processes and implement best practices in the other LATAM lounges

Composting

At our maintenance base in Chile, the organic waste generated in the mess hall is segregated by the employees themselves. In this program, 33 tons of food waste were composted. In addition, 157 tons of wood were composted at the base.

Project Upcycling Brazil

22 tons of disused products that were previously part of LATAM's operation were recovered. Some of them were redistributed and others sold, through the LATAM Brazil Guild Association (GRETAM, for its Portuguese acronym), including 81 triple seats, 42 trolleys and 1,207 used crew bags, among others.

Donations

In Brazil, 29 used notebooks, 21,960 snacks, 1,913 emergency kit bags, 600 units of masks, 1,232 rolls of toilet paper and 180 units of aprons were donated. Meanwhile, in Colombia, 480 masks (face-masks) were donated, in addition to items that passengers forget on the planes and do not claim, such as neck rests, toys, hats and caps, books and eyeglasses. At the same time, support was provided to the Pudahuel commune through the donation of water during the rain and river flooding emergency in Chile. Also, in Peru, 175 desk chairs were donated to support the *Ciudad de Papel* Foundation.

SINGLE-USE PLASTICS

GRI 306-2

Over the past three years, LATAM group has been working on one of the biggest challenges on which it decided to embark after launching its Sustainability strategy in 2021: eliminating single-use plastics from the operation by 2023.

This path has involved promoting a cultural change to do things differently, as well as many challenges, such as involving different areas of the group transversally, from travel experience design to operational lines, adjusting internal processes of each airline and with suppliers, looking for alternatives, increasing budgets, among others.

Thus, LATAM ended 2023 having made significant progress in the elimination of single-use plastics throughout its operation, managing to reduce more than 1,700 tons, which translated into about 96% of the scope defined by LATAM[1] as single-use plastics, equivalent to 266 million plastic bags. The remaining 4% corresponds to those elements that could not be replaced or eliminated for legal, safety, sanitary or operational reasons, or because there were no replacement options available on the market. The group will continue to work on finding solutions to reduce its waste, replace materials for reusable, recyclable, and/or biodegradable ones, expanding its scope and strengthening its awareness of its waste.

Some concrete examples and additional efforts to the defined scope are highlighted below.

[1]*MORE INFORMATION*

For more information, visit https://www.latamairlines.com/us/en/sustainability/circular-economy

Economy Cabin:

• Plastic cups were replaced by paper cups, cutlery and stirrers by bamboo utensils, disposable pans (food containers) by reusable ones.

• The plastic bags containing rest items were replaced with paper tapes.

• Item separation bags inside the aircraft cabinets were eliminated.

Business Cabin:

• The bags used to cover rest items (blankets, pillows, headphones and throws) were replaced with reusable cotton bags.

• The bags that covered slippers and contained the elements inside the amenity kits were eliminated.

• Amenity kits: the toothbrush has been replaced by a bamboo one, and the socks and eye covers are now made of recycled, vegan and cruelty-free material. These products are designed by South American artists chosen for their emerging career path and/or for being transformers of their communities.

Aeropuertos

• New labels and courtesy bags made 100% of paper were implemented.

Lounges

• Toothbrushes were replaced with bamboo toothbrushes, plastic spoons and stirrers were replaced with reusable metal spoons, plastic bags were eliminated from towels and amenities, and anti-sneeze plates were incorporated to replace plastic film for food (in Bogota).

Maintenance and offices:

• Plastic bags were replaced by trolleys, trays and paper bags for transporting aircraft maintenance items.

• Plastic cups were replaced by paper or reusable cups in offices.

Cargo

Despite falling short of the established goal, the group made significant efforts to reduce the use of plastic film and increase recycling in the cargo operation.

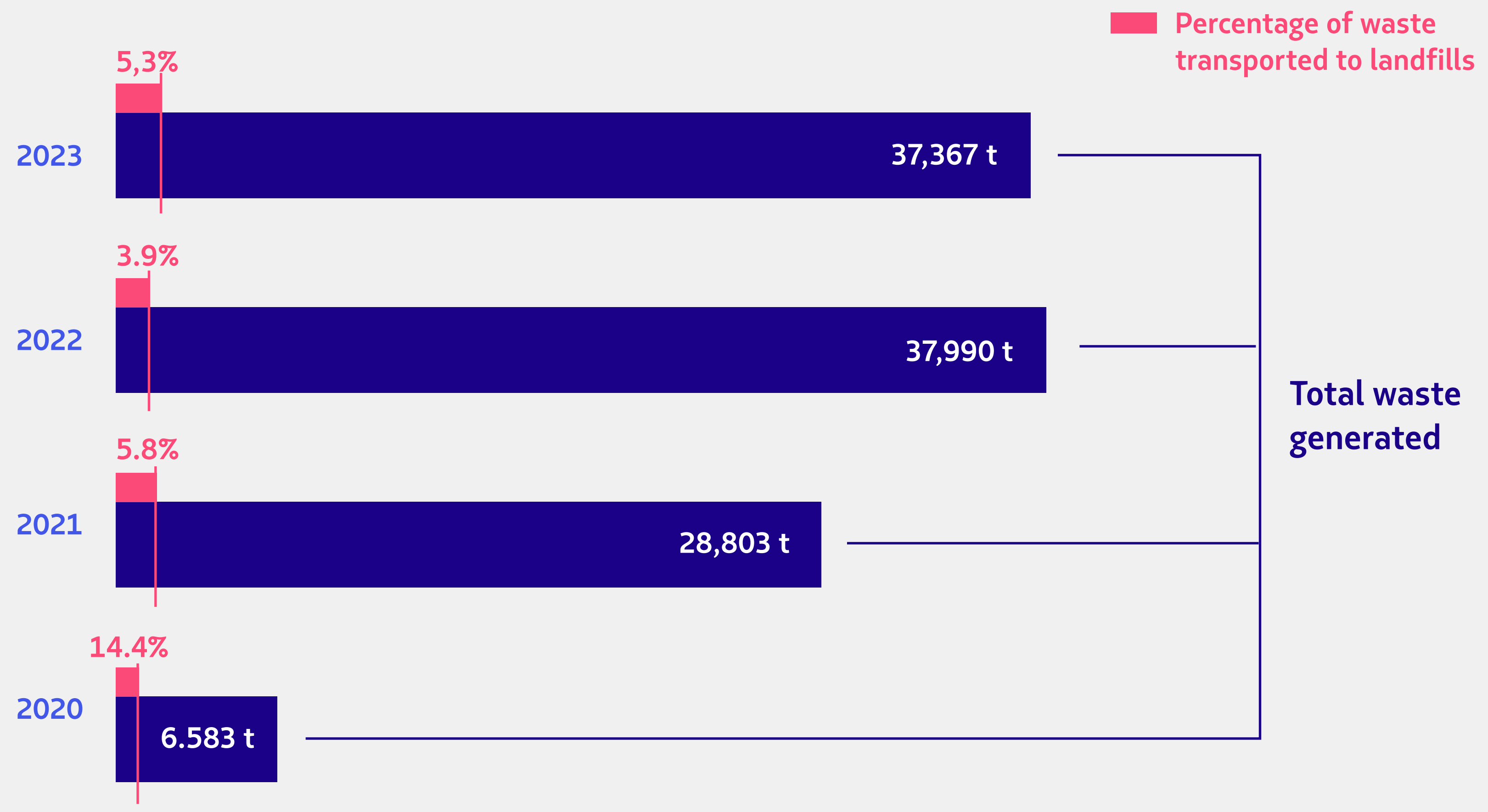
• Reusable blankets to cover pallets for cargo transportation in Chile and Brazil, which have led to a reduction of up to 90% in the use of plastic film in certain processes.

• 3M machine and tapes, which allow an 80% reduction of plastic film in the storage process of cargo imports in Chile.

This resulted in a reduction of 53 tons of plastic film use and recycling of 208 tons (16% more than in 2022). These combined efforts are equivalent to avoiding the use of more than 100,000 new rolls of plastic film.

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

WASTE



	UNIT	2020	2021	2022	2023
Total waste generated	**tons**				
Transported to landfills	%	14.4%	5.8%	3.9%	5,3%
Percentage of hazardous waste	%	73%	93%	94%	90%
Percentage of non-hazardous waste	%	27%	7%	6%	10%

Note: The waste shown in the graph corresponds to waste for which there are documents supporting its disposal. Therefore, the distribution does not represent LATAM's overall waste generation, mainly because in several of the operation's facilities, for non-hazardous waste that goes to landfills, the service provider does not render supporting documents. In addition, we are currently improving the control process for our overall waste generation, which is why these values could experience variations; for instance, those related to hazardous waste generated during wastewater treatment.

WASTE DISPOSAL

GRI 306-3, 306-4 Y 306-5

	UNIT	HAZARDOUS	NON-HAZARDOUS	TOTAL
Waste not intended for disposal	**t**	**133**	**1,819**	**1,952**
Preparation for reuse	t	0	0	0
Recycling1	t	133	1,626	1,759
Other recovery operations¹	t	0	194	194
Waste intended for disposal¹	**t**	**33,389**	**2,026**	**35,415**
Incineration (with energy recovery)¹	t	374	229	603
Incineration (no energy recovery)¹	t	36	0	36
Transfer to landfill¹	t	304	1,679	1,983
Other disposal operations¹	t	32,676	118	32,793
Total waste	**t**	**33,522**	**3,845**	**37,367**

¹ *Off site.*

Note: The waste data comes mainly from the information generated in the bases where we have our own operations and those places where we can access this information. Waste management is part of our environmental management system. In this process, waste generation points are identified, waste is classified according to its type and composition, stored and finally transferred to an external recipient for recycling or final disposal, its traceability being a fundamental matter, as it is related to regulatory compliance.

AVIÓN SOLIDARIO

GRI 3-3 y 203-1

Since 2011, the Avión Solidario (Solidary Plane) program has reflected LATAM group's commitment to being an asset to society in South America. The group offers its connectivity, structure and transportation capacity to support, free of charge, organizations that address needs in three areas: health, environment and natural disasters.

During these years, the program has been strengthened with a collaborative approach, and in 2023, it totaled 43 strategic alliances within five countries with domestic operations: Brazil, Chile, Colombia, Ecuador and Peru. LATAM group's partners are organizations, foundations and governmental agencies that support the needs of the region and work alongside LATAM group to generate a positive impact on the community through connectivity.

The relationship with the organizations is based on the concept of co-creation, so that each partnership established within the framework of the program can also bring initiatives that generate value for their environments and communities. In this manner, the program contributes directly to the fulfillment of three of the UN Sustainable Development Goals (SDGs), namely SDG 3 Good health and Well-being SDG 13 Climate Action and SDG 17 Partnerships for the Goals.

SNAPSHOT

SOLIDARY PLANE

GRI 3-3

GRI 203-1

	UNIT	2021	2022	2023
Health				
Air tickets donated	Number	3,210	3,554	4,563
Organs, tissues, and stem cells transported	Number	976	964	1,847
Medical supplies	Number	59	4,577	688[1]
Disasters				
Cargo transported as humanitarian aid	Tons	3	149	155
Environment				
Animals rescued and transported	Number	192	246	122
Recyclable materials transporteds	Tons	195	170	256

[1] *The decrease was due to a reduction in the number of requirements during the year.*

AVIÓN SOLIDARIO

AVIÓN SOLIDARIO (SOLIDARY PLANE)

HEALTH

Organs and tissues

Transportation of 1,847 organs and tissues free of charge
for transplants in Brazil and Chile, from islands such as Chiloé and Easter Island.

Donation of airline tickets

More than 4,500 patients, medical personnel and healthcare teams were transported free of charge
for treatment or surgery.

ENVIRONMENT

Animal Rescue

1,847 animals transported, free of charge,
in Peru and Brazil for rehabilitation, conservation and protection, including birds, turtles, monkeys, primates native to the Brazilian Amazon Rainforest, flamingos, boas, otters and penguins. Professionals linked to the execution of conservation projects and work with the community were also connected.

Removal of recyclable waste

275 tons of waste were removed and transported
from Easter Island /Rapa Nui (Chile), San Andres (Colombia), and the Galapagos Islands Archipelago (Ecuador) for their proper management and recycling. The program collaborates with waste management in strategic areas, due to their environmental importance, as is the case of these island destinations.

DISASTERS

Humanitarian aid

104 tons of various items for humanitarian aid were transported.
These included tents for refugees, food, clothing, hygiene items and other donations. Individuals who were survivors of natural disasters and emergencies, as well as support personnel for various causes, were also transported.

08 Employees

In this chapter

Better, simpler and more transparent

GRI 3-3

People management is one of the critical processes for the companies in the LATAM group in implementing the mission to connect people and destinations. In this task, the group's companies consider structured training and career advancement practices that respond to the transformations and trends of the labor markets of the countries in which they operate. They also consider dialog and approachability between the staff and management of each company, which are important factors in bolstering the joint commitment to the execution of the business strategy and in making the Companies in the LATAM group better and better, simpler, and more transparent.

Along this line, the dialog agenda includes meetings led by the Human Resources departments and the leaders of different areas of the group's companies on topics such as leadership, sustainability, diversity and inclusion, among others. The goal is to bolster the strategic alignment and empathy towards the employees of the Companies in the LATAM group, and gather insights that make it possible to improve human capital management. Other bodies that reinforce the permanent dialog are:

- **LATAM News:** Weekly meetings between leaders and their teams.
- **Expanded:** Periodic meetings conducted by the vice-presidents.
- **1:1 Accompaniment:** Specific conversations between the employee and their leader to support the professional individual training and development process.

We should note that leaders are trained to manage their teams and act in alignment with the leadership model defined by the LATAM group. In fact, they are evaluated in their role as heads of the teams via the leadership index and the tool called "Barometer". The tools include, among others, variables that allow the group's companies to measure progress toward their objectives of simplicity and transparency, as well as compliance with leadership practices, such as timely feedback, team meetings, 1 to 1 meetings, and recognition. In addition, there is a measurement from the team itself toward their superiors, making it possible to extract a 360° view of the leader's performance, whose fundamental role is that of driving overall development.

ORGANIZATIONAL HEALTH

In 2023, the LATAM group achieved its best-ever result in the McKinsey & Company Organizational Health Index (OHI), a survey that has been conducted for a decade, and that mainly evaluates work climate and motivation aspects. The 78 points obtained is one points higher than the last evaluation carried out in 2022, positioning the group's companies among those with the best organizational health in the world.

Furthermore, 2023 results also stood out for the record voluntary participation in the survey, as 79% of the total workforce of the group's companies took it, which translates into more than 25,000 responses at the time.

It should be noted that this survey has questions that evaluate different strategic focuses for the LATAM group, such as leadership, technological adaptation, diversity and inclusion, and employee experience, which includes meaning and/or purpose, as well as psychological safety, among others.

78 points in the Organizational Health Index in 2023—the best in LATAM's history.

TRAINING

NCG 461: 5.8 TRAINING AND BENEFITS

GRI 404-1 & 403-5

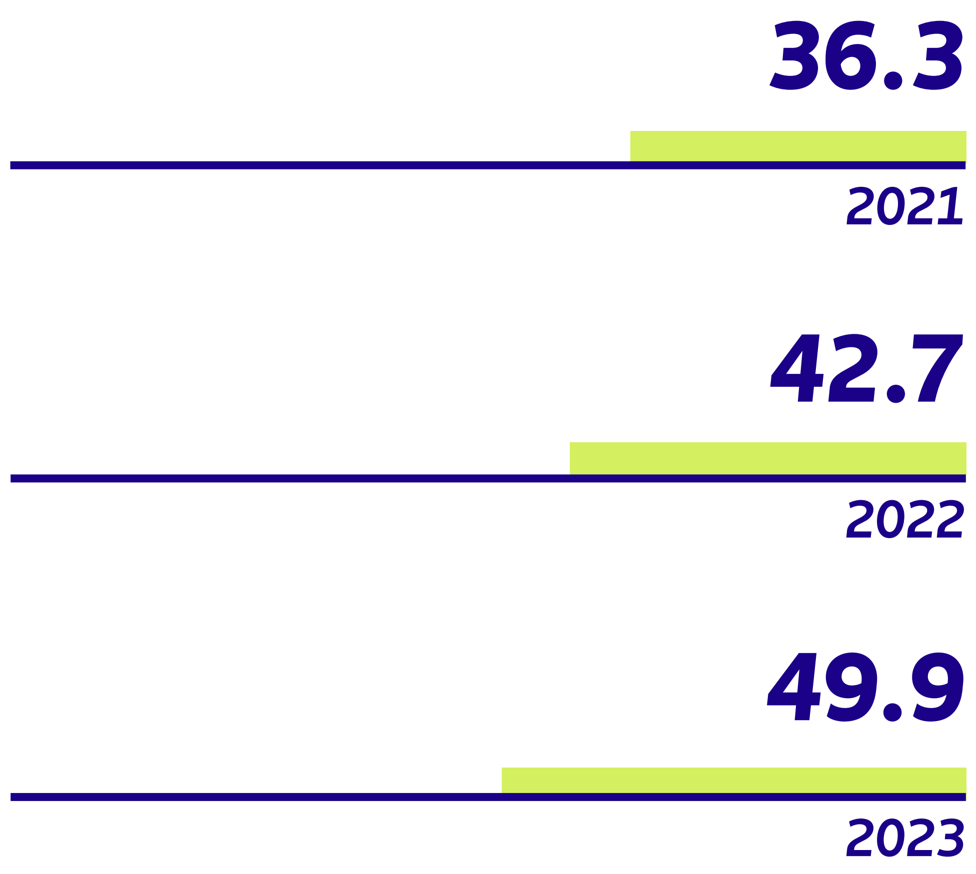
The LATAM group's training policies establish the guidelines and principles for the skills and knowledge development processes in the different areas of the group's airlines and, in turn, are focused on ensuring compliance with all applicable local requirements and regulations. In fact, in their procedures, the companies of the LATAM group establish the periodicity, the updating system, the selection and training of instructors, and the different responsibilities that ensure that the training programs are carried out.

Among the subjects that have been addressed in these spaces are operational and air safety; workplace safety; diversity and inclusion; leadership; commercial and customer service skills; in-flight service; human factors; dangerous goods; internal procedures of the group's companies; Code of Conduct (Compliance); and technical specialties for aeronautical maintenance.

Along this line, during 2023, the LATAM group invested USD$13.2 million in professional training activities for its teams, which translates into 0.12% of total operating income.

Meanwhile, 32,139 individuals were trained (90.36% of the total workforce) in matters such as operational and job safety; diversity and inclusion; leadership; aeronautical maintenance; emergencies; first aid; risk prevention and hazardous goods; among others. As a result, a total of 1.6 million hours of classes or training were completed, with an average of 50 hours per employee.

AVERAGE TRAINING (H/EMPLOYEE)



Average of 50 hours of training per employee.

AVERAGE TRAINING IN 2023 (H/EMPLOYEE)

NCG 461: 5.8 TRAINING AND BENEFITS

GRI 404-1

	MEN	WOMEN
Senior management	12.6	6.6
Management	12.9	11.0
Leadership	29.0	21.0
Operators	45.0	51.4
Sales force	11.9	11.9
Administrative	16.4	11.7
Other professionals	38.0	71.4
Other technicians	14.2	12.1

Note: the calculation takes into account the average of the group's companies.

PERFORMANCE REVIEW

GRI 404-3

Annually, the Companies in the LATAM group hold a performance evaluation process based on objectives, aligned with skills differentiated by segment. Executives, middle management, supervisors and cabin and airport operational areas are part of this process, designed to contribute to the development of each employee and of the human capital within each organization.

The competencies defined are aligned with the organizations' strategy and include aspects such as safety, risk management and compliance, as well as health and safety, among others. This measure seeks to ensure compliance with policies and procedures that are crucial for the LATAM group's companies, understanding their relevance and their stakeholders.

In addition to the competency-based evaluation, at the beginning of each period, these teams establish measurable annual goals, which are evaluated by their managers and have a feedback process to generate relevant conversations that facilitate continuous improvement and decision-making.

During 2023, 99% of the employees[1] of the Companies in the LATAM group subject to the process took part in the performance evaluation.

[1] *78% of the total number of employees of the LATAM group's companies were due to receive a performance evaluation in 2023.*

SUCCESSION PLAN

NCG 461: 3.6 RISK MANAGEMENT

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

HIRING AND TURNOVER

GRI 401-1

Throughout 2023, the companies in the LATAM group hired 6,827 individuals, resulting in a hiring rate of 19%. Meanwhile, the turnover rate was 10.84%, which is lower than the figure for 2022 (11.4%).

FUNCTIONAL CATEGORIES

Senior Management
CEOs
Vice-presidents
Directors

Management
Senior managers
Managers
Assistant Managers

Leadership
Area managers
Department heads

Operators
Cargo operations
Maintenance
Airport
Operations control center

Sales force
Sales operations
Customer care

Administrative
Support activities and general roles

Other professionals
Middle management in support activities

Other technicians
Command crew
Cabin crew

NEW HIRES AND WORKFORCE TURNOVER IN 2023

GRI 401-1

	NEW HIRES		TURNOVER	
	TOTAL	HIRING RATE [1]	TOTAL[2]	TURNOVER RATE[3]
LATAM Airlines Brazil	2,957	8.31%	2024	5.69%
LATAM Airlines Chile	1,689	4.75%	700	1.97%
LATAM Airlines Colombia	876	2.46%	311	0.87%
LATAM Airlines Ecuador	122	0.34%	30	0.08%
United States Regional Office	466	1.31%	384	1.08%
LATAM Airlines Peru	590	1.66%	326	0.92%
Others[4]	127	0.36%	79	0.22%
Total	**6,827**	**19.19%**	**3,854**	**10.84%**

[1] Total hired/Total workforce as at December 31, 2023.
[2] Total number of employees who left the group voluntarily or due to severance, retirement, or death in service.
[3] Total number of employees who left the group voluntarily or due to severance, retirement, or death in service/total workforce as at December 31, 2023.
[4] LATAM group operations in other countries in the Americas, Europe and Oceania.

6,827

people were hired during the year

MORE INFORMATION:
Annexes (Pages 156-162).

BENEFITS

NCG 461: 5.7 POSTNATAL LEAVE AND 5.8 TRAINING AND BENEFITS

GRI 401-2

The Companies in the LATAM group provide their employees with a series of benefits that are not part of the remuneration. These include:

1. Stress management in the workplace: The Wellness Program of the Companies in the LATAM group focuses on stress management in the workplace and on promoting employees' well-being. This program consists of four components: "Getting to Know Each Other" to foster connections, "Travel Club" with travel tips, "Wellness Tips" to improve mental, emotional and physical health, and "LATAM Club", offering discounts to employees and their families in various categories. This program is accessible through the LATAM Portal and RH Connect.

- **Getting to Know Each Other:** A monthly section that allows employees to meet and connect with different individuals from the LATAM group's companies. Up to two people per month per country are featured.

- **Travel Club:** This section offers the presentations and recordings of each live session where, month after month, a worker from one of the companies in the LATAM group showcases a new corner of the world. From their own experience, they share the main tips and advice to inspire, without boundaries, the next adventure, connecting with the Staff Travel benefit.

- **Wellness Tips:** A space where useful information and articles are published monthly to enhance the wellbeing, self-care and mental health of workers across the companies in the LATAM group.

- **LATAM Club:** Exclusive network with discounts and promotions for employees of the companies in the LATAM group and certain additional beneficiaries, with different benefits that are offered in all countries and in more than ten categories, such as: Hotel and Tourism (with large hotel chains), Gastronomy, Health and Fitness, Education and Training, among others, which may vary by country. In fact, as an employee of one of the companies in the LATAM group, they can also access many of the discounts that are part of the benefits of one of the group's companies in other countries and not only those in the employee's country of residence.

2. Wellness and health initiatives: Each company in the group manages different initiatives aimed at promoting physical activities. For example, during summer, the group's companies in Chile invite employees to participate in a variety of free sports activities held at facilities known as "LATAM Park". This includes reserving courts or pitches for various sports or enrolling in classes, such as Zumba, functional training, or spinning, among others.

In addition, all employees with permanent and fixed-term contracts are provided:

- **Life insurance:** Given the importance of prevention in difficult times and with the support of loved ones in mind, most of the companies in the LATAM group have life insurance for their employees.

- **Health insurance:** Given that employees' health is one of the main concerns for the companies in the LATAM group, they have private medical insurance which includes, among other things, coverage for outpatient and inpatient medical services, medicines and treatments. In fact, in some companies in Chile, it also includes free telemedicine on topics such as psychology, nutrition, sports medicine, chronic disease support, sleep disorders, sexual health and LGBT+ counseling. Likewise, the group's companies in Chile, have a collective Isapre health plan agreement with Colmena for preferential and fixed prices.

- **Medical Assistance Insurance on business trips outside the base country:** Transcending in the care of their workers during the performance of their duties, the companies in the LATAM group have travel assistance insurance to take care of them in the event of illness and accidents while they are on duty outside their countries of residence. This also extends to both cabin and flight crews in the performance of their duties.

3. Part-time work options: For some specific roles, part-time contracts are available that allow employees to work fewer hours per week in lieu of traditional full-time contracts. This program is available in different countries, according to their national regulations.

4. Teleworking: Depending on the nature of their duties, certain employees of the Companies in the LATAM group can work in hybrid mode, which consists of two days working in the office and three days working from home. In addition, some specific roles work 100% from home because of their functions, such as the IT teams and the Contact Center. The companies of the LATAM group cover some expenses derived from hybrid work, such as food and internet costs, pursuant to the regulations of each country.

5. Flexible work schedules: For certain countries and specific job positions, the LATAM group offers the option of flexible working hours, in accordance with national regulations. This implies a flexible schedule that allows employees to decide when to start and/or end their working day, based on their individual needs and within the time range defined by the companies where it is applied.

6. Childcare facilities: In accordance with the regulations of each country, childcare benefits are granted to working women to care for their children after the postnatal period, or they are provided childcare contributions, as an alternative for parents who work shifts or whose child has a health condition that makes them unfit for childcare facilities.

7. Lactation facilities: Some facilities of the Companies in the LATAM group have dedicated lactation rooms in the workplaces. These spaces offer privacy, convenience, storage and hygiene for mothers to express breast milk. This support program is available in different countries, depending on their national regulations.

8. Maternity and paternity leave (postnatal): The companies of the LATAM group guarantee the granting of maternity and paternity leave for mothers and fathers in accordance with the legal regulations of each country.

9. Paid family care leave beyond parental leave: Certain companies of the LATAM group guarantee the granting of paid family care leave for their employees, in accordance with the legal regulations of each country.

10. Ticket discounts benefit (Staff Travel): As part of their value proposition, the companies in the LATAM group enable their employees and their beneficiaries to get to know the world through the Staff Travel ticket benefit. Through it, they get access to an annual coupon book on routes operated by the LATAM group to reach more than 140 destinations around the world, using tickets subject to vacancy with a 100% discount (2), with a 90% discount (12), with a 50% discount (12) and confirmed tickets whose discount and number varies by sublevel. In addition, workers have access to unlimited flights with significant discounts on more than 90 airlines with agreements. These coupons apply for each worker and for each registered beneficiary according to the current policy.

11. Special benefits of the LATAM Pass frequent flyer program: The companies in the LATAM group allow employees registered in the LATAM Pass program to access special benefits that complement the Staff Travel benefit experience, including: a special mileage bonus when registering for the first time with LATAM Pass, double mileage accrual on the purchase of Staff Travel tickets and the option to purchase Staff Travel tickets directly with miles. The latter is implemented in several countries and work is underway to make it available in all countries where the group operates.

12. Special benefits in ground handling services offered by LATAM: Complementing the Staff Travel benefit experience, the companies in the LATAM group allow workers to access discounts on ground handling services offered to commercial passengers (car rental, hotels, tours, etc.). Along this line, all the countries include discounts on car rentals and we are working to include hotel discounts as well. For Chile, Brazil, Peru and Paraguay, special discounts also apply to all other services.

13. Loans: Certain companies in the LATAM group offers financial support in the form of loans catering to different groups of workers, which are applied according to local conditions in the different countries' current collective bargaining agreements. This is done to help employees faced with various situations during their working lives.

DIVERSITY, EQUALITY AND INCLUSION

NCG 461: 3.1 GOVERNANCE FRAMEWORK and 5.4.1 EQUALITY POLICY

GRI 3-3; 405-1

The companies in the LATAM group address diversity and inclusion in a broad and comprehensive way, aware of the challenges related to its different social groups. Along this line, the recruitment and selection processes, which adhere to the Global Diversity and Inclusion Policy, are supported by a network of foundations, organizations, and consultants specialized in attracting and hiring plural talents.

Furthermore, working hand in hand with an external consultant, the companies in the group gather the opinion of employees from all the countries where they operate, identifying the different experiences and outlooks on the subject. In addition, there are agencies of open dialog with leaders in the Human Capital department and internal periodic measurements regarding the workforce's perception on key aspects of the organizational culture, the internal value proposition and employee experience. These actions, in addition to other specific actions, allow the group to strengthen inclusion, seeking to ensure that all individuals who are part of the group's companies can contribute their capabilities fully and feel that they belong. In fact, some of the transversal actions developed are:

- Informing and educating employees to strengthen the culture of inclusion.
- Develop inclusive leadership.
- Gather information that supports decision-making and timely management of initiatives to promote diversity and inclusion.

In addition, the LATAM group has set diversity goals focused on increasing the representation of women in leadership and technical roles; increasing the representation of people with disabilities in different roles; and promoting plurality in professional profiles to reflect the diversity of race and ethnicity, generation, sexual orientation and gender identity, among others, existing in the societies where it operates.

It should be noted that, in line with the Diversity commitments, which aim to achieve a gender balance of around 40/60 by 2030 at all functional levels, the LATAM group incorporated more women in the roles of pilots and maintenance mechanics, and reached a total ratio of 39.2/60.8 in those categories. The group's progress in building increasingly inclusive work environments was also reflected in the results of the Inclusion Evaluation. This diagnosis considers the organizational systems and leadership practices that the group carries out, in addition to the perception of subgroups of employees regarding equal opportunities for growth and professional success. Thus, in 2023, the LATAM group reached 78 points in the evaluation, one more than in 2022, maintaining a positive trend over the last three years.

LATAM group aspires to achieve a gender balance of around 40/60 by 2030 at all functional levels.

WORKERS BY GENDER AND CATEGORY OF THE COMPANIES IN THE LATAM GROUP

GRI 405-1

	MEN	MEN %	WOMEN	WOMEN %
Senior management	59	85.5%	10	14.4%
Management	416	64.2%	231	35.7%
Leadership	1,030	64.9%	556	35%
Operators	11,002	68.4%	5,064	31.5%
Sales force	180	24%	567	75.9%
Administrative	483	46.9%	546	53%
Other professionals	1,617	60.7%	1,044	39.2%
Other technicians	6,654	52.1%	6,109	47.8%
LATAM group	21,441	60.2%	14,127	39.7%

*LATAM has no professionals in the Auxiliary category.

PAY EQUALITY

NCG 461: 5.4.2 PAY GAP

GRI 405-2

The companies in the LATAM group have policies and practices in place to ensure equitable compensation among employees, based on their roles and responsibilities. Along this line, the policy begins with the position weighting methodology (points and grades) to define the relative weight of each position within the organizations. Additionally, salary scales by grade are defined, through market surveys, to position each employee within the salary range defined for their grade.

It should be noted that all individuals within the same pay grade have the same income range (between 80% and 120% of the segment), but the particular position of each one in the range will depend on aspects such as seniority and performance, which are the only determining factors for income differences. In fact, there is an annual review of merit income, which is always based on the individual's performance.

SALARY RATIO (WOMEN/MEN) [1]

NCG 461: 5.4.2 WAGE GAP

GRI 405-2

	AVERAGE[2]	MEDIAN[3]
Senior management	87%	87%
Management	94%	95%
Leadership	95%	95%
Operators	92%	91%
Sales force	98%	98%
Administrative	97%	98%
Other professionals	97%	97%
Other technicians	89%	90%

[1] *Proportion of women's gross hourly wage vs. men's gross hourly wage in each functional category. Gross salary includes all fixed and variable pay, such as base salary, social laws, bonuses, commissions, or others.*

[2] *The calculation methodology considers the average income by country, pay grade and seniority category, excluding data where there is no record for both genders.*

[3] *For the calculation of the median, the values of the gross hourly salary of women and men are ordered from lowest to highest (considering the groups by country, pay grade, and seniority category, and excluding data where there is no record for both genders), and the central value of the first group is divided by the central value of the second group.*

FUNCTIONAL CATEGORIES

Senior management
CEOs
Vice-presidents
Directors

Management
Senior managers
Managers
Assistant Managers

Leadership
Area managers
Department heads

Operators
Cargo operations
Maintenance
Airport
Operations control center

Sales force
Sales operations
Customer care

Administrative
Support activities and general roles

Other professionals
Middle management in support activities.

Other technicians
Command crew
Cabin crew

JOB SAFETY

NCG 461: 5.6 OCCUPATIONAL SAFETY

GRI 3-3, 403-1, 403-2, 403-7 & 403-9

Safety is a fundamental and non-negotiable value for the companies in the LATAM group. This commitment is set forth in the Safety, Quality, Health and Environment Policy and translates into the promotion of an Occupational Health and Safety management system aimed at preventing workplace injuries and illnesses for all members of the operation.

The supervision of this system, which comprises various occupational health and safety programs, is the responsibility of the leaders of each operational area, who apply the system's guidelines and receive support from the Corporate Safety area. The companies in the LATAM group observes regulatory compliance in all countries where they operate and ensure comprehensive compliance with the LATAM group's Quality, Health and Environment Policy.

The companies have established a comprehensive workplace safety governance strategy that encompasses several key procedures:

• **Hazard identification and risk assessment:** The companies in the LATAM group have procedures in place for systematic hazard detection and risk assessments. In each case, control measures are defined in the processes and facilities, ensuring workers' protection and well-being.

• **Occupational safety inspections:** The companies in the LATAM group conduct periodic inspections and detailed reports describing identified risks and potential impacts on operations and people, including mitigation action plans[2].

• **Management and Control of Action Plans:** With a focus on prevention, this process reduces operational risks and impacts by implementing action plans and addressing root causes identified during inspections. To prioritize these plans, the companies in the LATAM group use the Action Plan Index (API), which makes it possible to evaluate, prioritize and integrate the different potential risk mitigation plans.

• **Change Management Evaluation:** In addition, hazards associated with internal and external procedural changes are proactively identified and mitigated, safeguarding the safety of new ways of operating.

Likewise, the companies in the LATAM group evaluate the effectiveness of their management system on an ongoing basis by monitoring indicators related to accident rates, such as the injury rate and the potential Serious Injury and Fatality (SIF) indicator. The latter was included during 2023 to strengthen the anticipation of possible risks and the implementation of preventive measures.

Overall, these indicators are reviewed against annual targets on a regular basis in all countries and operational areas within the companies in the LATAM group. This record also includes third-party service providers that collaborate with the companies in the LATAM group, who must contractually comply with their local regulations and, in some cases, actively participate in the monitoring of these safety indicators. The availability of information facilitates the prioritization and integration of the different action plans through the Action Plan Index (API), which evaluates risks based on their probability and severity, making it possible to determine the most efficient plans in the different cases.

[2] During 2023, safety inspections were carried out on the critical risks identified by the companies in the group, through a thorough work plan. This process involved inspections of more than 1,100 pallet trucks, more than 600 forklifts, more than 2,000 anchoring systems, 800 man lifts and 2,400 ladders. In addition, more than 800 infrastructure inspection reports and 9,000 inspections focused on safe behavior (IPS) were performed.

SNAPSHOT
HUMAN CAPITAL MANAGEMENT LATAM GROUP COMPANIES

NCG 461: 5.8 TRAINING AND BENEFITS

	2021	2022	2023
Total employees	29,114	32,507	35,568
Turnover rate[1]	22.5%	11.4%	10.8%
Average hours of training[2]	36.3	42.7	49.9
Total individuals trained (% of total workforce)	N/D	30,600 (93%)	32,100 (90%)
Investments in training (% of revenues)	N/D	0.14%	0.12%
OHI survey			
Result	77	77	78
Quartile	1	1	1

[1] Employees who left one of the companies in the group (voluntarily, due to severance, retirement, or death in service)/Total employees as at December 31.
[2] Hours of training in the year/Average workforce.

0 fatality
year 2023

0.61 accidents per 100 workers
year 2023

0 workplace accidents with serious consequences
year 2023

OCCUPATIONAL SAFETY[1]

NGC 461: 5.6 OCCUPATIONAL SAFETY

	2020	2021	2022	2023	TARGET
Accident rate (per one hundred workers)[2] GRI 403-9	0.39	0.48	0.64	0.61	0.63
Fatality rate[3-4]	0	0	0	0	0
Occupational disease rate (per 100 workers)[5]	0.03	0.04	0.03	0.03	
Average number of days lost due to accidents[6] GRI 403-9	12.54	10.24	11.48	11.62	
Accident rate per occupational injury with major consequences GRI 403-9[7,8-9]	0.01	0.00	0.00	0.00	
Absenteeism rate	4.4	4.7	4.1	4.4	

N/A: information not available.
N/A: Not applicable.
[1] *Some indicators in this section began to be counted in this way in 2022, so there is no information from previous years.*
[2] *Total work accidents/Average workforce X 100.*
[3] *Excluding those related to accidents in transit and those suffered by leaders of trade union institutions because of, or in the performance of their trade union duties.*
[4] *The calculation of the rate follows the formula: Total fatalities per work accident/Average workforce X 100,000.*
[5] *Total occupational diseases/Average workforce X 100.*
[6] *Total days lost due to work accident/Total work accidents. NB: The count of lost days begins on the day after the accident.*
[7] *Accidents related to some critical risk and high-impact events (accidents resulting in over 100 days lost) represent 1.5 in the calculation.*
[8] *Rate calculation formula: total injuries with work interruptions/average no. of employees x 100.*
[9] *Accidents resulting in such damage that the worker cannot recover, does not recover, or is not expected to fully recover their state of health from before the accident, within six months.*

MORE INFORMATION

- *Employee profile (gender, nationality, age range, seniority, people with disabilities): Pages 156-158.*
- *Postnatal leave: Pages 161-162.*
- *Formality of work (type of contract, type of work hours, work flexibility): Page 159.*
- *Freedom of association: Page 159.*
- *Idle days due to work stoppages: Page 159.*

Who makes up the LATAM group

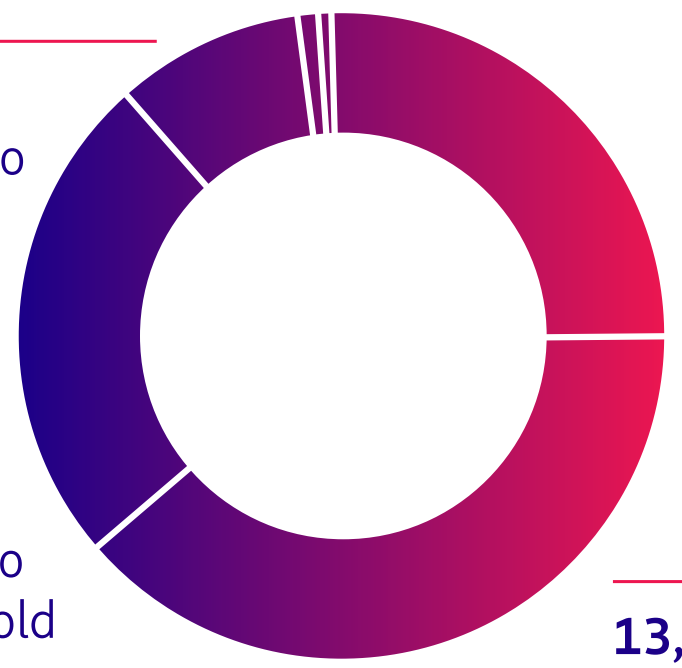
GRI 2-7

35,568 individuals

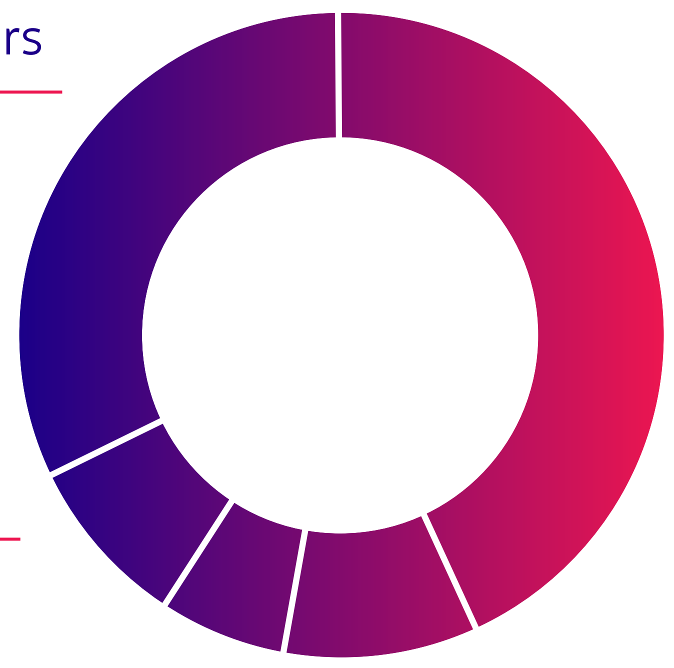
EMPLOYEES BY COUNTRY IN 2023

	Men	Women
BRAZIL	12,018	6,670
CHILE	4,836	3,887
COLOMBIA	1,239	1,043
ECUADOR	300	197
UNITED STATES	896	315
PERU	1,747	1,601
OTHERS	405	414
LATAM GROUP	21,441	14,127

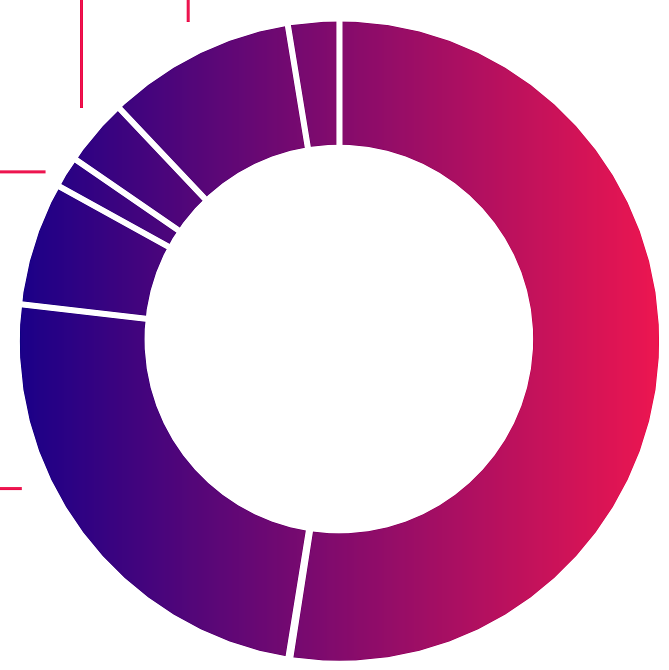
EMPLOYEES BY AGE RANGE IN 2023



EMPLOYEES BY SENIORITY IN 2023



EMPLOYEES BY COUNTRY IN 2023



09 *Clients*

In this chapter

The best experience

GRI 3-3

LATAM group seeks to give its passengers the best experience, from the moment they choose their flight, until they pick up their bags upon arriving at their destination. In addition, it seeks to build long-term relationships with its clients by delivering exclusive benefits through its frequent flyer program, LATAM Pass.

During 2023, the group continued to integrate improvements into the travel experience, with new cabins for greater comfort, technology that provides autonomy and makes every decision more agile, award-winning gastronomy, and in-flight entertainment with exclusive content. All this, while ensuring punctuality and a range of service options.

In addition, dialog channels are kept open to receive feedback in the search for constant improvement and, of course, safety is a top priority for the group.

New cabins

In 2023, LATAM group, made progress in the aircraft cabin transformation process, contributing more flexibility to serve different customer segments and offering more comfort, especially on long-haul journeys.

Along this line, during the past year, the group received five additional Boeing 787-9 Dreamliner aircraft, with a completely overhauled cabin interior, including a Premium Business cabin: full-flat seats, direct aisle access, greater privacy, and space for personal items; an Economy cabin, with state-of-the-art seats; and a renovated in-flight entertainment system with 18-inch screens in Premium Business and 12-inch screens in Economy.

In addition, in 2023, the group began receiving Airbus A320Neo and A321Neo aircraft with the new Airspace cabin configuration which, among its new features, includes personalized lighting, new luggage racks with up to 60% more space, bathrooms with antimicrobial surfaces, and seats with tablet holders so that passengers can use their personal devices more comfortably.

On the other hand, the group completed the overhaul on its narrow-body fleet, implementing the latest cabin standards. In this class, we also find the Premium Economy class, which offers more foot space, blocked middle seat, exclusive luggage space, and a differentiated gastronomic service.

In-flight service overhaul

During 2023, the menu was revamped to include local South American products that reflect the regional heritage, with high quality ingredients and an additional main course option, as well as the inclusion of new service elements. In addition, on long-haul flights, an initiative was launched to value the talent of up-and-coming female chefs in the region through the co-creation of signature dishes with LATAM chefs, which is offered in the Premium Business and Economy cabins.

In addition, new snack varieties were introduced in the Economy cabin on domestic flights in Brazil during October, providing more flavors and quality, renewed every two months. It also increased the range of flights offering the full range of liquids to accompany snacks, including water, coffee, soft drinks and juices.

Circular Economy

Throughout 2023, 96% of single-use plastics were eliminated from the whole in-flight experience for both Premium Business and Economy cabins, achieving a reduction of more than 1,700 tons, to be replaced with rotable and/or bio-based materials, such as paper cups, bamboo cutlery and sugarcane lids. In this sense, in Business class, the rest items come in reusable bags and the amenity kits, which have been designed by up-and-coming South American artists, are made of friendly materials. In addition, LATAM launched the “Recicla tu Viaje” (Recycle your Trip) program in the Brazilian domestic operation, which is already operational in the domestic markets of the group’s subsidiaries. On this point, it is worth noting that LATAM managed to recycle more than 120 tons of PET bottles.

LATAM Play

LATAM Play is the platform that seeks to provide a high-quality entertainment experience with the latest in-flight releases to satisfy the tastes and preferences of each passenger.

Thus, LATAM Play allows clients to access different content from their own personal devices on narrow-body aircraft, while passengers of wide-body aircraft access the system through in-flight screens, which provide the largest content library in South America. During 2023, this platform offered over 170 movies, 430 series and 100 music albums, as well as documentaries, games and in-flight reading alternatives.

During the same period, LATAM group launched its partnership with major streaming platforms HBO Max and Paramount+. By 2024, the company aims to increase its content offer by over 50%, consolidating its position as a leader in the region, with world-class content.

Increase in Premium Economy rows

Last year, LATAM group increased the number of Premium Economy seat rows on seven routes within Brazil to meet growing demand in the market for the enhanced level of service that the Premium Economy class delivers.

In-flight Wi-Fi connectivity

By the end of 2023, LATAM completed the implementation of Wi-Fi in all narrow-body aircraft of LATAM Airlines Brazil, and began installation in Spanish-speaking markets, ending 2023 with 23% of the Spanish-speaking fleet connected. With the installation of this service, passengers will be able to access the free messaging service, as well as purchase browsing and streaming packages, based on their preferences.

Better service at airports

The signage and image of all the network's airports was updated and improved to achieve both greater brand visibility and greater simplicity in the client orientation process. In addition, the image of the premium check-in was renewed to provide a better experience for frequent flyers. Likewise, the group set up operations at more than ten new airports (for new routes) to continue connecting clients.

New lounge in Lima

In early 2023, the company decided to build a new LATAM Lounge in Lima, Peru, which will span 2,400 m2 in two lounges: the Signature Lounge and the Premium Lounge. This milestone will allow LATAM group to consolidate its network of own lounges in its most important hubs.

During the second half of the year, progress was made in the design process and in late 2023, the bidding process for construction began, which will be carried out throughout 2024. In addition, in May 2023, LATAM's alliance with Visa was implemented in the Bogotá Lounge.

Dialog channels and personalized attention

LATAM group has implemented significant improvements in its communication channels with clients, covering a wide range of platforms, from its mobile app to its website and the use of WhatsApp as an additional form of contact. These enhancements have not only expanded interaction options but have also been designed to offer a more personalized experience focused on each client's individual needs.

The group has adopted a proactive approach to better understand its clients' preferences and expectations through a monitoring and analysis model that allows it to collect data on customer interactions and feedback. This data analysis is used to continuously adjust the services offered, ensuring that the customer service and solutions provided are aligned with the changing needs and expectations of LATAM's customer base.

In addition to improvements in digital channels, LATAM group has strengthened its customer service capabilities through its contact center, providing clients with a centralized touchpoint to obtain assistance and resolve queries. This has become a fundamental element of the customer service strategy, providing fast, efficient and personalized service to meet clients' demands at all stages of their travel experience.

App LATAM

LATAM App: A notice was implemented to notify clients when the boarding of their flight begins, to reduce their waiting time at the boarding gate. In addition, the process to purchase tickets, request cabin upgrades and check on flight status was improved, and the stages for purchasing additional services, such as extra baggage or seat choice, were simplified.

Other relevant developments in the app were the option to bring forward or postpone the passenger's trip, complement the trip with lodging, car rentals and packages, and request assistance and special services.

In 2023, the app positioned itself as a relevant channel for the client's day of travel, reaching three million active users per month and 46.5% of passengers using the app on their flight by December 2023—8% growth over the same period in the previous year. Similarly, 33% of frequent flyer program members have created a user in the application, with 64% of them being high-value passengers.

Automatic check-in (for domestic flights) and digital self-check-in at kiosks or through the App

Coverage of this service was extended over the last year, reaching 92.5%.

Automatic Bag Tag

LATAM group is a pioneer in South America in implementing technology that allows the client to do the bag drop autonomously. This improves the passenger experience by reducing queuing times. Thus, in 2023, 26 airports had self-bag drop available, representing a coverage of 79%. In turn, in 2024, the expectation is to continue to increase coverage at new strategic airports and add more machines at existing airports.

Facial recognition by biometrics during boarding

Until 2022, LATAM group had a two-step biometric boarding system, which managed the individual's identity through facial recognition technology and the scanning of their boarding pass, both in Miami (MIA) and New York (JFK), in the United States.

In late 2023, the group implemented new technology to further streamline the boarding process with a one-step biometric system in Miami (MIA). This change allowed passengers to carry out both the identity check and boarding procedures, with the sole use of the facial recognition system.

The group seeks to further expand the implementation of this system to New York (JFK), Orlando (MCO), Los Angeles (LAX), Boston (BOS) and Atlanta (ATL) during the first half of 2024.

LATAM group completed the modernization of its narrow-body fleet, implementing new standards in passenger cabins.

TECHNOLOGY THAT CONNECTS

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

We should note that this tool inspired a group of crew members to record safety instructions in videos using the sign languages of each of the five countries where LATAM has domestic operations, to provide guidance to hearing-impaired passengers.

ASD CLIENT SERVICE CERTIFICATION

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

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

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

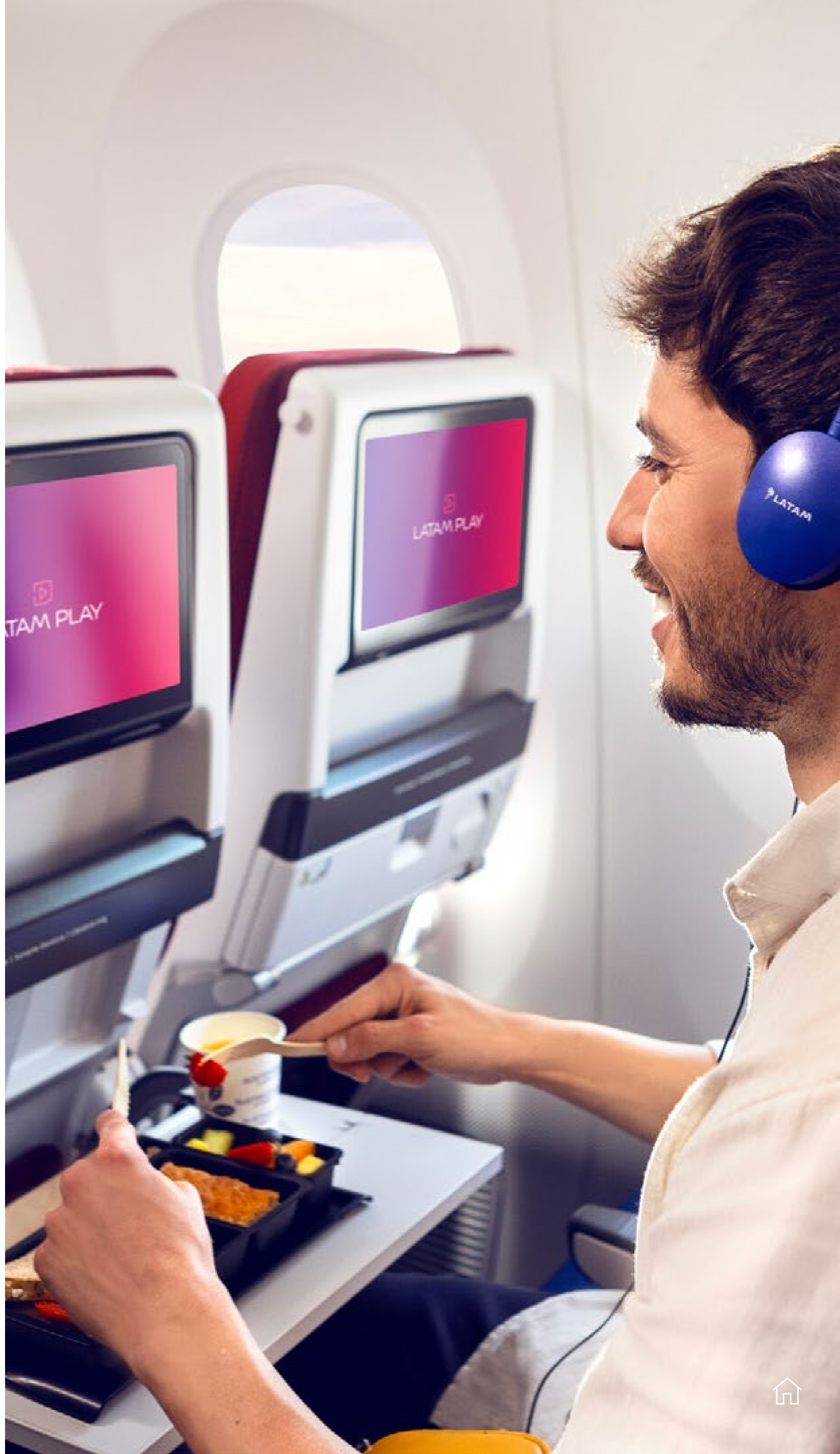
The initiatives mentioned above are a first step in generating change processes that improve the travel experience of passengers with ASD and help teams identify challenging factors for that audience.

LATAM PASS

The LATAM Pass Frequent Flyer program has 45 million members. This allows members to earn miles or points for trips taken, and for the purchase of goods and services in the financial partnership network, enabling them to reach different membership categories and enjoy the benefits associated with each of them. These benefits include cabin upgrades, premium boarding, VIP lounge access and priority baggage delivery at destination. Nonetheless, passengers can also redeem points or miles for airplane tickets or products.

Along these lines, during 2023, new benefits were implemented to continue delivering the best to LATAM Pass members. These include preferential call center service for all Elite members, elimination of the service charge on ticket redemptions and simplification of the upgrade model with complimentary segments. It also includes improved upgrade priority for Elite members with LATAM Pass credit cards, delivery of lifetime categories, and exclusive remote boarding transportation service at Congonhas for Black Signature members in electric cars in partnership with Audi. Likewise, there is the launch of the "Miles + Money" product in the redemption of tickets, where program members can purchase their tickets using their miles, and complementing them with money, which makes LATAM group's destinations more accessible.

In 2024, LATAM group wants to bring the program even closer to its members, seeking to accompany them not only when they travel, but also in their daily lives. Along this line, it will seek to give greater tangibility, liquidity and accessibility to the program through the growth of its non-air ecosystem, and the strengthening of its financial partnerships and its value proposition for members, delivering an experience in redemption, accumulation, digital and personalization. At the same time, for this year, LATAM has the challenge of having a program that is not only more present, but also simpler and more personalized, allowing program members to enjoy more and more of the benefits of belonging to the largest loyalty program in the region.



ON-TIME PERFORMANCE

GRI 3-3

In 2023, LATAM achieved 86% in the DEP15 indicator, which analyzes flights departing up to 15 minutes after the scheduled time. This result shows a two percentage-point decrease compared to 2022. This is mainly explained by the Brazilian affiliate, since after the increase in slots at the São Paulo airports, traffic congestion increased significantly, affecting the punctuality of all airlines operating in that city. Nonetheless, the group maintains its commitment to on-time performance. Along these lines, together with suppliers and airport authorities, the group is working on the necessary adjustments and process improvements to provide passengers with an excellent service.

According to the Official Airline Guide (OAG), LATAM was the second airline among the 20 largest airlines with the best on-time performance during 2023.

Cabin overhauls were part of the actions to improve customer experience.

SATISFACTION

LATAM group's companies constantly monitor customer perception regarding their operation and service, using a series of surveys at different customer contact opportunities.

Along these lines, perception indicators are fundamental within the group and allow for continuous improvement within the different teams and to make decisions considering the voice of the customer. One of these—a more strategic survey—is the Net Promoter Score (NPS), which measures customer willingness to recommend the service, on a scale from -100 to +100. During 2023, it stood at 48 points in passenger operations, a figure two percentage points higher than the one obtained in 2022.

Meanwhile, the digital experience rating rose from 50 points in 2022 to 61 points in 2023, while the contact center experience closed the year with -2, marking its best result ever.

However, in 2024, LATAM will continue to expand and improve the way it collects the voice of its customers. To this end, it established 25 satisfaction goals for different internal teams, which shows that its customer focus continues to gain strength. Thus, special attention was paid to the cycle closure process, where several teams replied to the comments from clients in thousands of surveys.

FEEDBACK ON VIDEO

Since October 2022, clients of domestic operations in Brazil, Chile and Colombia can leave their comments by recording a video. In fact, during the first three months of operation of the new tool, LATAM received 1,500 videos (3,500 minutes), which translates into approximately 200 videos per week (45% of them from customer promoters). This initiative is very useful to strengthen empathy and humanize customer feedback, expanding the impact to improve customer-facing processes and better understand their pain points and suggestions.

Throughout 2023, the tool was extended to include passengers from Ecuador, Peru and international routes.

SNAPSHOT

CLIENTS

	2021	2022	2023
LATAM Pass (Enrolled– Millions)	39	42	45
Technology			
Self bag drop	67%[1]	76%	79%
Easy check-in (automatic or digital)	90%	95%	92%
On Time performance2[2]			
OTP DEP0	77%[1]	66% (target 68%)	62% (target 67%)
OTP DEP15	92%	88% (target N/A)	86% (target N/A)
OTP ARR14	91%	86% (target 87%)	84% (target 86%)
Domestic Operation	91%	87%	84%
International Operation	85%	83%	82%
Net Promoter Score (-100 to +100 scale)			
Passenger operations	51[1]	46	48
Cargo operations	30	51	58

N/A: Not applicable.

[1] The information published in the Integrated Report 2021 was corrected.

[2] Percentage of flights departing exactly at the scheduled time (DEP0) and with a delay of up to 15 minutes (DEP15); percentage of flights arriving up to 14 minutes after the scheduled time (ARR14).

TECHNOLOGY, DATA PROTECTION AND CYBERSECURITY

GRI 3-3 & 418: CUSTOMER PRIVACY

Governance of information security

LATAM prioritizes the privacy and security of client, employee and business partner information. That is why the group has defined an organizational structure with a specialized team dedicated to the design and maintenance of a suitable system for the identification, monitoring, control and mitigation of data protection and cybersecurity risks.

As part of this organizational structure, it is worth noting the role of the Chief Information Security Officer (CISO), who reports to the LATAM Executive Committee on the results of the monitoring of risk management strategies in these matters, and hierarchically, to the Chief Information Officer (CIO).

The latter, in turn, reports to the group's CEO and presents to the Board of Directors at quarterly meetings on cybersecurity risks, the evolution of cyberthreats and the effectiveness of measures taken to mitigate them.

Data governance and cybersecurity

To guarantee the protection of its clients' information, LATAM establishes guidelines through its Information Security Policies, which are adapted to the local regulations of each country where the group operates. These specific documents are available on LATAM's website, thus providing transparency and accessibility to its clients regarding the security measures implemented.

The Cybersecurity management, which reports to LATAM´s CISO, is responsible for ensuring the effective control of the Information Security Policies, as well as the procedures for the protection of personal data, through risk management, security and privacy.

During 2023, LATAM Airlines Group was re-certified for compliance with the Payment Card Industry Data Security Standard (PCI DSS) as a result of an independent audit. This achievement shows that the group has implemented suitable security measures to protect the payment card information of customers who purchase products and services through its sales channels.

It should be noted that all LATAM's information security policies, regulations, standards and procedures are based on ISO/IEC 27001 and NIST standards. LATAM's digital infrastructure is also outsourced and independently reviewed through System and Organization Controls (SOC1 and SOC2) reports, and is ISO/IEC 27001 certified.

Cybersecurity and data protection culture

• **Awareness:** Each year, the group develops a training and communication program on information security, adapted to all roles in the company.

• **Risk escalation process:** An escalation channel is available through LATAM's intranet portal and the Computer Security Incident Response Team (CSIRT) contact, so that employees can report suspected technological or cybersecurity risks.

• **Compliance and consequence management:** The Code of Conduct sets forth the attitudes expected by LATAM in the arena of Information Security and Data Protection, and establishes the consequences of non-compliance with the established procedures, which can escalate to contract termination. In addition, this subject is part of the employee performance evaluation, within the Safety, Risk Management and Compliance criterion.

In 2023, LATAM participated in the PCI REB Brazil (PCI Regional Engagement Brazil) as the only airline. This roundtable is led by the Chair of the PCI Council for Latin America, and includes companies from various industries that offer services associated with card payments that seek to generate continuous improvements in matters of security and data protection.

It should be noted that internal review planning is carried out every year by the Cybersecurity management to ensure compliance with the privacy and data protection controls of the systems that manage personal data in LATAM, as well as the review and updating of documentation. In addition, there is an Internal Audit department that audits compliance with the company's security controls.

These processes contributed to LATAM ending the year 2023 with no information security breaches and no impact on clients or employees. However, the group continues to work hard in this sphere, due to the rapidly changing threats in the environment.

Data Intelligence

LATAM group uses data analytics tools to develop customer-oriented solutions, improve efficiency in different processes and enhance revenue opportunities for the group, driven by Data Management.

Throughout 2023, the group continued to advance developments that allow its customers an increasingly personalized experience, taking into account their preferences and service needs. This approach has been particularly significant in improving the user experience of the LATAM Pass program, where the group strives to offer exceptional service.

On the other hand, we continued to work on the democratization of data, enabling employees in non-operational areas to access information autonomously, facilitating decision-making and promoting improvements in different processes. Examples of the application of these technologies include solutions for jet fuel load optimization and fraud prevention, among others.

In addition, as part of its efforts to maintain the highest standards of personal data protection, LATAM group has reinforced the use of artificial intelligence in its data storage architecture. Thus, all information collected and processed by LATAM is always handled respecting the privacy of its clients and employees, in accordance with the regulations of each country and internal policies in force.

Systems in the cloud

LATAM group has made remarkable progress in its cloud migration process, with significant achievements in several key aspects. Among these milestones is the simplification of its technological platforms, which has led to a considerable reduction in the obsolescence of IT elements and platforms. This approach has resulted in a lower impact on transversal incidents, allowing for a more efficient and safer operation.

There were no information security breaches affecting clients or employees in 2023.

INNOVATION

NCG 461: 3.1.V GOVERNANCE FRAMEWORK

LATAM group invests annually in different forms of innovation to deliver solutions aligned with passenger needs, prioritizing the company's digital transformation. In addition, the group is continuously making progress in the modernization of its processes and the inclusion of new technologies, through investment in advanced analytics, the total migration of its datacenters to the cloud, and in Generative Artificial Intelligence.

As part of the innovation initiatives promoted by LATAM group, LATAM Labs, the open innovation hub that makes it possible to test new disruptive ideas in the group's companies, has been in place since 2020. This hub tests ideas generated by employees themselves and by external ecosystems, such as universities, entrepreneurs, startups and knowledge centers, in the companies' real operating environments. During 2023, LATAM Labs had eight external partners.

Among the ideas already tested by LATAM Labs and implemented throughout LATAM are the project to use artificial intelligence to improve customer service at airports, the creation of a digital solution to serve customers in Brazilian Sign Language (known as Libras, in Portuguese) through the Libras Interpreter Center, and the application of neural networks and deep learning in the customer experience during their trip.

10 Suppliers

In this chapter

Supply chain management

GRI 2-6

NCG 6.2: BUSINESSES

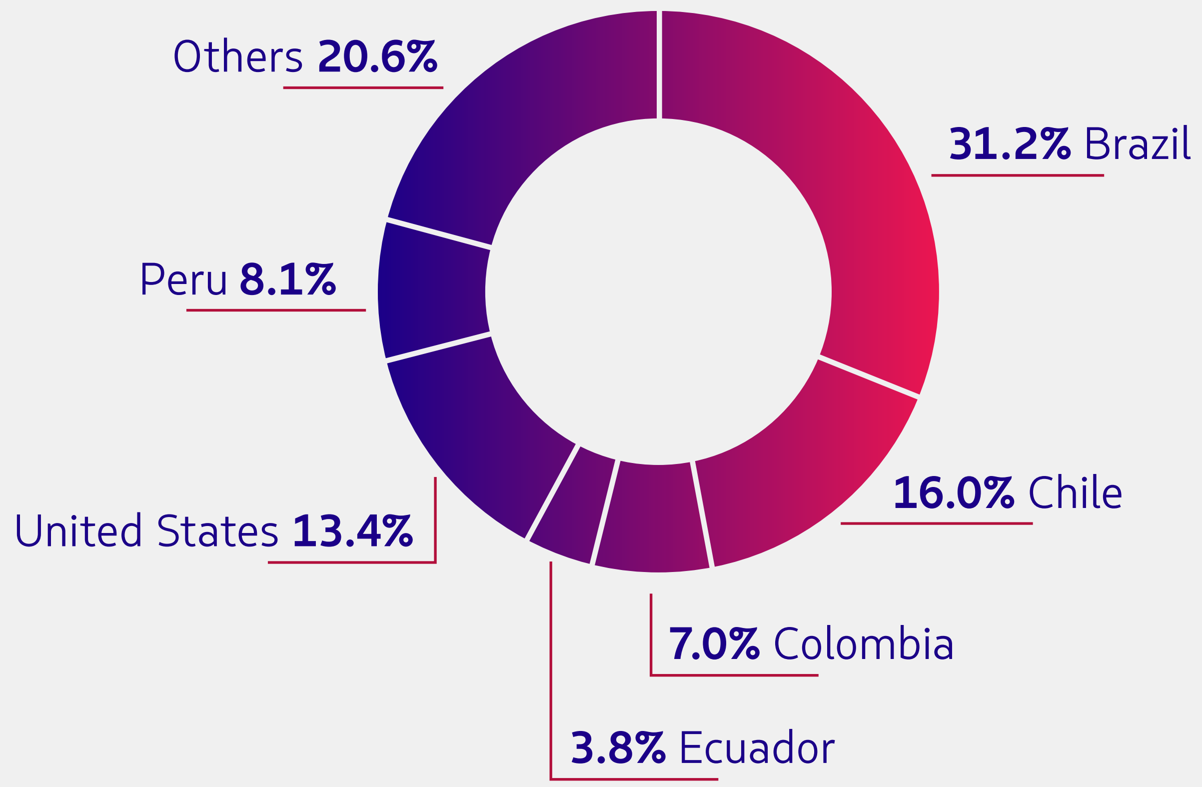
Suppliers are essential to fulfill our commitments to our clients. During 2023, LATAM group established partnerships with a total of 5,557 suppliers, which are classified according to criticality, 270 being critical and 5,288 non-critical, for a total procurement of USD$9.84 billion.

It is worth noting that, during this period, 26 suppliers individually represented more than 10% of their category.

LATAM group has important suppliers that are part of the aeronautical industry, such as the leading aircraft manufacturers Airbus and Boeing. Its supply chain also includes different companies that manufacture components, accessories and spare parts for aircraft, among others. Examples include MTU Maintenance, Pratt and Whitney Canada, CFM International, General Electric Commercial Aviation Services Ltd., General Electric Celma, General Electric Engines Service, Rolls Royce, Honeywell and Israel Aerospace Industries. Fuel suppliers include Petrobras, WFS, Copec, Terpel, Repsol and AirBP.

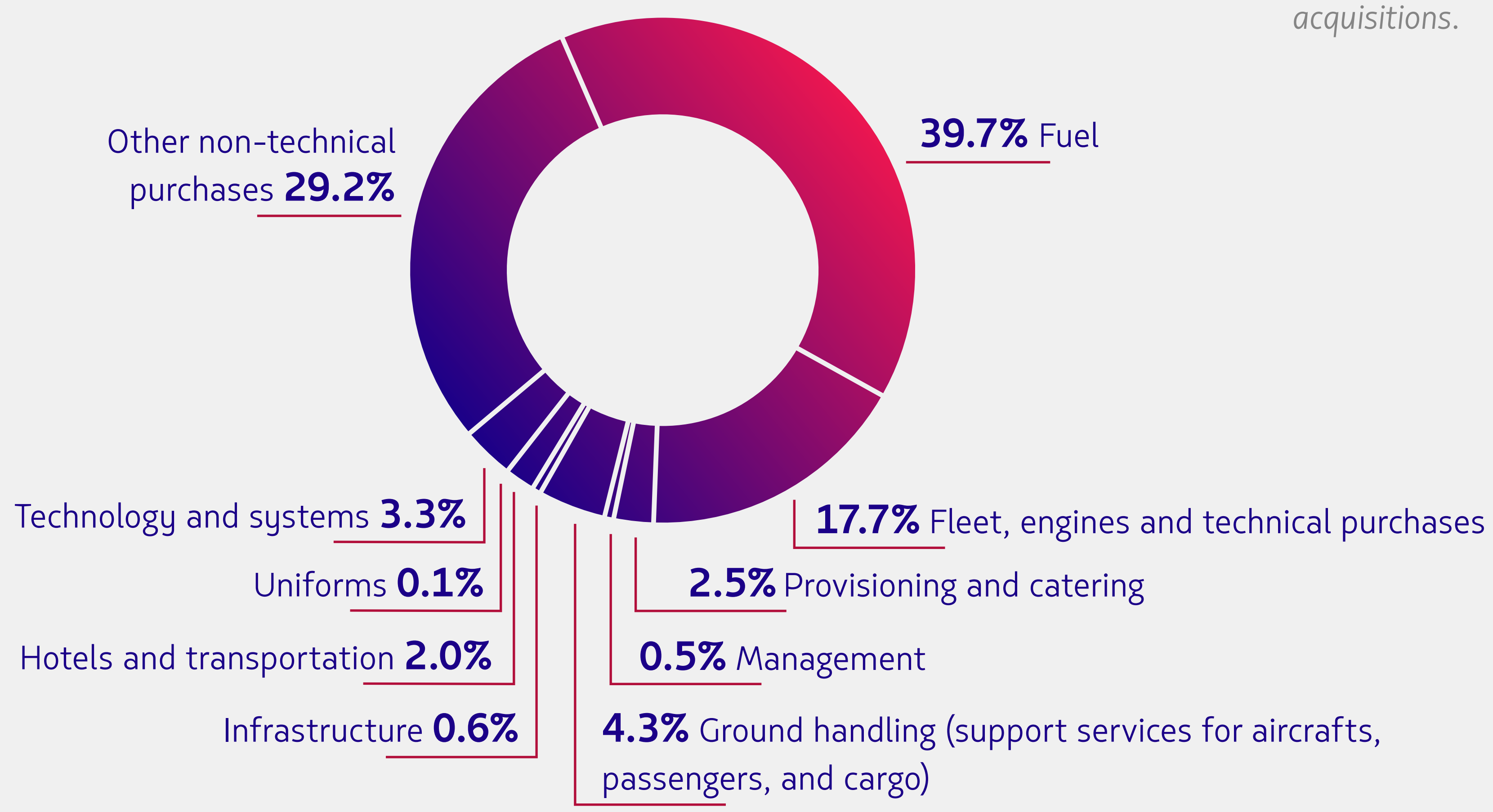
DISTRIBUTION BY COUNTRY[1] IN 2023 GRI

(number of suppliers)



DISTRIBUTION BY CATEGORY[1] IN 2023

(value of acquisitions)



[1] *Based on company headquarters and volume of acquisitions.*

GUIDELINES

GRI 3-3, 2-24, 205-2

NCG 461: 5.9 OUTSOURCING POLICY

LATAM group's supplier management follows supply quality guidelines ensuring transparency, competitiveness, legal compliance and safety for all supply processes. Procurement is governed by the Corporate Procurement Policy, which is aligned with the Anti-Corruption Policy, and establishes the requirements that suppliers must meet, in addition to the social and environmental recommendations that apply to all purchases of materials and services. It should be noted that most of the contracts used by LATAM group have a specific clause requiring the reporting of environmental incidents or damage.

Thus, the specific expectations that the group has for its suppliers are communicated through contractual agreements, regular meetings and, in the case of strategic and/or critical suppliers, through a much more direct and close communication, led by the commercial and user areas together.

In the case of Third-Party Intermediaries (TPIs), which are suppliers that interact on behalf of LATAM group with national and international government agencies and public officials, there is a due diligence process prior to engagement. In addtion, the anticorruption and antibribery clauses are also included and, during the life of the contract, are monitored to ensure compliance with the Code of Conduct and Anti-Corruption Policy.

Subcontractors

With regard to the selection of subcontractor suppliers whose personnel will perform functions within the facilities, the group has established clear guidelines governing their engagement. These are incorporated as essential requirements in the tender processes and, in turn, define the obligations of service providers, ensuring compliance with the legal and regulatory provisions applicable to their personnel.

LATAM group's approach covers various aspects, including obligations related to remuneration, stipends, employee benefits, social security, work-related accident regulations, occupational diseases and health and safety aspects. All these points are detailed in the group's contracts, which include a specific annex dedicated to the labor obligations to be met by these suppliers.

LATAM group is strengthening its Contractor Regulations as part of its guidelines. This step aims to ensure the effective implementation of the Health, Safety and Environment Policy, together with its corresponding management system. In addition, LATAM has begun work on the "LATAM group's Commitment to Human Rights" to inform its contractors and suppliers of its human rights commitments.

Supplier contracts are governed by the Corporate Procurement Policy, which is aligned with the Anti-Corruption Policy.

Code of Conduct for Suppliers and Third-Party Intermediaries

As part of the commitment of the LATAM group and its subsidiaries to global sustainability standards, anti-corruption laws and conflicts of interest, and anti-trust and human rights, it seeks to ensure that the suppliers and third parties adhere to the Code of Conduct for Suppliers and Third-Party Intermediaries (TPIs), in all countries in which the organization operates.

In this regard, the group reaffirms its commitment by providing additional guidance and clarification on the provisions mentioned in the Code. In it, suppliers commit to comply with competition laws, not to engage in insider trading, to fight corruption and financial crimes, to respect human and labor rights, to protect the brand and privacy, and to contribute to sustainability by protecting the environment and their relationship with their communities.

According to this Code, suppliers and TPIs are responsible for reporting irregularities through the LATAM group's ethics channel, and non-compliance may result in the termination of contracts or penalties previously set forth in the contracts.

PAYMENT POLICY

NCG 461: 7.1 PAYMENT TO SUPPLIERS

The group's Payment Policy applies equally to all suppliers and terms of payment are established based on what is negotiated in each contract. However, LATAM group promotes timely payment terms to suppliers as a way of extending its Fair, Empathetic, Transparent and Simple culture (JETS, for its Spanish acronym) towards these stakeholders. Therefore, proper compliance with the pre-established number of days is monitored across the group; this is 90 days, except for small and medium-sized companies, in which case the regulations of each country are observed, as established in specific policies for each of LATAM group's subsidiaries.

During 2023, the company made progress on modifications to the reception, digitalization and accounting platform to achieve a more optimal centralization of payments. Currently, the company has succeeded in implementing the process in 80% of the group's invoicing and is expected to cover the entire operation during 2024.

It should be noted that in 2023, no agreements were entered in the Chilean Ministry of Economy's Registry of Agreements with an Exceptional Payment Period.

PAYMENT TO SUPPLIERS IN 2023

	UP TO 30 DAYS		FROM 31 TO 60 DAYS		MORE THAN 60 DAYS	
	Nationals	Foreigners	Nationals	Foreigners	Nationals	Foreigners
Invoices paid during the year	159,564	89,721	29,803	46,965	55,866	37,766
Total paid (USD$ million)	4,181	3,382	464	589	571	655
Total suppliers to whom the invoices were paid in each range	2,401	1,058	516	302	1,140	647

Notes: A total of USD$160,000 was paid in interest for late payment of two invoices issued. On the other hand, suppliers with a tax ID number (RUT, for its Spanish acronym) from the same country as the contracting LATAM subsidiary are considered national.

SELECTION AND EVALUATION

Supplier selection

Choosing each supplier is an opportunity to forge solid and collaborative relationships, which makes careful selection especially relevant. For this purpose, the LATAM group has a specialized team that performs a comprehensive analysis of each candidate with the aid of technological systems, mainly considering their technical and economic aptitudes.

It should be noted that LATAM group does not limit the choice of suppliers based on their origin from a particular country, sector or raw material. Although these considerations are not defining criteria, there may be specific exceptions. An example of this has been the selection of suppliers of in-flight materials, where requirements have been established with material recyclability and certifications criteria, in line with the Sustainability strategy published by the group.

Moreover, the group is working on an update of its Procurement Policy that will allow it to suggest recommendations for the selection of those suppliers that comply with sustainability recommendations, focusing specifically on Zero Waste, Material Recyclability and Certifications, among other aspects.

Supplier evaluation

NCG 461: 7.2 SUPPLIER ASSESSMENT

LATAM group uses artificial intelligence and machine learning technology to identify and analyze potential risks, such as money laundering, terrorist financing and trade sanctions in its supply chain. These tools also analyze data from various sources, including government sanctions lists, company databases, and property registries. Likewise, they allow continuous risk assessments, monitoring changes to sanctions lists and other relevant data sources.

Similarly, each supplier that records movements during a month is part of a review process through a comprehensive regulatory and business information and analysis system. This makes it possible to identify alerts related to possible violations of our Code of Conduct, addressing issues such as money laundering, legal disputes, child labor, and cybercrime, among others.

Specifically, for our Third-Party Intermediaries (TPIs), a monthly review is carried out by the Procurement areas in conjunction with the Compliance team. This process determines whether LATAM group can continue its commercial relationship with each respective supplier. In both scenarios, if the platform signals an alert, the Compliance team has the authority to suggest and carry out corrective actions, or else, terminate the relationship.

On the other hand, it is worth mentioning that the Occupational Safety team conducts on-site audits of contractors and subcontractors operating at airports in Chile. This process is carried out to assess their adherence to the health, safety and environmental guidelines established in local regulations. As a result of the assessment, these suppliers are provided with corrective action plans to address the gaps, which are actively monitored by the group.

In addition, maintenance providers are evaluated under leading standards with a focus on safeguarding quality, while IT and systems providers are classified under standards based on the NIST 800-161 and ISO 27001 framework, in addition to SOX and PCI-DSS validations.

SNAPSHOT

SUPPLY CHAIN

GRI 414-1, 414-2, 308-1 & 308-2

	2021	2022	2023
Total LATAM suppliers by December 31	**8,052**	**6,190**	**5,557**
Critical Suppliers[1]			
Share of the supplier base	11%	7%	5%
Share of critical suppliers in acquisitions volume	91%	95%	69%
Identification of potential risks			
Suppliers analyzed by sustainability criteria (social or environmental) NCG 461: 7.2 SUPPLIER EVALUATION	N/D	0	0
% of the total suppliers analyzed	N/D	0	0
% of total purchases	N/D	0	0
Preventive analyses carried out in the international database systems (% of the total base)	5,367 (67%)	N/D	5,557 (100%)
Suppliers considered high risk in compliance aspects (% of those analyzed)	148 (3%)	369	185 (3%)
Detailed evaluations based on the system alerts (% of the high-risk group)	148 (100%)	0[3]	0[3]
Monitoring and management			
Audited suppliers	40	53	N/D[4]
Suppliers with mitigation plans in place (% of suppliers audited)	93%	91%	N/D[4]
Action plans defined based on audits	331	186	N/D[4]
Contracts terminated due to noncompliance	0	0	N/D[4]
Payment to suppliers NCG 461: 7.1 PAYMENT TO SUPPLIERS **% of invoices paid with a term of up to 30 days**			
To domestic suppliers	N/D	81%	65%
To foreign suppliers	N/D	63%	51%

N/A: information not available.

[1] Contracts worth over US$1 million, suppliers interacting with government agencies on behalf of the LATAM group or supplying the operation with essential or difficult to replace elements.

[2] Invoices paid at 30 days/Total invoices.

[3] All cases are analyzed; however, an in-depth evaluation was not carried out because there was no evidence of alerts that required it.

[4] The audits consist of the analysis of information relating to deferred years, with a focus on occupational health and safety. The 2023 audits will be conducted this year in March and April 2024, and their results will be available during the year.

11 About the Report

In this chapter

Material topics

NCG 461: 3.1 GOVERNANCE FRAMEWORK
GRI 2-29, 3-1, 3-2 AND 2-14

In 2023 LATAM group updated its list of material topics in sustainability. For the first time, this process was carried out following the guidelines of double materiality, a methodology endorsed by the European Sustainability Reporting Standards (ESRS)[1], to promote best practices in sustainability reporting.

The double materiality approach implies that companies must disclose not only the impacts that their activity has on society, the environment and governance systems, but also how these aspects can affect the company itself in terms of its development, performance and position. In other words, it considers both the impact that the company has on its environment and stakeholders (impact materiality), and the impact the environment may have on the company itself (financial materiality).

The selection of content for the LATAM Annual Report 2023 was based on the most relevant topics, most relevant, which are presented in the double materiality matrix included in this report.

[1] *The methodology proposed by the ESRS guided the process for creating the double materiality; however, disclosure requirements remain an area of opportunity that could be implemented in future editions of LATAM group's Annual Report.*

PROCESS

Step 1: Identification of impacts, risks and opportunities

An exhaustive diagnosis was carried out with internal and external information to build a list of external impacts and financial risks and opportunities-positive and negative, as well as potential and real.

• Internal Information: The company's strategic documentation, such as policies and processes, was analyzed and more than 30 expert leaders from various departments were interviewed.

• External Information: The results of surveys conducted with stakeholders (clients, employees, and shareholders, among others) were evaluated, representatives of these groups were interviewed, benchmarking was carried out with airline industry players and sustainability standards and indices were examined, in addition to analyzing other sources, such as news and social media.

Step 2: Impact Assessment and Construction of Material Topics

• Workshops were held with representatives from different countries and areas of the company to assess impacts, risks and opportunities according to severity and probability factors.

These impacts, risks and opportunities were grouped into sub-topics and then into material topics.

The assessment of impacts, risks and opportunities was done based on their severity, rating them on a scale of one to five for each of the factors: degree, scope, and irredeemability (the latter, only in the case of risks or negative impacts). Likewise, the evaluation considered likelihood, also rating it on a scale of one to five.

In addition, the materiality threshold was established, making it possible to define the most important impacts, risks and opportunities, which were then grouped to form the material topics.

Step 3: Prioritization of material topics and drafting of final matrix

• The evaluation of impacts, risks and opportunities made it possible to prioritize the material topics in a double materiality matrix, which considers both the external impacts of the company and the external risks and opportunities affecting business development.

• This matrix was validated by the Director of Corporate Affairs and Sustainability, the Director of Internal Audit, Risk and Control, and finally, by the CEO of LATAM Airlines.

• Material topics will be reviewed annually, to adapt quickly to the constant changes in the environment and ensure LATAM maintains a continuous improvement in the sustainability management.

Note: Process assurance on page 123.

Double materiality matrix

MATERIAL TOPICS

n°1 Climate change strategy

We seek to mitigate the climate impact, ensuring the continuity and resilience of the operations through the implementation of climate change adaptation measures.

n°2 Digital transformation and cybersecurity

In the face of technological development and a constant digital transformation, efforts are focused on information management and on bolstering the protection on the systems and operations against any security breach. In this way, information privacy is also incorporated as a priority for the protection of the clients' and employees' personal data.

n°3 Customer experience

We focus on offering a rewarding customer experience in the services prioritizing adaptability based on the different requirements of each client. In the Cargo business, we strive to ensure that cargo arrives on time and in optimal condition.

n°4 Sustainable innovation

To be a benchmark in the aeronautical industry through the implementation and dissemination of cutting-edge solutions in sustainability issues, in order to address challenges of the sector. Similarly, to promote innovative measures, like waste management and the principals of circular economy, throughout the value chain. The transition depends on suppliers, authorities and other key players that influence the operation, with whom we will seek to collaborate strategically.

n°5 Operational safety

Prioritize incident and accident prevention throughout the operational, implementing proactive measures focused on the development of best practices both in the air and on the ground. We guarantee the health and safety of the team, clients and suppliers by fostering an environment where everyone feels protected.

n°6 Fleet efficiency

Advance in fleet renewal and the incorporation of technological improvements in our aircraft, focusing on reducing fuel consumption to improve flight planning, reduce emissions and avoid service interruptions caused by extended periods of aircraft maintenance.

n°7 Team

Nurture internal skills among the employees, fostering an environment of continuous learning and personal growth. We aim for employee work to be recognized and valued, thus contributing to a motivating work environment. Finally, fostering meaningful relationships that allow us to reach fair agreements with the representatives of our employees.

n°8 Ecosystem protection

Develop programs that promote the protection, conservation and rehabilitation of ecosystems and their biodiversity. As an established airline in South America, our contribution focuses primarily on preventing wildlife trafficking, as well as seeking nature-based solutions through collaborative work to protect the region's ecosystems, understanding their fundamental role in carbon sequestration.

n°9 Continuous adaptation to the environment

Focus on ongoing adaptation, proactive risk management and resilience in a complex and changing global environment. We have the foundation to be able to adapt to different political, economic and social contexts, considering both shifts in the market and all our stakeholders.

n°10 Connectivity and regional development

Drive the social, environmental and economic development of South America through connectivity and tourism. We seek to contribute through the business and what we know how to do: connect.

n°11 Human Rights

To safeguard human rights and the integrity of individuals through the implementation of policies and related practices. Promote gender equality, prevent human trafficking, ensure development within a healthy environment and avoid any form of discrimination, among others. All of the above, guaranteeing fair and respectful treatment for all people and communities, taking into consideration the clients, employees, contractors and suppliers.

n°12 Ethics and compliance

To promote corporate integrity and accountability across all operations, with a strategic focus that includes compliance programs with employees and suppliers. We address uncertainty related to emerging regulations and regulatory transformations by anticipating and adopting best regulatory practices among the different countries where we operate, in addition to international standards.

n°13 Accountability and collaboration with suppliers

Work together with suppliers to develop sustainable and ethical relationships with the supply chain in a collaborative manner. Generate strategies to integrate good practices that allow us to support the suppliers and incorporate sustainability in business development.

Changes compared to materiality 2018

GRI 3-2

Three new material topics are added to the double materiality 2023: "Digital transformation and cybersecurity", "Human Rights" and "Supplier Accountability and Collaboration". On the other hand, material topic 2018 "Economic and Financial Sustainability" is no longer part of the matrix. The remaining material topics in this new financial year include aspects of the previous topics, from a different viewpoint, represented in the change of name and definition.

Content *index*

GRI SASB

Declaration of use

LATAM Airlines Group has presented the information cited in this GRI content index for the period from January 1 to December 31, 2023, based on the GRI Standards.

GRI 1 used

GRI 1: 2021 FOUNDATION

GRI/ SASB STANDARD AIRLINES

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Material topic: Health and safety in the air and on the ground		
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	TR-AL- 110a.2 Discussion of the long-terms and short-term strategy or plan	9, 76-82, 154-155
	TR-AL-110a.3 Total fuel consumed, percentage alternative, percentage sustainable	74
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	305-2 Energy indirect (Scope 2) GHG emissions	81-82, 154-155
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	305-6 Emissions of ozone-depleting substances (ODS)	155
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	155
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GRI 3 MATERIAL TOPICS	**3-3** Management of material topics	105-106
GRI 418: Customer Privacy	**418-1** Substantiated complaints concerning breaches of customer privacy and losses of customer data	105
Material topic: Customer experience		
GRI 3 MATERIAL TOPICS	**3-3** Management of material topics	14, 28, 101-104
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	On-time performance (OTP)	104
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GRI 3 MATERIAL TOPICS	**3-3** Management of material topics	83-86
GRI 306: WASTE 2020	**306-1** Waste generation and significant waste-related impacts	84
	306-2 Management of significant waste-related impacts	84-85
	306-3 Waste generated	86
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	205-3 Confirmed incidents of corruption and actions taken	49, 127
GRI 206: ANTI-COMPETITIVE BEHAVIOR 2016	**206-1** Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	49
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NCG 461

Glossary

ADR: American Depositary Receipts

AFPs: Spanish acronym for Chilean Pension Fund Managers

ANAC: Portuguese acronym for National Civil Aviation Agency (Brazil)

ASK: Available seat kilometers (equivalent to the number of available seats multiplied by the distance traveled)

ATK: Available ton-kilometers (equivalent to the total available capacity in tons multiplied by the distance flown)

CMF: Spanish acronym for the Financial Market Commission (Chile)

CORSIA: "Carbon Compensation and Reduction Scheme for International Aviation"

DIP: Debtor-in-Possession, a financing mechanism provided for in Chapter 11 of the U.S. law in which loan creditors have priority in receiving securities

EBITDA: "Earnings before interest, tax, depreciation, and amortization"

EBITDAR: "Earnings before interest, tax, depreciation, amortization, and aircraft rentals"

GHG: Greenhouse gases.

GRI: Global Reporting Initiative

IATA: "International Air Transport Association"

IEnvA: "IATA Environmental Assessment"

IFRS: International Financial Reporting Standard

IOSA: ATA Operational Safety Audit

JBA OR JVA: Joint Business Agreement or Joint Venture Agreement

LSA: Chilean Corporations Act.

MRO: Maintenance, Repair, and Operation.

NPS: Net Promoter Score

NYSE: "New York Stock Exchange"

ICAO: International Civil Aviation Organization.

SDG: Sustainable Development GoalsOHI: Organizational Health Index

UN: United Nations Organization.

OTC: Over-the-counter market, where financial instruments are traded directly between the parties, outside the scope of organized markets.

OTP: On-time performance (punctuality indicator)

SSC: Spanish-speaking countries.

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 (equivalent to total paid passengers multiplied by distance traveled)

RTK: Revenue ton-kilometers (equivalent to total tons transported multiplied by distance traveled)

SEC: "United States Securities and Exchange Commission"

TDLC: Spanish acronym for the Chilean Antitrust Court

External assurance

April 4, 2024

LATAM Airlines

Of our consideration:

We have reviewed the following aspects of the LATAM Airlines, (hereinafter "the-Company") Annual Report 2023.

SCOPE

Limited assurance engagement of the adherence of the contents and indicators included in the 2023 Annual Report to the Global Reporting Initiative (GRI) Standard, regarding the profile of the organization and material indicators arising from the materiality process performed by the company around the criteria established by said standard, 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).

Our review has consisted in an inquiry process involving different the Company 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 the team that led the process of preparing the 2023 Annual Report.

• Requirements and review of evidence, for the indicators detailed in this letter as a result of the materiality process, with the areas participating in the preparation of the 2023 Annual Report.

• Analysis of the adherence of the contents of the 2023 Annual Report to the GRI Standards and verification of the indicators verified and included in this letter are based on the protocols established by this guide.

• Verification, through tests of quantitative and qualitative information corresponding to the GRI Standards indicators included in the 2023 Annual Report, and its adequate gathering from the data provided by the Company information sources.

CONCLUSION

The assurance process was based on the indicators established in the materiality process performed by the Company. Once those indicators were identified, prioritized, and validated, they were included in the report. The indicators reviewed and verified are detailed bellow:

General and specific GRI Indicators:

2-1	2-2	2-3	2-4	2-5	2-6	2-7	2-8	2-9
2-11	2-12	2-13	2-15	2-16	2-17	2-18	2-19	2-22
2-26	2-27	2-28	2-29	2-30	3-1	3-1	3-1	3-1
3-2	3-2	3-3	3-3	3-3	3-3	3-3	3-3	3-3
3-3	3-3	3-3	3-3	201-1	203-1	205-2	205-3	206-1
302-1	302-3	303-3	305-1	305-2	305-3	305-4	305-6	305-7
306-1	306-2	306-3	306-4	306-5	401-1	403-7	403-9	404-1
415-1								

DJSI Indicators

1.5.4	1.7.5	1.7.6	1.8.3	2.3.2	2.3.3	2.8.2	3.1.4	3.5.2

Regarding the verified indicators, we can affirm that no aspect has been revealed that makes us believe that these indicators incorporated in the Annual Report 2023 of the Company, have not been prepared in accordance with the GRI Standard in the aspects and indicators indicated in the scope.

MANAGEMENT AND DELOITTE RESPONSIBILITIES

• The 2023 Annual Report preparation, as well as its contents are under the Company responsibility, management is responsible to maintain the internal control systems where the information is obtained.

• Our responsibility is to issue an independent letter based on the procedures performed.

• This report has been prepared exclusively by the Company request, in accordance with the terms established in the service proposal.

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

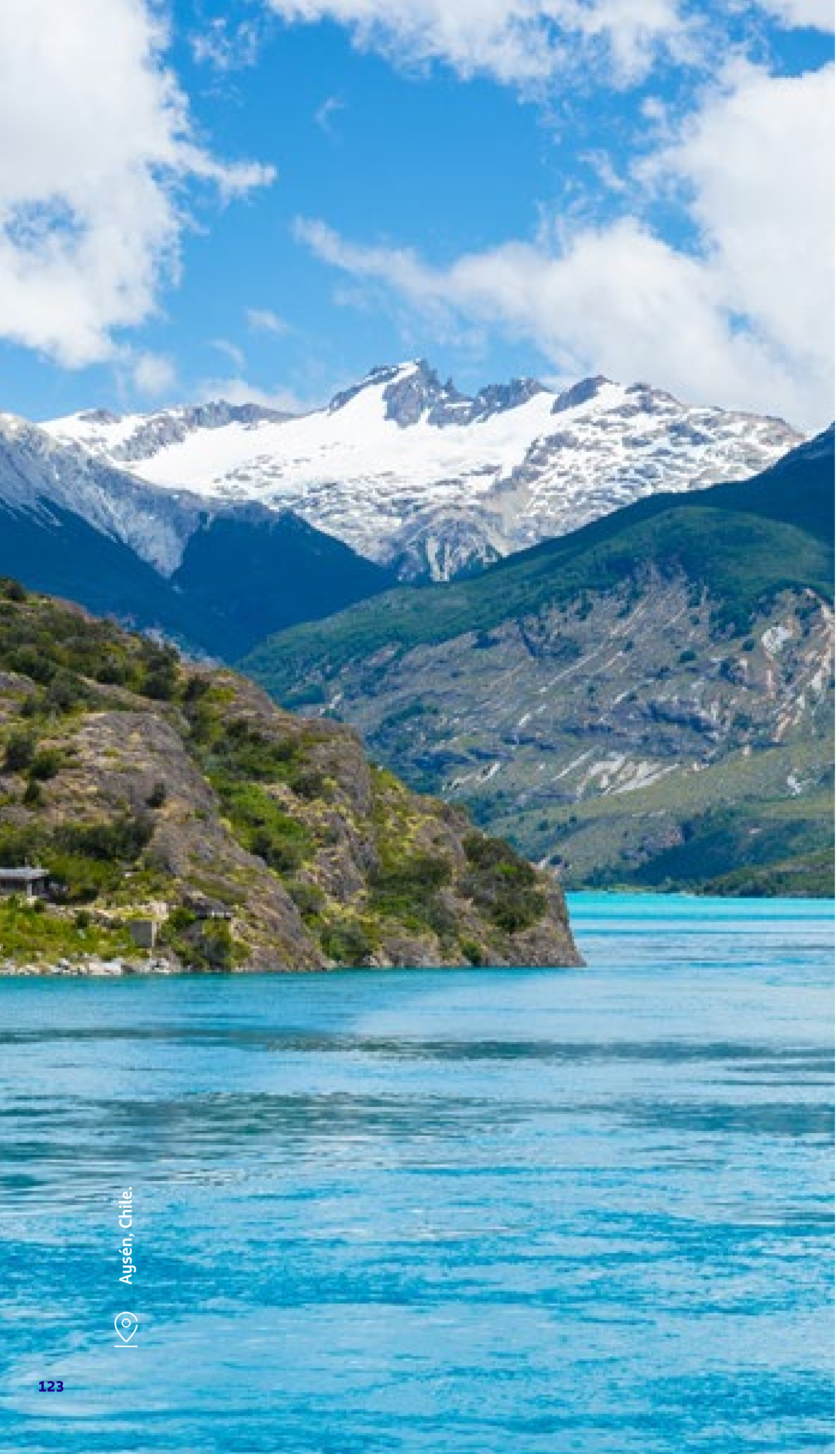
• The conclusions of the verification made by Deloitte apply to the latest version of the Company Annual Report received on April 3, 2024.

• The scope of a limited assurance engagement is essentially inferior to a reasonable assurance engagement thus, we are not hereby providing opinion about the Company's 2023 Annual Report.

Sincerely,

Deloitte.

Deloitte



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INDEPENDENT REVIEW REPORT OF DOUBLE MATERIALITY STUDY 2023 LATAM

Mr.
Juan José Tohá,
Vice-President of Corporate Affairs and
Sustainability LATAM Airlines

Dear Sir:

We have reviewed the following aspects of the Double Materiality Study conducted by LATAM Airlines Group S.A. (LATAM):

Standard and scope

The review of the double materiality study was conducted in accordance with the Enterprise Sustainability Reporting Standard (ESRS), an initiative of the European Financial Reporting Advisory Group (EFRAG), in collaboration with the European Commission's Council for Sustainable Development Reporting Standards (CDRS).

The ESRS incorporates both development and disclosure criteria. This independent review is limited solely to the analysis of development criteria. The requirements associated with the disclosure stage were not considered in the scope of the process of developing the double materiality study and, therefore, neither were they included in the independent review.

Independent Review Process

Our review work consisted of analyzing the evidence provided by LATAM to support the exercise it conducted for its double materiality study. In each of the steps, the corresponding evidence was analyzed to understand how the analysis was performed and whether it was aligned with the requirements of ESRS and ESRS 2. For this review, the application of analytical procedures and study tests described below were examined:

- We met with the counterpart in charge of preparing the double materiality study to clarify questions and review the methodology used.
- We analyzed the evidence presented to verify the analysis process, including the methodological application, the results obtained and the parties involved in the process.
- We conducted review tests of the quantitative and qualitative information, ensuring that the methodological requirements established by the standard were met.

Conclusions

As a result of the independent review process, having evaluated those criteria mentioned in the Enterprise Sustainability Reporting Standard (ESRS), we can conclude that evidence has been presented to indicate that the Double Materiality Study conducted by LATAM was performed following the guidelines established in ESRS 1 and ESRS 2. Specifically, and in accordance with the above, we reviewed the following criteria of the ESRS 1 3; 3.1; 3.2; 3.3; 3.4; 3.5; 3.6; 3.7 and ESRS 2 SBM-3; IRO-1; IRO-2.

We appreciate LATAM's cooperation and willingness during the review process. If you have any questions or require further information, please do not hesitate to contact us.

Regards,

Manuel Gálvez
Partner
March 21, 2024

12 Annexes

In this chapter

About us

LATAM Group

LATAM AIRLINES GROUP S.A.

RUT: 89.862.200-2
ADDRESS: SANTIAGO, CHILE
TRADE NAMES: LATAM AIRLINES, LATAM AIRLINES GROUP, LATAM GROUP, LAN AIRLINES, LAN GROUP AND/OR LAN

GRI 2-1

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

• 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.
• To render services related to the maintenance and repair of its own or third parties' aircraft.
• To develop and operate other activities derived from and/or related, connected, contributing, or complementary to the company's corporate purpose;
• Trade and development of activities related to travel, tourism, and lodging.
• The performance and exploitation of other activities derived from the corporate purpose and/or linked, connected, contributing, or complementary to it.
• To participate in partnerships of any kind that will enable the company to fulfill its goals.

PROPERTY, PLANT AND EQUIPMENT

NCG 461: 6.4 PROPERTY AND FACILITIES

Chile

Headquarters: Our main corporate facility is located in Las Condes, where we rent 6,750 m² for our executive offices in a central location of Santiago, Chile. This space is distributed in seven floors along one building.

Maintenance Base: Our 160,000 m² maintenance base is located on a site that we own inside Comodoro Arturo Merino Benítez International Airport. This facility contains our aircraft hangar (12,000 m²), warehouses (10,000 m²), workshops (5,300 m²) and offices (11,000 m²), other spaces (20,000 m²), as well as a 98,000 m² aircraft parking area capable of accommodating up to seventeen short-haul aircraft. We also lease from the Sociedad Concesionaria Nuevo Pudahuel S.A. approximately 6,220 m² of space inside the Comodoro Arturo Merino Benítez International Airport for operational and service purposes.

Other Facilities: We own sixteen acres of land and a building on the west side of the Comodoro Arturo Merino Benítez International Airport that houses a flight-training center. This facility features three full-flight simulators (which are not property of LATAM), one for Boeing 787 and two for Airbus A320 aircraft.

Fast Air Almacenes de Carga S.A., one of our affiliates that operates import customs warehouses, utilizes a 10.500 m² warehouse located at Comodoro Arturo Merino Benítez International Airport.

Brazil

Headquarters: LATAM Airlines Brazil's main facilities are located in São Paulo, in hangars within the Congonhas Airport and nearby. At Congonhas Airport, LATAM Airlines Brazil leases office facilities in converted hangars belonging to INFRAERO (the Local Airport Administrator). These facilities comprise an area of approximately 38,807 m².

Headquarters of the Presidency: The Headquarters of the Presidency and Service Academy is located at Rua Atica, about 2.5 km from Congonhas Airport. This property, which LATAM Airlines Brazil owns, is used for human resources selection, medical services, training, mock-ups and offices- The Service Academy comprises 15,342 m² of land area and 9,032 m² of building area.

Maintenance Base: At Hangars II and V in Congonhas Airport, which LATAM Airlines Brazil leases from INFRAERO, LATAM Airlines Brazil has 23,886 m² of offices and hangars with about 1,300 workstations. This site also houses the aircraft maintenance, procurement, aeronautical materials logistics and retrofitting departments.

Other Facilities: In São Paulo, LATAM Airlines Brazil has other facilities, including a call center building with 3,199 m², distributed over five floors (plus a ground floor and a basement) that currently holds about 272 workstations and support rooms (meetings / training / dining room / coordination) of the operations of call center reservations, and other ABSA back office services.

In Guarulhos, LATAM has a total area of approximately 12,649 m² distributed within the passenger terminal, including areas such as check-in, ticket sales, check-out, operations areas, a VIP Lounge and aircraft maintenance spaces. The Hangar Complex adds an area of 65,080 m². The cargo terminal has 252 m² of office and 17,215 m² of open area. Our distribution center supplies area occupies 3,030 m².

New Facilities

LATAM Airlines Brazil completed several infrastructure projects in Brazil during 2023, including:

1. Delivery of a new Board Room in Hangar II, at Guarulhos airport.
2. Optimization and adaptation to the new quality standards of the São Carlos MRO.
3. Initiation of the project to build a new hangar at MRO in São Carlos with 5,000 m².
4. Obtaining the "Building Accessibility Certificate of the Service Academy", in compliance with Brazilian regulations.
5. Update of the visual communication at Cargo Terminals.
6. Development of the required infrastructure at Passo Fundo Airport, to enable Passo Fundo as one of LATAM's destinations.
7. Closing of the Juiz de Fora (IZA) and Presidente Prudente (PPB) bases.

Other locations

We occupy a 36.3-acre site at the Miami International Airport that has been leased to us under a concession agreement by the Miami Dade Aviation Department. Our facilities include a 13,609 m² corporate building, a 115,824 m² cargo warehouse (including 35,561 m² refrigerated area) and a 238,658 m² aircraft-parking platform. These facilities were constructed and are now leased to us under a long-term contract by Aeroterm, a division of Realterm. For the year ended 2023, we paid US$10.8 million in rent under the foregoing leases.

In February 2014, the Company entered into a lease agreement with Miami-Dade County covering approximately 1.81 acres of land located on the grounds of the Miami International Airport. The lease has a term of 30 years with a total annual land cost of US$172,080.

Under the lease, we retained the right to construct a hangar facility on the leased premises. The Company completed construction in November 2015 and the hangar has been operational since June 2016. The property has a 15,479 m² aircraft maintenance space, sufficient to house a Boeing 777 aircraft, in addition to a 9,888 m² area designated for office space. Total investment in this hangar in construction and related expenditures by LATAM was US$16.5 million.

RESEARCH AND DEVELOPMENT, PATENTS AND LICENSES, ETC.

NCG 461: 6.2 BUSINESSES

GRI 2-1

LATAM has been registered and/or renewed in Argentina, Australia, Bolivia, Brazil, Canada, Chile, China, Colombia, Costa Rica, Cuba, Dominican Republic, Ecuador, El Salvador, European Union, Guatemala, Honduras, Hong Kong, India, Japan, Mexico, Nicaragua, New Zealand, Panama, Paraguay, Peru, South Korea, , Uruguay, the United States, United Kingdom and Venezuela; LATAM AIRLINES has been registered and/or renewed in Argentina, Bolivia, Brazil, Chile, China, Colombia, Costa Rica, Cuba, Dominican Republic, Ecuador, El Salvador, European Union, Guatemala, Honduras, India, Japan, Mexico, Nicaragua, Panama, Paraguay, Peru, South Korea, Spain, Taiwan, United Kingdom, Uruguay and Venezuela.

LATAM AIRLINES ARGENTINA has been registered and/or renewed in Argentina; LATAM AIRLINES COLOMBIA has been registered and/or renewed in Colombia; LATAM AIRLINES ECUADOR has been registered and/or renewed in Ecuador; LATAM AIRLINES PARAGUAY has been registered and/or renewed in Paraguay and LATAM AIRLINES PERU has been registered and/or renewed in Peru.

LAN has been registered and/or renewed in Chile, Mexico, United Kingdom and the European Union; LAN AMERICA has been registered and/or renewed in Bolivia; LAN BOLIVIA has been registered and/or renewed in Bolivia; LAN CHILE has been registered and/or renewed in Chile; LANPERU has been registered and/or renewed in Costa Rica; LAN PERU has been registered and/or renewed in Brazil; TAM has been registered and/or renewed in Mexico and Peru; LANTAM GRUPO LATAM AIRLINES has been registered and/or renewed in Ecuador.

LATAM CORPORATE has been registered and/or renewed in Argentina, Bolivia, Colombia, Chile, Costa Rica, Ecuador, El Salvador, Guatemala, Honduras, Mexico, Nicaragua, Panama, Paraguay, Peru, Dominican Republic, European Union, United Kingdom and Uruguay. LATAM LINEAS AEREAS has been registered and/or renewed in Argentina, Chile, Colombia, Ecuador and Peru; LATAM MRO has been registered and/or renewed in Argentina; Bolivia, Brazil, Chile, Colombia, Ecuador, Mexico, Paraguay, Peru, European Union, United Kingdom, Uruguay, the United States and Venezuela.

LATAM CARGO has been registered and/or renewed and/or renewed in Argentina, Bolivia, Brazil, Chile, Colombia, Ecuador, Mexico, Paraguay, Peru, European Union, United Kingdom, Uruguay, the United States and Venezuela; LATAM CARGO BRASIL has been registered and/or renewed in Brazil; LATAM CARGO COLOMBIA has been registered and/or renewed in Colombia; LINEA AEREA CARGUERA DE COLOMBIA has been registered and/or renewed in Colombia; LATAM CARGO MEXICO has been registered and/or renewed in Mexico; LAN CARGO MEXICO has been registered and/or renewed in Mexico; ABSA has been registered and/or renewed in Chile; LAN CARGO COLOMBIA has been registered and/or renewed in Colombia; LAN ECUADOR has been registered and/or renewed in United Kingdom and the European Union; TAM CARGO been renewed in Brazil; TAM CARGO CONVENCIONAL has been registered and/or renewed in Brazil.

LATAM FIDELIDADE has been registered and/or renewed in Argentina, Australia, Brazil, Chile, Colombia, Ecuador, Mexico, New Zealand, Paraguay, Peru, European Union, United Kingdom, Uruguay and the United States; FIDELIDAD has been registered and/or renewed in Argentina; FIDELIDADE has been registered and/or renewed in Argentina; FIDELIDAD TAM has been registered and/or renewed in Paraguay; FIDELIDADE TAM has been registered and/or renewed in Paraguay.

LATAM PASS has been registered and/or renewed in Argentina, Australia, Bolivia, Brazil, Chile, Canada, Colombia, Ecuador, Mexico, New Zealand, Paraguay, Peru, European Union, United Kingdom, Uruguay, the United States and Venezuela; LATAM PASS MILES has been registered and/or renewed in New Zealand and Australia; LAN PASS has been registered and/or renewed in Chile.

LATAM TOURS has been registered and/or renewed in Argentina, Chile, Colombia, Ecuador and Peru; LATAM TRADE has been registered and/or renewed in Argentina, Bolivia, Brazil, Chile, Colombia, Costa Rica, Ecuador, El Salvador, Guatemala, Honduras, Mexico, Nicaragua, Panama, Paraguay, Peru, Dominican Republic, European Union, United Kingdom and Uruguay; LATAM TRAVEL has been registered and/or renewed in Argentina, Bolivia, Brazil, Chile, Colombia, Ecuador, Mexico, Paraguay, Peru, European Union, United Kingdom, Uruguay, the United States and Venezuela; LATAM TRAVEL SOLUTIONS has been registered and/or renewed in Panama; LATAM VIAGENS has been registered and/or renewed in Brazil; TAM VIAGENS been renewed in Brazil. TAM VACATIONS been renewed in Argentina and Brazil; DESTINOS LANTOURS has been registered and/or renewed in Peru.

LATAM, JUNTOS MÁS LEJOS has been registered and/or renewed in Argentina, Chile, and Ecuador; LATAM, TOGETHER, FURTHER has been registered and/or renewed in Australia, New Zealand, United Kingdom and the European Union.

LATAMPLAY has been registered and/or renewed in Argentina, Brazil, Chile, Colombia and Ecuador; LATIN AIRLINE NETWORK has been registered and/or renewed in Chile; LIBREVOLADOR has been registered and/or renewed in Bolivia, Chile, Ecuador, Paraguay and Peru; LIBREVOLADORES has been registered and/or renewed in Bolivia, Chile, Ecuador, Paraguay and Peru; LIDERES DEL SERVICIO has been registered and/or renewed in Argentina.

LATAM AIRLINES, SANS FRONTIÈRES has been registered and/or renewed in France; LATAM AIRLINES, GRENZENLOS has been registered and/or renewed in Germany; LATAM AIRLINES, SIN FRONTERAS has been registered and/or renewed in Spain; LATAM, SIN FRONTERAS has been registered and/or renewed in Honduras; LATAM AIRLINES, SENZA FRONTIERE has been registered and/or renewed in Italy.

LATAM, SOSTENIBILIDAD: UN DESTINO NECESARIO has been registered and/or renewed in the European Union; LATAM UN DESTINO NECESARIO has been registered and/or renewed in Chile, Colombia, Ecuador, Mexico and Peru; LATAM A NECESSARY DESTINATION has been registered and/or renewed in United Kingdom; LATAM DESTINADAS A ESTAR JUNTAS has been registered and/or renewed in Peru.

LATAM VUELA NEUTRAL has been registered and/or renewed in Bolivia and Uruguay; SOSELVA has been registered and/or renewed in Peru; POSITIVE FS POSITIVE FLIGHT SPECIFIC has been registered and/or renewed in Canada.

LATAM RECICLE SUA VIAGEM has been registered and/or renewed in Brazil; LATAM RECICLA TU VIAJE has been registered and/or renewed in Bolivia, Chile, Paraguay and Uruguay.

LATAM 1+1 COMPENSAR PARA CONSERVAR has been registered and/or renewed in Chile, Peru and Mexico; LATAM 1+1 OFFSET TO CONSERVE has been registered and/or renewed in Australia, United Kingdom and New Zealand.

LATAM SEGUNDO VUELO has been registered and/or renewed in Bolivia, Chile, Ecuador, Mexico, Peru, the European Union and Uruguay; LATAM SECOND FLIGHT has been registered and/or renewed in Australia, United Kingdom and New Zealand.

LATAM AVIÓN SOLIDARIO has been registered and/or renewed in Bolivia, Chile, Paraguay and Uruguay; LATAM AVIÃO SOLIDÁRIO has been registered and/or renewed in Brazil.

TAM has filed for trademark registration, registered or renewed the following trademarks in Brazil, LATAM; LATAM AIRLINES; LATAM AIRLINES BRASIL; LATAM CARGO, LATAM CARGO BRASIL; LATAM FIDELIDADE; LATAM MRO, LATAM PASS; LATAM TRADE; LATAM LINHAS AÉREAS; LATAM TRAVEL; LATAM VIAGENS; LATAM TRADE; LATAMPLAY; MERCADO LATAM; VAMOS LATAM. AJATO, BUSINESS CLASSIC, BUSINESS PLUS, CLASSIC, FIDELIDADE, FIRST, LAN. LAN CARGO, LAN COLOMBIA, LAN PERU, LAN.COM, LATAM AVIÃO SOLIDÁRIO, LATAM RECICLE SUA VIAGEM, LATAM SEM FRONTEIRAS, LATAM WALLET, MAX, MEGA PROMO, MUSEU TAM, PAIXÃO PELO RIO TAM, PREFERRED PARTNERS LAN, PROMO, RED REPORT, RELAX, TAM, TAM AIRLINES, TAM BUSCA PREÇO, TAM CARGO, TAM CARGO , ONVENCIONAL, TAM CARGO PRÓXIMO DIA, TAM CARGO PRÓXIMO VÔO, TAM ESPAÇO +, TAM ESPAÇO MAIS, TAM EXPRESS, TAM MILOR, TAM PREMIUM BUSINESS, TAM PREMIUM ECONOMY, TAM SEARCH BY , RICE, TAM TARIFA LIGHT, TAM TARIFA MAX, TAM TARIFA PROMO, TAM TARIFA TOP, TAM VACATIONS, TAM VIAGENS.

SALES CHANNELS

NCG 461: 6.2 BUSINESSES

Passenger operations:

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

Cargo operations:

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

HUMAN RIGHTS

5.5 Workplace and sexual harassment

NCG 461: 5.5 WORKPLACE AND SEXUAL HARASSMENT

GRI 406-1

During 2023, cases of discrimination and conflicts of interest were reported in both Brazil and Spanish-speaking countries. In response to these cases, LATAM began a review of processes, created and reinforced control, auditing and training systems as mitigation measures, and levied sanctions under local labor regulations, such as remediation.

ADDITIONAL INFORMATION

NCG 461: 6.2 BUSINESSES

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

- **General insurance:** These include various risks that may eventually affect the company's assets and equity, considering multi-risk coverage (including damages and losses derived from fire, natural disasters, theft and other risks), automobile insurance and liability insurance. Moreover, the company has life, and health and accident insurance contracts covering the group's personnel.

- **Clients:** None of LATAM's clients individually represents over 10% of its sales.

- **Suppliers:** In 2023, 26 suppliers individually represented over 10% of their category.

CONFIDENTIAL CHANNEL

GRI 205-3 & 406-1

NCG 461: 5.5 WORKPLACE AND SEXUAL HARASSMENT

REPORTING AREAS	BRAZIL	SPANISH -SPEAKING COUNTRIES	TOTAL
Corruption or bribery	0	0	0
Discrimination or harassment	86	11	97
Customer privacy data	0	0	0
Conflicts of interest	9	1	10
Money laundering or insider trading	0	0	0

Corporate Governance

Shareholders' Agreements

On or around the date of LATAM group's exit from its Chapter 11 reorganization proceeding in the United States of America (the "Exit Date") pursuant to the terms and conditions of the reorganization plan (the "Reorganization Plan") that was approved and confirmed on June 18, 2022 by the Bankruptcy Court in said reorganization proceeding, the Supporting Creditors and the Supporting Stockholders of said Reorganization Plan entered into a Stockholders' Agreement (the "Stockholders' Agreement") which provides, among other things, that: (A) For a period of two years from the Exit Date, the parties to the Shareholders' Agreement shall vote with their shares for the Board of Directors of LATAM Airlines Group S.A. to be comprised, both initially and upon filling the corresponding vacancies, of nine members who, in accordance with Chilean law, shall be appointed as follows: (i) five members, including the vice-chairman of the LATAM Airlines Group S.A. Board of Directors, nominated by the Supporting Creditors; and (ii) four members, including the chairman of the LATAM Airlines Group S.A. Board of Directors (who shall be a Chilean national), nominated by the Supporting Shareholders; and (B) during the first five years following the Exit Date, in the event of liquidation or dissolution of LATAM Airlines Group S.A., recoveries of shares surrendered upon exercise of the conversion option for the New Series H Convertible Notes (illustratively referred to as "Class B" in the Reorganization Plan), will be subordinated to any right of recovery for any backstop shares surrendered upon exercise of the conversion option for the New Series G Convertible Notes (illustratively referred to as "Class A" in the Reorganization Plan) or the New Series I Convertible Notes (illustratively referred to as "Class C," in the Reorganization Plan), in each case payable monthly at the rate of one-twelfth of said amount regardless of the number of Audit Committee meetings attended, with no limit on the number of meetings.

COMPOSITION OF THE LATAM AIRLINES GROUP BOARD

NCG 461: 3.2 BOARD OF DIRECTORS

GRI 2-11

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

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

MANAGEMENT OF THE LATAM AIRLINES GROUP

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

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

VOTING AGREEMENTS, TRANSFERS AND OTHER ARRANGEMENTS

Voting Agreements

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

Transfer Restrictions

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

Restriction on transfer of TAM shares

LATAM agreed in the Holdco I shareholders' agreement not to sell or transfer any shares of TAM stock to any person (other than our affiliates) at any time when TEP Chile owns any voting shares of Holdco I. However, LATAM will have the right to effect such a sale or transfer if, at the same time as such sale or transfer, LATAM (or its assignee) acquires all the voting shares of Holdco I beneficially owned by TEP Chile for an amount equal to TEP Chile's then current tax basis in such shares and any costs TEP Chile is required to incur to effect such sale or transfer. TEP Chile has irrevocably granted us the assignable right to purchase all of the voting shares of Holdco I beneficially owned by TEP Chile in connection with any such sale.

Conversion Option

Pursuant to the Holdco I shareholders' agreement, we have the unilateral right to convert our shares of non-voting stock of Holdco I into shares of voting stock of Holdco I to the maximum extent allowed under law and to increase our representation on the TAM and Holdco I boards of directors if and when permitted in accordance with foreign ownership control laws in Brazil and other applicable laws if the conversion would not have an adverse effect (as defined above under the "-Transfer Restrictions" section). In February 2019, we completed the procedures for the exchange of shares of Holdco I S.A., through which LATAM Airlines Group SA increased its indirect participation in TAM S.A., from 48.99% to 51.04%. This transaction was undertaken pursuant to the Provisional Measure No. 863/2018 issued by CADE on December 13, 2018, through which the participation of up to 100% of foreign capital in airlines in Brazil is permitted.

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

Acquisitions of TAM Stock

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

Characteristics of the Board

Board Profile [1]

NCG 461 3.2 BOARD OF DIRECTORS

GRI 2-9

	MEN	WOMEN
By sex	**8**	**1**
By nationality		
Brazil	1	1
Chile	2	-
Spain	1	-
United States	3	-
The Netherlands	1	-
By age group		
Under 30 years	-	-
Between 30 and 40 years old	1	-
Between 41 and 50 years old	2	-
Between 51 and 60 years old	3	1
Between 61 and 70 years old	2	-
Over 70 years old	-	-
By seniority group		
Under 3 years	5	-
Between 3 and 6 years old	2	1
More than 6 and up to 9 years	1	-
More than 9 and up to 12 years	-	-
Over 12 years old	-	-
People with disabilities	**-**	**-**

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

Board members' experience

NCG 2.3.2

GRI 2-17

Skills, knowledge and prior experience

	EXPERIENCE IN THE AVIATION INDUSTRY	EXPERIENCE IN CORPORATE STRATEGY	EXPERIENCE IN RISKS	ECONOMY AND FINANCE	EXPERIENCE IN COMPLIANCE	ESG
Director 1	●		●			
Director 2						
Director 3	●		●			
Director 4		●	●	●		
Director 5			●	●	●	●
Director 6				●		
Director 7	●	●	●	●	●	●
Director 8				●		
Director 9	●	●			●	

GRI 2-9

Other mandates

None of the board members hold senior positions (director or CEO) in four or more other publicly listed external companies.

Average length of service

The average length of service of the members of the Board of Directors by 2023 is 2.4 years.

ANNUAL MANAGEMENT REPORT OF THE AUDIT COMMITTEE

NCG 461: 3.3 BOARD COMMITTEES and 10. COMMENTS FROM SHAREHOLDERS AND FROM THE AUDIT COMMITTEE

Pursuant to article 50 Bis, paragraph 8, item 5, of Law No 18,046 on Limited Corporations, the Audit Committee of LATAM Airlines Group S.A. (the "Company" or "LATAM") proceeds to issue the following annual report of its management for the year 2023.

Integration of the audit committee

Since November 15, 2022, the Company's Audit Committee includes Frederico Curado, Sonia J.S. Villalobos and Michael Neruda, who hold independent status under U.S. legislation. Under Chilean legislation, Mr. Frederico Curado has the status of independent director and is the chair of the Audit Committee.

The directors were elected at the Extraordinary Shareholders' Meeting held on November 15, 2022, and their term of office is two years, in accordance with the provisions of the Company's bylaws.

Committee activity report

During fiscal year 2023, the Audit Committee met 13 times, to exercise its powers and comply with its duties pursuant to Article 50 Bis of Law No. 18,046 on Limited Corporations, as well as to review or evaluate those other matters that the Audit Committee deemed necessary.

The main issues discussed are reported below.

Review of balance sheet and financial statements

The Audit Committee examined and reviewed the Company's financial statements as at December 31, 2022, as well as at the end of the quarters ended March 31, June 30 and September 30, 2023, at ordinary meetings held on March 9 and August 2, 2023, respectively, and extraordinary meetings held on May 3 and October 30, 2023, including the reports from the Company's external auditors, PriceWaterhouseCoopers Consultores, Auditores SPA ("PwC"), who participated in the 4 meetings.

Review of impairment reports

In the meetings held on January 18, April 24, July 11, October 10 and December 13, 2023, the Audit Committee discussed issues related to the analysis of indications of impairment regarding certain assets included in the financial statements of the Air Transport cash-generating unit. Specifically, the results of the impairment test as at December 31, 2022 were discussed, as were the analyses of indications of impairment at March 31, June 30, and September 30, 2023, concluding that no indications of impairment were found that would warrant the need for the Company to carry out additional tests on said date, nor carry forward an accounting adjustment of assets on the testing date.

Executives and workers' remuneration systems

In the meetings held on July 11, September 13 and October 10, 2023, the Committee examined the current remuneration and systems policies and the updates to remuneration plans for the Company's main executives and workers, including the Corporate Incentive Program (CIP).

Internal audit

In the meetings held on January 18, March 9, May 9, June 14, July 11, August 2, September 13, October 10, November 7 and December 13, 2023, matters related to Internal Audit were discussed. The status of the Internal Audit plan carried out during 2022 was reviewed, highlighting the number of projects addressed, the relevant aspects of the work carried out and the presentation of audit reports which analyzed the most important risks, the presentation and agreement of the work plan for 2023, and the progress of the work with regard to said plan.

Audits under SOX standards

In the meetings of the Audit Committee held on January 18, March 9, May 9, August 2, September 13, October 10, November 7 and December 13, 2023, the plan to be followed in terms of SOX regulations for the 2023 certification was presented. The results obtained in the SOX certification during 2022, the most relevant issues to be considered during 2023, the Company's projects that could affect SOX regulations, and a schedule to be followed with regard to this certification during 2023 were also presented.

External audit services

In the meetings held on June 14, October 10 and December 13, 2023, PwC presented the work plan to be followed in the arena of external auditing during 2023, addressing issues related to the regulatory requirements for communication and work deliverables, the composition of the PwC team, the consolidated audit approach, the progress achieved during the year in the review of internal control and the schedule of activities and communications that will be maintained with the members of the Committee.

Corporate risk management

At the meetings of the Audit Committee held on April 24 and December 13, 2023, matters related to corporate risks were reviewed, including prevention, the risk model and its status. At the meetings of the Audit Committee held on April 24 and December 13, 2023, matters related to corporate risks were reviewed, including prevention, the risk model and its status.

Compliance

In the meetings held on January 18 and September 13, 2023, the Audit Committee received the semi-annual reports and training on Compliance, reviewing, among other matters, the current Compliance Program and its main contents, which include the commitment of senior management, the most relevant rules and laws, the development of policies, trainings and communications, the status of Third Party Intermediaries ("TPIs"), the identification and handling of Compliance risks, and the reporting of Compliance at the corporate level, among others. Additionally, in the meetings held on March 9, April 24 and July 11, updates on Compliance issues, such as corporate policies, the crime prevention model and the new Economic Crimes Law, were presented.

LATAM policies

At the meetings held on April 24 and December 13, 2023, the process for the drafting, review and approval of existing policies was discussed, and updates to existing policies and some new policies were analyzed, including the Policy for the Recovery of Erroneously Awarded Remuneration (Clawback).

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

At the Committee meetings held on March 9, June 14 and September 13, 2023, in compliance with the reporting obligation established in the Company's current RPT Policy, management informed the Audit Committee about: (i) the usual transactions entered into by the LATAM group with those subsidiaries in which it has a stake of less than 95%, (ii) the main transactions entered into between the LATAM group companies in general, and (iii) those transactions disclosed in the note to the financial statements on related-party transactions.

Audit Committee recommendations

On the other hand, the Audit Committee made the recommendations indicated below, in terms of the appointment of the Company's External Auditors, Private Risk Rating Agencies for the financial year 2023, and other matters related to their role.

Audit Committee Report on Meeting Activity

The Audit Committee met and held meetings on 13 occasions, with the participation of its three members in each of these sessions, as detailed below, with a brief list of the main issues discussed in each of the meetings:

1) Ordinary meeting N°239 01/18/2023

· Status of SOX Certification 2022
· Impairment test in relation to the Financial Statements as at 12.31.22
· Fraud Management Model
· Compliance Program update
· Internal Audit work plan 2023
· Internal Audit goal Results 2022
· Executive meeting – reserved slot for LATAM CEO

2) Ordinary meeting N°240 03/09/2023

· Review of the Financial Statements as at 12.31.22
· SOX Certification 2022 report
· Performance evaluation of the External Auditor
· Proposal of External Auditors and Private Risk Rating Agencies for 2023
· Review of related-party transactions
· Annual Audit Committee management report
· Internal Audit goals for 2023

3) Ordinary meeting N° 241 04/24/2023

· Indications of impairment for the first quarter of 2023
· Corporate Policies review

· Corporate Risk status
· Executive meeting– reserved slot for Legal VP

4) Extraordinary meeting N°190 05/03/2023

· Review of Financial Statements as at 03.31.23

5) Ordinary meeting N°242 05/09/2023

· Internal Audit and SOx Certification 2023 work plan update
· Review of Brazil topics

6) Ordinary meeting N°243 06/14/2023

· External Auditor 2023 work plan
· Status of Brazil tax matters
· Review of related-party transactions
· Review of Colombia topics
· Status of projects included in the Internal Audit plan
· Executive meeting– reserved slot for LATAM CFO

7) Ordinary session N°244 07/11/2023

· Remuneration systems and Company executives and workers' remuneration plans (CIP)
· Indications of impairment for the second quarter of 2023
· Draft law- Model for the Prevention of Economic Crimes and Attacks on the Environment
· Status of projects included in the Internal Audit plan
· Executive meeting– reserved slot for External Auditor

8) Ordinary meeting N°245 08/02/2023

· Review of Financial Statements as at 06.30.23
· Status of Internal Audit work plan
· Review of Peru topics

9) Ordinary meeting N°246 09/13/2023

· Update on Company executives and workers' remuneration plans (CIP)

· Review of Ecuador topics
· Review of related-party transactions
· Status of Internal Audit work plan
· Compliance Program update
· Executive meeting – reserved slot for Legal VP

10) Ordinary meeting N°247 10/10/2023

· Indications of impairment for the third quarter of 2023
· Accounting treatment of CIP
· Status of SOX Certification 2023 work plan
· Review of Paraguay topics
· Status of projects included in the Internal Audit plan
· Executive meeting– reserved slot for LATAM CEO

11) Extraordinary meeting N°191 10/30/2023

· Review of Financial Statements as at 09.30.23

12) Ordinary meeting N°248 11/7/2023

· Tax matters
· Review of estimates and relevant accounting policies
· Status of Internal Audit work plan
· Review of USA and Cargo topics
· Group structure simplification process
· Executive meeting– reserved slot for Internal Audit Director

13) Ordinary meeting N°249 12/13/2023

· Impairment test
· Status of SOX 2023 Certification work plan
· Review of related-party transactions
· Review of Corporate Policies
· Corporate Risk Status
· Status of Internal Audit work plan
· Executive meeting– reserved slot for External Auditor

AUDIT COMMITTEE REMUNERATION AND SPENDING

GRI-19

The Company's Ordinary Shareholders' Meeting, held on April 20, 2023, resolved for financial year 2023 and until the next Ordinary Shareholders' Meeting to be held in 2024:

1. As base remuneration for each Director member of the Audit Committee, a fixed annual allowance of US$50,000 and US$85,417 for the Chair of the Audit Committee, payable on a monthly basis, at a ratio of one twelfth of said amount, regardless of the number of Audit Committee meetings attended, with no limit on the number of meetings.

2. As additional remuneration for each Director member of the Audit Committee, a variable amount, equivalent to an additional one third (1/3) calculated as additional remuneration units (URA, for its Spanish acronym) that the respective member of the Committee is entitled to as Director, considering the time that each has served as a member of the Committee.

For the operation of the Audit Committee and its advisors, Law No. 18,046 on Limited Corporations establishes that the expense budget must be at least equal to the sum of the annual remuneration of the members of the Committee. Thus, the Ordinary Shareholders' Meeting held on April 20, 2023, approved an annual expense budget for the committee of US$185,417 for financial year 2023 and until the next Ordinary Shareholders' Meeting to be held in 2024. No use was made of this expense budget during 2023.

AUDIT COMMITTEE RECOMMENDATIONS

IV.1 Proposal for the appointment of External Auditors

At the Audit Committee meeting held on March 9, 2023, and in accordance with the provisions of paragraph 2) of clause eight of Article 50 Bis of Law No. 18,046 on Limited Corporations, it was agreed to propose to the Company's Board of Directors, based on the analysis made by management regarding the technical and economic evaluation of the bidding process for this service carried out in 2022 and the work and performance evaluation of the audit work done in the previous year, to continue with external auditors PwC for financial year 2023. The above proposal was approved by the Company's Shareholders' Meeting held on April 20, 2023.

IV.2 Proposal of Private Risk-Rating Agencies

At its meeting held on March 9, 2023, and in accordance with the provisions of paragraph 2) clause eight of Article 50 Bis of Law number 18,046 on Limited Corporations, the Audit Committee agreed to propose to the Board of Directors the Risk Rating Agencies to be submitted for approval at the Company's Ordinary Shareholders' Meeting on April 20, 2023. In this regard, the Committee resolved to propose to the Company's Board of Directors the appointment of the following local risk rating agencies: Fitch Chile Clasificadora de Riesgo Limitada, Feller-Rate Clasificadora de Riesgo Limitada and International Credit Rating (ICR) Compañía Clasificadora de Riesgo Limitada. As for international risk rating agencies, the Audit Committee agreed to propose to the Board of Directors the appointment of the following firms: Fitch Ratings, Inc, Moody's Investors Service and Standard & Poor's Ratings Services.

IV. 3 Other recommendations

In addition to the recommendations indicated above and as part of its usual activities, the Audit Committee recommended to the Board of Directors, among other matters, the approval of the Quarterly Financial Statements for March, June and September; the adoption of new corporate policies and their updates; the Company Incentive Plan for executives and employees (CIP).

NEW ANNUAL REMUNERATION STRUCTURE OF THE BOARD

NCG 461: 3.2 & 3.3

On April 20, 2023, the ordinary shareholders' meeting approved the new annual remuneration structure of the Board, for the fiscal year 2023 and until the next ordinary shareholders' meeting scheduled to take place within the first quarter of 2024. On such meeting, the shareholders agreed on a fixed annual compensation of US$80,000 for each board member (US$160,000 in the case of the chairman). The aforementioned remuneration is payable monthly at the rate of onetwelfth of the amount, regardless of the number of board meetings directors attend, without limit of sessions. In addition to the base remuneration, an additional remuneration was approved for each Board member within the shareholders' meeting held on April 20, 2023, to be determined based on the following criteria: a. From November 15, 2022 through November 15, 2023, each Board member was entitled to receive an additional remuneration equivalent to 9,226,234 units of remuneration or "URAs", provided that the director served continuously as a member of the Board until the end of such period. b. From November 16, 2023 through November 15, 2024, each Board member will be entitled to receive another additional amount equivalent to 9,226,234 URAs, provided that the director serves continuously as a member of the Board until the end of such period. c. Additionally, members of the Board that are also members of the Board of Directors' Committee and Audit Committee are entitled to certain fixed and variable compensation (see "Board of Directors' Committee and Audit Committee" below).

Our business

Industry context

Regulatory framework

NCG 461: 6.1 INDUSTRIAL SECTOR
GRI 2-27

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 Chile, Brazil, Colombia, Ecuador, Peru, among others, aircraft must comply with certain noise restrictions. LATAM's aircraft substantially comply with all such restrictions, having implemented at least the standard known as "Stage 3 Requirements" across its fleet.

In 2016, the ICAO adopted a resolution creating the Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA), providing a framework for a global market-based measure to stabilize CO_2 emissions in international civil aviation (i.e., civil aviation flights that depart in one country and arrive in a different country). With the adoption of this framework, the aviation industry became the first industry to achieve an agreement with respect to its CO_2 emissions. The scheme, which defines a unified standard to regulate CO_2 emissions in international flights, is being implemented in various phases by ICAO member states starting in 2021 (with the voluntary member states).

SAFETY AND SECURITY

Our operations are subject to the jurisdiction of various agencies in each of the countries where we operate, which set standards and requirements for the operation of aircraft and its maintenance.

In the United States, the Aviation and Transportation Security Act requires, among other things, the implementation of certain security measures by airlines and airports, such as the requirement that all passenger bags be screened for explosives. Funding for airline and airport security required under the Aviation Security Act is provided in part by a US$5.60 per segment passenger security fee, subject to a US$11.20 per round-trip cap; however, airlines are responsible for costs in excess of this fee. Implementation of the requirements of the Aviation Security Act has resulted in increased costs for airlines and their passengers. Since the events of September 11, 2001, the United States Congress has mandated, and the TSA has implemented, numerous security procedures and requirements that have imposed and will continue to impose burdens on airlines, passengers and shippers.

Below are some specific aeronautical regulations related to route rights and pricing policy in the countries where we operate.

BRAZIL

Aeronautical Regulation

The Brazilian aviation industry is regulated and overseen by the ANAC. The ANAC reports directly to the Civil Aviation Secretary, which is subordinated by the Federal Executive Power of this country. Primarily on the basis of Law No. 11.182/2005, the ANAC was created to regulate commercial aviation, air navigation, the assignment of domestic and international routes, compliance with certain insurance requirements, flight operations, including personnel, aircraft and security standards, air traffic control, in this case sharing its activities and responsibilities with the Departamento de Controle do Espaço Aéreo (Department of Airspace Control or "DECEA"), which is a public secretary also subordinated to the Brazilian Defense Ministry, and airport management, in this last case sharing responsibilities with the Empresa Brasileira de Infra-Estrutura Aeroportuária (the Brazilian Airport Infrastructure Company, or "INFRAERO"), a public company that was created by Law No. 5862/72, and is responsible for administrating, operating and exploring Brazilian airports industrially and commercially (with the exception of airports granted to private initiative).

LATAM Airlines Brazil has obtained and maintains the necessary authority from the Brazilian government to conduct flight operations, including authorization and technical operative certificates from ANAC, the continuation of which is subject to ongoing compliance with applicable statutes, rules and regulations pertaining to the airline industry, including any rules and regulations that may be adopted in the future.

ANAC is the Brazilian civil aviation authority and it is responsible for supervising compliance with Brazilian laws and regulations relating to air navigation. Brazil is a contracting state and a permanent member of the ICAO. The ICAO establishes technical standards for the international aviation industry, which Brazilian authorities, represented by the Brazilian Defense Ministry, have incorporated into Brazilian laws and regulations. In the absence of an applicable Brazilian regulation concerning safety or maintenance, ANAC has incorporated by reference the majority of the ICAO's technical standards.

Route Rights

Domestic Routes: Brazilian airlines operate under a public services concession, and for that reason Brazilian airlines are required to obtain a concession to provide passenger and cargo air transportation services from the Brazilian authorities. In addition, an Air Operator Certificate ("AOC") is also required for Brazilian Airlines to provide regular domestic passenger or cargo transportation services. Brazilian Airlines also need to comply with all technical requirements established by the Brazilian Aviation Authority (ANAC). Based on the Brazilian Aeronautical Code ("CBA") established by Brazilian Federal Law No. 7,565/86, there are no limitations to ownership of Brazilian airlines by foreign investors. The CBA also states that non-Brazilian airlines are not authorized to provide domestic air transportation services in Brazil

International Routes: Brazilian and non-Brazilian airlines providing services on international routes are also subject to a variety of bilateral civil air transport agreements that provide for the exchange of air traffic rights between Brazil and various other countries. International route rights, as well as the corresponding landing rights, are derived from a variety of air transport agreements negotiated between Brazil and foreign governments. Under such agreements, the government of one country grants the government of another country the right to designate one or more of its domestic airlines to operate scheduled services to certain destinations of the former and, in certain cases, to further connect to third-country destinations. In Brazil, when additional route frequencies to and from foreign cities become available, any eligible airline may apply to obtain them. If there is more than one applicant for a route frequency ANAC must carry out a public bid and award it to the elected airline. ANAC grants route frequencies subject to the condition that the recipient airline operates them on a permanent basis. ANAC's resolution 491/18 indicates the requirements to establish the underuse of a frequency, and how it could be revoked and reassigned. This provision of the resolution came into force in September 2019.

Airfare Pricing Policy

Brazilian and non-Brazilian airlines are permitted to establish their own international and domestic fares, in this last case only for Brazilian airlines, without government regulation, as long as they do not abuse any dominant market position they may enjoy. Airlines may file complaints before the Antitrust Court with respect to monopolistic or other pricing practices by other airlines that violate Brazil's antitrust laws.

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 October 2023, a public auction was held by JAC for 13 international frequencies for the Santiago – Lima route where three Chilean airlines participated, LATAM won ten of thirteen, for which we paid US$ 315.000.

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.

COLOMBIA

Aeronautical Regulation

The governmental entity in charge of regulating, directing and supervising civil aviation in Colombia is the Aeronáutica Civil (the "AC"), a technical agency ascribed to the Ministry of Transportation. The AC is the aeronautical authority for the entire domestic territory, in charge of regulating and supervising the Colombian air space. The AC may interpret, apply and complement all civil aviation and air transportation regulation to ensure compliance with the Colombian Aeronautical Regulations ("RAC"). The AC also grants the necessary permits for air transportation.

Route Rights

The AC grants operation permits to domestic and foreign carriers that intend to operate in, from and to Colombia. In the case of Colombian airlines, in order to obtain the operational permit, the company must comply with the RAC and fulfill legal, economic and technical requirements, in order to later be subject to public hearings where the public convenience and necessity of the service is considered. The same process must be followed to add national or international routes; whose concession is subject to the bilateral instruments entered into by Colombia. The only exception for not complying with the public hearing procedure is that the application comes from a country member of the CAN, or that the route or permit being applied for is part of a deregulated regime. Even if it does not go through the public hearing process, the airline must submit a complete study to the AC and the request is made public on the website of the authority. Routes cannot be transferred under any circumstance and there is no limit to foreign investment in domestic airlines.

Airfare Pricing Policy

Since July 2007, as stated in resolution 3299 of the Aeronautical Civil entity, bottom level airfares for both international and domestic transportation were eliminated. Under resolution 904 issued in February 2012, the Aeronautical Civil authority ceased to impose the obligation of charging a fuel surcharge for both domestic and international transportation of passengers and cargo. As of April 1, 2012, air carriers may now freely decide whether to charge a fuel surcharge. In the case that a fuel surcharge is charged, it must be part of the fare, but shall be informed separately on the 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.

ECUADOR

Aeronautical Regulation

There are two institutions that control commercial aviation on behalf of the State: (i) The Consejo Nacional de Aviación Civil ("CNAC"), which directs aviation policy; and (ii) the Dirección General de Aviación Civil ("DGAC"), which is a technical regulatory and control agency. The CNAC issues operating permits and grants operating concessions to national and international airlines. It also issues opinions on bilateral and multilateral air transportation treaties, allocates routes and traffic rights, and approves joint operating agreements such as wet leases and shared codes.

Fundamentally, the DGAC is responsible for:

- ensuring that the national standards and technical regulations and international ICAO standards and regulations are observed;
- keeping records on insurance, airworthiness and licenses of Ecuadorian civil aircraft;
- maintaining the National Aircraft Registry;
- 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 allow for airfares to be regulated by the regulation of the country of origin.

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 and legal 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 in compliance with different designation rules 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.

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 considers 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 (i) the abusive exploitation by an economic agent, or a group thereof, of a dominant position in the market, fixing sale or purchase prices, the imposition to acquire a specific product within a sale, allocating territories or market quotas or imposing similar abuses on other competitors; and (ii) predatory practices, or unfair competition, carried out with the purpose of reaching, maintaining or increasing a dominant position in the market.

An aggrieved person may sue for damages arising from a breach of Antitrust Law by suing in the Chilean Antitrust 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 infringement; 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; or when none of these alternatives can be applied, a fine up to approximately US$50 million (60,000 UTA).

On August 17, 2023 Chilean Law No. 21,595 (the Economic Crimes Act, or "ECA") was published in the Official Gazette. The ECA became effective on such same date with respect to individuals and will come into effect with respect to legal entities (e.g., such as LATAM Airlines Group) on September 1, 2024.

Among other things, the ECA considerably modifies the current regulation of criminal liability applicable to legal entities, including the following:

1. The ECA expands the list of criminal offenses that can trigger the legal entity's criminal liability from 20 to around 230 offenses.

2. The ECA expands the individuals capable of triggering criminal liability of a legal entity, which as amended, consist of:

a. Those who hold an office, position or perform duties within the corresponding legal entity.

b. Those who provide services managing the legal entity's affairs with third parties, with or without representation.

c. Those individuals captured by (a) and (b) above that (i) provide services to another legal entity or (ii) have ownership or stake in such another legal entity in a way that the other legal entity lacks operational autonomy (i.e., an employee of a controlled subsidiary may trigger the criminal liability of the holding company).

3. The ECA adds the appointment by the courts of a supervisor of the legal entity as a potential sanction or protective order that may be adopted during the investigation stage of the criminal procedure. The instructions provided by the supervisor are binding to the company.

4. The ECA will no longer require that the crime be committed in the benefit of the legal entity for the entity to be criminally responsible. The legal entity will only be exempt from this responsibility when the crime is committed exclusively against such legal entity.

5. There will be a special day-rate system of fines for legal entities. In this case, the potentially applicable fines will range from approximately US$725 to US$145 million.

As described above under "—Route Rights—Airfare Pricing Policy," pursuant to Resolution No. 445 of August 1995, the

TDLC approved a merger between LAN Chile and LADECO, but imposed a specific self-regulatory fare plan for domestic air passenger market consistent with the TDLC's directive to maintain a competitive environment within the domestic market. This Airfare Pricing Policy Plan was updated by the TDLC particularly to maintain its objective which consists of a tariff regulation, through which maximum rates are established on non-competitive routes under a monthly compliance scheme.

Since October 1997, LATAM and LATAM Chile follow a self-regulatory plan, which was modified and approved by the TDLC in July 2005, and further in September 2011. In February 2010, the FNE closed the investigation initiated in 2007 regarding our compliance with this self-regulatory plan and no further observations were made.

In June 2012, the antitrust authorities in Chile and Brazil each imposed certain mitigation measures as part of their approval of the LAN/TAM merger. Furthermore, the association was also submitted to the antitrust authorities in Germany, Italy, Spain and Argentina. All these jurisdictions granted unconditional clearances for this transaction. For more information regarding these mitigation measures please see below.

On September 21, 2011, the TDLC issued a decision (the "Decision") with respect to the consultation procedure initiated on January 28, 2011, in connection with the merger between LAN and TAM. The TDLC approved the proposed merger between LAN and TAM, subject to 14 conditions as generally described below:

1. swap certain slots in the Guarulhos Airport at São Paulo, Brazil, to be used by an occasional third party interested in offering direct non-stop flights between São Paulo and Santiago;

2. extension of the frequent flyer program to airlines operating or willing to operate the Santiago-São Paulo, Santiago-Río de Janeiro, Santiago-Montevideo and Santiago-Asunción routes during the five-year period from the effective time of the merger;

3. execution of interline agreements with airlines operating the Santiago-São Paulo, Santiago-Río de Janeiro and Santiago-Asunción routes;

4. certain capacity and other transitory restrictions applicable to the Santiago-São Paulo route;

5. certain amendments to LAN's self-regulatory fare plan approved by the TDLC with respect to LAN's domestic passenger business;

6. the obligation of LATAM to resign to one global airline alliance within 24 months from the date in which the merger becomes effective, except in the case that the TDLC approves otherwise, or to elect not to participate in any global airline alliance;

7. certain restrictions on code-sharing agreements outside the global airline alliance to which LATAM belongs for routes with origin or destination in Chile or that connect to North America and Europe, or with Avianca/TACA or Gol for international routes in South America, including the obligation to consult with, and obtain approval from, the TDLC prior to its execution of certain of those codeshare agreements (the "Seventh Condition");

8. the abandonment of four air traffic frequencies with freedom rights between Chile and Peru, limitations to acquire more than 75% of the air traffic frequencies in that route, and the periods in which air traffic frequencies may be granted to LATAM by the Chilean authorities;

9. issuance of a statement by LATAM supporting the unilateral opening of the Chilean domestic skies (cabotage) and abstention from any actions that would prevent such opening;

10. promotion by LATAM of the growth and normal operation of the Guarulhos (Brazil) and Arturo Merino Benítez (Chile) airports, to facilitate access thereto to other airlines;

11. certain restrictions regarding incentives to travel agencies;

12. to maintain temporarily 12 round trip flights per week between Chile and the United States and at least seven round trip non-stop flights per week between Chile and Europe;

13. certain transitory restrictions on increasing fares in the Santiago-São Paulo and Santiago-Río de Janeiro routes for the passenger business and for the Chile-Brazil routes for the cargo business; and

14. engaging an independent consultant, expert in airline operations to, in coordination with the FNE, monitor and audit compliance with the conditions imposed by the Decision for 36 months.

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 in the seventh condition. Although LATAM opposed to 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 by LATAM of the TDLC resolutions or any applicable antitrust regulations by LATAM. The Settlement Agreement did establish the obligation of LATAM to amend and 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 International Airlines Group ("IAG"), subject to nine mitigation measures. On May 23, 2019 the Supreme Court of Chile revoked the TDLC decision to approve these agreements, and by the end of 2019 LATAM decided to terminate both agreements.

On October 15, 2019, LATAM Airlines Group was notified that the Chilean Economic Prosecution (Fiscalía Nacional Económica, "FNE") had commenced an investigation regarding a joint venture agreement entered into between LATAM Airlines Group and Delta Airlines Inc. ("Delta"). On August 13, 2021, Delta and LATAM reached an out-of-court-agreement with FNE to close the investigation and allow the implementation of their joint venture agreement, subject to certain mitigation measures. On October 28, 2021 the settlement was approved by the TDLC. The mitigation measures included, among others, obligations for LATAM to restrict and isolate information exchanges and databases related to joint venture markets, as well as updating the company's compliance program. The settlement also imposes certain obligations on Delta and on directors to LATAM's board nominated with Delta's votes, such as affidavits attesting the independence of LATAM's directors nominated with Delta's votes, compliance measures to restrict the exchange of commercially sensitive information, and periodic antitrust training regarding their obligations under the settlement.

Relatedly, on August 12, 2021, LATAM was notified of a resolution issued by the FNE alleging non-compliance of restrictions imposed with respect to certain codeshare agreements. On November 6, 2023, LATAM, Delta Air Lines and FNE reached an out-of-court agreement to amend part of the codeshare agreements, which was approved by the TDLC on December 7, 2023.

Brazil

The CADE approved the LAN/TAM merger 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 a part of (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 Agreement between Delta Air Lines and LATAM Airlines Group. Previously, in a separate case, the CADE approved without remedies the acquisition by Delta Air Lines 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 Agreement 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 applied for approval and antitrust clearance of all the agreements related to their Joint Venture Agreement before the U.S. Department of Transportation (“DOT”). On September 30, 2022, the DOT approved the Joint Venture Agreement between Delta Air Lines and LATAM group.

Colombia

On September 4, 2020 LATAM and Delta Air Lines applied for an approval of the Joint Venture Agreement before Aerocivil, which was finally received on May 10, 2021.

Material events

NCG 461: 9 RELEVANT OR MATERIAL EVENTS

Santiago, March 9, 2023
OTHERS

Pursuant to the provisions of Article 9 and item two of Article 10 of Law No. 18,045, and the provisions of General Standard No. 30, duly authorized by the Board of Directors in its meeting held on this same date, it informed the Financial Market Commission (the "Commission"), as a MATERIAL EVENT of LATAM Airlines Group S.A. ("LATAM" or the "Company"), of the following:

As informed by a material fact dated December 15, 2022, on November 3, 2022, LATAM emerged from its reorganization proceeding in the United States of America pursuant to the rules set forth in Chapter 11 of Title 11 of the United States Code (the "Chapter 11 Proceeding"). Notwithstanding the foregoing, certain provisions of Chapter 11 of Title 11 of the United States Code still impose certain obligations on the Company. One of these obligations is to issue as part of the closing of the Chapter 11 proceeding, on a quarterly basis, reports called "Post Confirmation Reports" ("PCR").

By virtue of the foregoing, we hereby make available to your Commission and to the market in general, the quarterly PCR for the year ended December 31, 2022, which was issued today together with the annual financial statements and which is included herein as an Annex.

The PCR does not in any way replace the financial information that the Company regularly delivers pursuant to applicable securities and/or regulatory standards and has been prepared solely for the purpose of complying with the post-exit obligations of the Chapter 11 Proceeding. Without limiting the generality of the foregoing, financial information does not constitute or replace in any way the delivery of the corresponding financial statements to the Commission and the market, in terms of content requirements, procedures and filing deadlines established by said Service in current regulation.

Consequently, and without prejudice to the other limitations set forth in the PCR, we declare that the information contained in this report, made exclusively to comply with the obligations following the exit of the Chapter 11 Procedure, is unaudited, limited in scope and covers a restricted period. Therefore, said information is subject to material changes as the corresponding quarter progresses and in accordance with the regular processes for the preparation of quarterly financial statements, including limited review by the external auditors, when applicable.

Santiago, March 9, 2023
OTHERS

Pursuant to the provisions of Article 9 and item two of Article 10 of Law No. 18,045, and the provisions of General Standard No. 30, duly authorized by the Board of Directors in its meeting held on this same date, it informed the Financial Market Commission, as a MATERIAL EVENT of LATAM Airlines Group S.A. ("LATAM" or the "Company"), of the following:

Today, in an extraordinary meeting, LATAM's Board of Directors approved the Annual Financial Statements for the year ended December 31, 2022, which report a profit for the year of USD$ 1,339,210,295. On the other hand, the Company has accrued losses from prior years in the amount of USD$8,841,105,611, which are mainly due to negative results caused by the impact of the COVID-19 pandemic on business operations from 2020 to 2022. In view of the above, the profits for the year ended December 31, 2022, should be allocated first to absorb such losses. After performing these transactions, LATAM has net accrued losses of USD$7,501,895,316 up to December 31, 2022. Therefore, there is no distribution of dividends for the year ended December 31, 2022.

At the same meeting, the Board of Directors agreed to recommend to the shareholders to decrease the capital stock in the amount of USD$7,501,895,316, by absorbing the total accrued net losses stated in the preceding paragraph. To this end, in the next few days, the Board of Directors plans to convene an extraordinary shareholders' meeting to decide on this matter.

Santiago, March 27, 2023
NOTICE OF ORDINARY AND EXTRAORDINARY SHAREHOLDERS' MEETINGS

Pursuant to the provisions of Article 9 and section two of Article 10 of Law N° 18,045, and to the provisions of the Commission's General Standard N° 30, duly empowered, I hereby inform you of the following Material Event regarding LATAM Airlines Group S.A. (the Company):

In a meeting held today, the Company's Board of Directors resolved to convene an Ordinary Shareholders' Meeting to be held on April 20, 2023, at 11:00 a.m., and an Extraordinary Shareholders' Meeting, to be held immediately after, both to be held at Mac-Iver 125, 17th floor, Santiago, to hear or decide, as the case may be, on the matters indicated below:

Ordinary Shareholders' Meeting

The purpose of the Ordinary Meeting shall be the following matters:

• Annual Report, Balance Sheet and Financial Statements corresponding to Fiscal Year 2022; the situation of the Company; and the corresponding report by the External Auditing Firm;

• Compensation of the Board of Directors for Financial Year 2023;

• Remuneration and budget of the Audit Committee for Financial Year 2023;

• Appointment of the External Auditors firm;

• Appointment of Risk Rating Agencies;

• Selection of the newspaper for any publications to be made by the Company;

• Related-party transactions account; and

• Other matters of corporate interest that pertain to the Ordinary Shareholders' Meeting.

Extraordinary Shareholders' Meeting

The purpose of the Extraordinary Meeting shall be the following matters:

1. To agree on a decrease in the Company's capital by absorbing the accrued losses of the Company up to December 31, 2022, after allocating the profits of Financial Year 2022 to such accrued losses;

2. To agree on a decrease in the Company's capital through the absorption of the equity account "Treasury shares held", produced as a result of the January 2012 rightful decrease in capital stock, which took place pursuant to the provisions of Article 27 of the Corporations Law;

3. To recognize any change in the capital stock resulting from the placement of shares and convertible notes charged to the capital increase approved at the Extraordinary Shareholders' Meeting held on July 5, 2022; and to deduct from the paid-in capital the costs of issuance and placement of such shares and convertible notes; and

4. In general, to adopt amendments to the bylaws and all other resolutions that may be necessary or convenient to carry out the decisions adopted by the Shareholders.

The holders of shares registered in the Shareholders' Register by midnight on the fifth business day prior to the day of the Meeting—i.e., registered at midnight on April 14, 2023—shall be entitled to participate in the Meetings and to exercise their right to speak and vote.

It has been resolved that the Meetings will be held remotely, to avoid exposing those attending the meetings to infection. For this purpose, any shareholders interested in participating in the Meetings, or their representatives must, until 3:00 p.m. on the day before the Meetings, register by sending an e-mail to registrojuntas@dcv.cl, expressing their interest in participating in the Meetings, attaching a scanned image of their identity card on both sides, or of their passport; of the proxy, if applicable; and of the application form to participate in the Meetings. The Meetings will be held through the Zoom videoconference platform and voting via acclamation or viva voce, or through the electronic voting platform provided by DCV Registros S.A., which will be accessed through the Click&Vote platform, through the "Join the Meeting" link. The rest of the required documentation and more detailed information on how to register, participate and vote remotely in the Meetings and other relevant aspects will be made available and communicated in due course through instructions that will be uploaded to the Company's website, www.latamairlinesgroup.net.

The meeting notices will be published in the Diario La Tercera journal of Santiago, on April 10, 12 and 17, 2023.

Shareholders will be able to obtain a copy of the documents supporting the matters on which they must vote at the Shareholders' Meetings, as of April 10, 2023, on the Company's website, www.latamairlinesgroup.net. In addition, any shareholder wishing to obtain a copy of these documents may contact, also as of April 10, 2023, the Company's Investor Relations Department at the following e-mail address InvestorRelations@latam.com or by telephone at (56-2) 2565-8785, for such purpose. Among such documents, information on the alternatives of external auditing firms to be proposed to the Ordinary Shareholders' Meeting for financial year 2023 and their respective rationale will be available.

Santiago, May 3, 2023
OTHERS

In accordance with the provisions of Article 9 and item two of Article 10 of Law No. 18,045, and the provisions of General Standard No. 30, duly authorized by the Board of Directors in its meeting held on this same date, it informed the Financial Market Commission (the "Commission"), as a MATERIAL EVENT of LATAM Airlines Group S.A. ("LATAM" or the "Company"), of the following:

• As informed by a material fact dated December 15, 2022, on November 3, 2022, LATAM emerged from its reorganization proceeding in the United States of America pursuant to the rules set forth in Chapter 11 of Title 11 of the United States Code (the "Chapter 11 Proceeding"). Notwithstanding the foregoing, certain provisions of Chapter 11 of Title 11 of the United States Code still impose certain obligations on the Company. One of these obligations is to issue as part of the closing of the Chapter 11 proceeding, on a quarterly basis, reports called "Post Confirmation Reports" ("PCR").

• By virtue of the foregoing, we hereby make available to your Commission and to the market in general, the quarterly PCR for the year ended March 31, 2023, which was issued today together with the annual financial statements and which is included herein as an Annex.

• The PCR does not in any way replace the financial information that the Company regularly delivers pursuant to applicable securities rules and/or regulation and has been prepared solely for the purpose of complying with the post-exit obligations of the Chapter 11 Proceeding. Notwithstanding the foregoing, this financial information does not constitute or replace in any way the delivery of the corresponding financial statements to the Commission and the market, in terms of content requirements, procedures and filing deadlines established by said Service in current regulation.

Consequently, and without prejudice to the other limitations set forth in the PCR, we declare that the information contained in this report, made exclusively to comply with the obligations following the exit of the Chapter 11 Procedure, is unaudited, limited in scope and covers a restricted period. Therefore, said information is subject to material changes as the corresponding quarter progresses and in accordance with the regular processes for the preparation of quarterly financial statements, including limited review by the external auditors, when applicable.

Santiago, August 2, 2023
OTHERS

In accordance with the provisions of Article 9 and item two of Article 10 of Law No. 18,045, and the provisions of General Standard No. 30, duly authorized by the Board of Directors in its meeting held on this same date, it informed the Financial Market Commission (the "Commission"), as a MATERIAL EVENT of LATAM Airlines Group S.A. ("LATAM" or the "Company"), of the following:

• As informed by a material fact dated December 15, 2022, on November 3, 2022, LATAM emerged from its reorganization proceeding in the United States of America pursuant to the rules set forth in Chapter 11 of Title 11 of the United States Code (the "Chapter 11 Proceeding"). Notwithstanding the foregoing, certain provisions of Chapter 11 of Title 11 of the United States Code still impose certain obligations on the Company. One of these obligations is to issue as part of the closing of the Chapter 11 proceeding, on a quarterly basis, reports called "Post Confirmation Reports" ("PCR").

• On June 29, 2023, following the substantial resolution of the remaining issues in the Chapter 11 Proceeding and all appeals from the Confirmation Order, the Bankruptcy Court issued the final decree in the Chapter 11 Proceeding and ordered the case closed (the "Closing Date").

• By virtue of the foregoing, we hereby make available to your Commission and to the market in general, the last PCR with partial information up to the Closing Date which, together with the quarterly financial statements up to June 20, 2023, was issued today and is included herein as an Annex.

• The PCR does not in any way replace the financial information that the Company regularly delivers pursuant to applicable securities and/or regulatory standards and has been prepared solely for the purpose of complying with the post-exit obligations of the Chapter 11 Proceeding. Notwithstanding the foregoing, this financial information does not constitute or replace in any way the delivery of the corresponding financial statements to the Commission and the market, in terms of content requirements, procedures and filing deadlines established by said Service in current regulation.

Consequently, and without prejudice to the other limitations set forth in the PCR, we declare that the information contained in this report, made exclusively to comply with the obligations following the exit of the Chapter 11 Procedure, is unaudited, limited in scope and covers a restricted period. Therefore, such information is subject to and qualified by what is stated in our quarterly financial statements up to June 30, 2023, disclosed on this same date, including the limited review of the external auditors where applicable.

Risk factors

NCG 461: 3.6 RISK MANAGEMENT
GRI 3-3

The following risk factors, and those important risk 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 order to assess the risks outlined in the risk factors, we have a comprehensive risk model that encompasses various aspects of our business and it is reviewed quarterly. This risk model serves as a framework to identify, assess, and mitigate potential risks that may impact our organization. We understand that risk landscapes evolve, and therefore, we conduct continuous reviews of our risk model to ensure its relevance and effectiveness in addressing emerging risks.

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 those described below.

Risk Factors Summary

The following is a summary of the principal risks that could adversely affect our business, operations and financial results.

Risks Relating to our Business

• High levels of competition in the airline industry and the consolidation or mergers of competitors in the markets in which the group operates, may adversely affect the level of operations.

• Some of our competitors may receive external support, which could adversely impact our competitive position.

• The group's business and results of operations may be adversely affected if we fail to obtain and maintain routes, suitable airport access, slots and other operating permits.

• 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 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.

• 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.

• LATAM may experience difficulty finding, training and retaining employees, which can lead to increased costs and impair our ability to execute strategy and implement operational initiatives.

• If we lose senior management and other key employees and they are not replaced by individuals with comparable skills, or we otherwise fail to maintain our company culture, our business and results of operations could be materially adversely affected.

• Our business may experience adverse consequences if we are unable to reach satisfactory collective bargaining agreements with unionized employees. Collective action by employees could cause operating disruptions and adversely impact our business.

• 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.

• Our operations are subject to fluctuations in the supply and cost of jet fuel, which could adversely impact our business.

• We are exposed to increases in landing fees and other airport service charges that could adversely affect our margin and competitive position.

• 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.

• An accumulation of ticket refunds could have an adverse effect on our financial results.

• 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.

• Increases in insurance costs and/or significant reductions in coverage could harm our financial condition and results of operations.

• Increases in our labor costs, which constitute a substantial portion of our total operating expenses, could directly impact our earnings.

• We face reputational risks related to the use of social media.

Safety & Operational Risks

• We depend on a limited number of suppliers for certain aircraft and engine parts. LATAM flies and depends on Airbus and Boeing aircraft, and our business could be adversely affected if we do not receive timely deliveries of aircraft, if aircraft from these suppliers become unavailable or if the public develops a negative perception of the aircraft we use in our operations.

• Problems with air traffic control systems or other technical failures could interrupt our operations and have a material adverse effect on our business.

• Losses and liabilities in the event of an accident involving one or more of our aircraft could materially affect our business.

• Prolonged technical and operational issues with the airport infrastructure in cities where we have a significant presence may have a material adverse effect on our operations.

• 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.

• The impacts of a pandemic and the efforts to mitigate the spread of a virus may adversely impact the group's business, operations and financial results.

• 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, which may adversely affect our business and reputation.

Risks Relating to the Airline Industry and the Countries in Which We Operate

• Because 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.

• Latin American governments have exercised and continue to exercise significant influence over their economies.

• Political instability and social unrest in Latin America may adversely affect our business.

• Because 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.

• Our financial results are exposed to foreign currency fluctuations.

Environmental and Regulatory Risks

• Our reputation and brand could be adversely impacted if we fail to make progress towards achieving our environmental sustainability and diversity, equity and inclusion goals. Our 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.

• Our business may be adversely affected by the consequences of climate change.

• The business is highly regulated and changes in the regulatory environment in the different countries may adversely affect our business and results of operations.

• We are 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 we operate. 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 risks relating to litigation and administrative proceedings that could adversely affect the business and financial performance in the event of an unfavorable ruling.

• Rapid technological advancements and digitalization could generate risks in implementation and regulatory control.

• Our reputation and brand could be adversely impacted if we fail to make progress towards achieving our environmental sustainability and diversity, equity and inclusion goals.

Risks Related to our Indebtedness

• We have substantial liquidity needs and continue to pursue various financing options. Our business may be adversely affected if we are unable to service our debt or meet our future financing requirements.

• We have significant exposure to SOFR and other floating interest rates; increases in interest rates will increase our financing cost and may have adverse effects on our financial condition and results of operations.

• Our debt agreements contain various affirmative, negative and financial covenants, which could limit our ability to conduct our business. A breach of certain negative covenants could also trigger an event of default and acceleration of our indebtedness.

Risks Relating to our Common shares and ADRs

• Our major shareholders may have interests that differ from those of ADRs holders.

• Holders of ADRs may be adversely affected by the substantial dilution of the shares represented by ADRs.

• Trading of our ADSs and common shares in the securities markets is limited and could experience further illiquidity and price volatility.

• Holders of ADRs may be adversely affected by currency devaluations and foreign exchange fluctuations.

• Future changes in Chilean foreign investment controls and withholding taxes could negatively affect non-Chilean residents that invest in our shares.

• Our ADS holders may not be able to exercise preemptive rights in certain circumstances.

• 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.

Risks Relating to our Business

High levels of competition in the airline industry and the consolidation or mergers of competitors in the markets in which the group operates, may adversely affect the level of operations.

Our business, financial condition and results of operations could be adversely affected by high levels of competition within the industry, particularly the entrance of new competitors into the markets in which the group operates, and the potential implementation of aggressive pricing strategies by competitors. 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. For more information regarding our main competitors, see “Item 4. Information of the Company—Business Overview—Passenger Operations-International Passenger Operations” and “Item 4. Information of the Company—Business Overview—Passenger Operations—Business Model for Domestic Operations”.

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 legacy carriers 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, Sky Airline and JetSmart are main competitors in the Chilean and Peruvian markets and both have low-cost business models. Moreover, the COVID-19 pandemic has prompted changes in business models, with Avianca transitioning to a low-cost model. Additionally, some of these airlines have pursued strategies of consolidation through alliances or mergers with legacy carriers. Examples include the creation of Abra Group (Avianca and Gol) and the recent approval by relevant authorities for American Airlines to acquire a minority stake in JetSmart.

In the Cargo business, companies such as Maersk, CMA CGM and MSC have begun to compete in air transportation, in part due to the COVID-19 pandemic and the scarcity of containers; CMA CGM and Air France-KLM airlines agreed to share cargo space in their airplanes; and American Airlines Cargo and Web Cargo have partnered to increase their destinations. These consolidations, mergers or new alliances might continue to appear, increasing the concentration and levels of competition.

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.

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. 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 competitors on long-haul routes (such as American Airlines, Delta Airlines, Southwest, United and Airfrance-KLM) received government support. This support could place us at a competitive disadvantage and adversely affect our business, financial condition and results of operations

The group's business and results of operations may be adversely affected if we fail to obtain and maintain routes, suitable airport access, slots and other operating permits.

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. See "Item 4. Information on the Company—Business Overview—Regulation."

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 on our business. 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.

It cannot be assured that in the future we will have access to adequate facilities and landing rights necessary to achieve our expansion plans.

Certain airports that we currently serve or plan to serve in the future may have capacity constraints and impose various restrictions. These restrictions include limitations on takeoff and landing slots during specific periods of the day and restrictions on aircraft noise levels. We cannot guarantee that our group will be able to secure an adequate number of slots, gates, and other facilities at airports to expand our services in line with our growth strategy. Additionally, airports that are currently not subject to capacity constraints may face such constraints in the future.

Furthermore, airlines must use their slots regularly and promptly, or they risk losing them to other carriers. If slots or other airport resources are unavailable or restricted in any way, we may need to modify schedules, alter routes, or reduce aircraft utilization. It is also possible that aviation authorities in the countries where our group operates may change the rules for assigning takeoff and landing slots. An example of this is the São Paulo airport (Congonhas), where slots previously operated by Avianca Brazil were reassigned primarily to Azul in 2019, after the Agência Nacional de Aviação Civil in Brazil (ANAC) approved new rules for slot distribution. Likewise, on June 7, 2022, ANAC passed Resolution No. 682, by which the ANAC approved new regulation for airport coordination and defined the rules for allocating and monitoring the use of airport infrastructure through the use of slots (e.g., coordination of arrival and departure times) at coordinated airports. It also updated the parameters applicable to the airports of Congonhas, Guarulhos (Governador André Franco Montoro International Airport), Rio de Janeiro (Santos Dumont Airport), Recife (Gilberto Freyre International Airport) and Pampulha (Carlos Drummond de Andrade Airport). The occurrence of any of these scenarios involving LATAM operations could have a negative financial impact on our business.

Moreover, we cannot guarantee that airports without current restrictions will not implement restrictions in the future, or that existing restrictions will not become more burdensome. These restrictions may limit our ability to continue providing services or expanding our operations at these airports.

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.

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 passenger segmentation and fare unbundling, allowing air travel to be accessible to a wider audience and, with a special focus on those who wish to fly more frequently and those seeking a premium service. This model requires continued cost reduction efforts and increasing revenues from ancillary activities. In connection with these efforts, the group 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.

LATAM may experience difficulty finding, training and retaining employees, which can lead to increased costs and impair our ability to execute strategy and implement operational initiatives.

The airline industry is labor intensive. We employ a large number of pilots, flight attendants, maintenance technicians and other operating and administrative personnel, such as specialized technology 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. 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. 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.

If we lose senior management and other key employees and they are not replaced by individuals with comparable skills, or we otherwise fail to maintain our company culture, our business and results of operations could be materially adversely affected.

We are dependent on the experience and industry knowledge of our officers and other key employees to design and execute our business plans. If we experience a substantial turnover in our leadership and other key employees and we are not able to replace these persons with individuals with comparable skills, or we otherwise fail to maintain our company culture, our performance could be materially adversely impacted. Furthermore, we may be unable to attract and retain additional qualified senior management and other key personnel as needed in the future.

Our business may experience adverse consequences if we are unable to reach satisfactory collective bargaining agreements with unionized employees. Collective action by employees could cause operating disruptions and adversely impact our business.

As of December 31, 2023, approximately 45% 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. For further information regarding the unions representing employees in each country in which the group operates and where we have established collective bargaining agreements, see "Item 6. Directors, Senior Management and Employees—Employees—Labor Relations."

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.

On October 6, 2023, the unionized air traffic controllers affiliated with the Chilean College of Air Traffic Controllers (Colegio de Controladores de Tránsito Aéreo, ATC) held a partial nationwide strike to demand several concessions from national authorities. The strike lasted 2 days and affected only domestic flights at Arturo Merino Benitez Airport in Chile.

On October 3, 2023 airport employees at Governador André Franco Montoro International Airport, in Guarulhos, Brazil, protested against the ban on the use of cell phones in loading and unloading areas during working hours. This event caused delays in LATAM Airlines Brazil's domestic flights which also impacted on the group's international operations. However, this event lasted 2 days, after which we took mitigation actions (such as changes of date, flight, rerouting and destinations) to regularize our operations.

Although LATAM has established protocols to contain these type of situations, there is no guarantee that we will be able to reach a mutually beneficial agreement in the event of any future disagreements with our employees and unions.

We rely on maintaining a high aircraft utilization rate to increase our revenues and absorb our fixed costs, which makes us especially vulnerable to delays.

Generally, a key element of our strategy is to maintain a high daily aircraft utilization rate, which measures the number of hours we use our aircraft per day. High daily aircraft utilization allows us to maximize the amount of revenue we generate from our aircraft and absorb the fixed costs associated with our fleet and is achieved, in part, by reducing turnaround times at airports and developing schedules that enable us to increase the average hours flown per day. Our rate of aircraft utilization could be adversely affected by a number of different factors that are beyond our control, including air traffic and airport congestion, adverse weather conditions, unanticipated maintenance and delays by third-party service providers relating to matters such as fueling, catering and ground handling. If aircraft fall behind schedule, the resulting delays could cause a disruption in our operating performance and have a financial impact on our results.

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 37.2% of our total costs of sales in 2023. For additional information, see "Item 11. Quantitative and Qualitative Disclosures about Market Risk—Risk of Fluctuations in Fuel Prices." Both the cost and availability of fuel are subject to many economic and political factors and events that we can neither control nor predict, including international political and economic circumstances such as the political instability in major oil-exporting countries. Any future fuel supply shortage (for example, as a result of production curtailments by the Organization of the Petroleum Exporting Countries, or "OPEC"), a disruption of oil imports, supply disruptions resulting from severe weather or natural disasters, labor actions such as the 2018 trucking strike in Brazil, the continued unrest in the Middle East, the conflict in Ukraine or other events could result in higher fuel prices or reductions in scheduled airline services. We cannot ensure that we would be able to offset any increases in the price of fuel. In addition, lower fuel prices may result in lower fares through the reduction or elimination of fuel surcharges. We have entered into fuel hedging arrangements, but there can be no assurance that such arrangements will be adequate to protect us from an increase in fuel prices in the near future or in the long term. See "Item 11. Quantitative and Qualitative Disclosures About Market Risk—Risk of Fluctuations in Fuel Prices."

We are exposed to increases in landing fees and other airport service charges that could adversely affect our margins and competitive position.

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.

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, shell fish and fruit 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.

An accumulation of ticket refunds could have an adverse effect on our financial results.

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, LATAM has agreements with financial institutions that process customer credit card transactions for the sale of air travel and other services. Under certain of LATAM's credit card processing agreements, the financial institutions in certain circumstances have the right to require that LATAM maintain a reserve equal to a portion of advance ticket sales that have been processed by that financial institution, but for which LATAM has not yet provided the service (i.e., 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 LATAM 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.

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 3 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.

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.

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 (14.9%% in 2023) 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.

We face reputational risks related to the use of social media.

LATAM frequently uses social media platforms as marketing tools. These platforms provide LATAM, as well as individuals, with access to a broad audience of consumers and other interested persons. Negative commentary regarding LATAM or the products it sells may be posted on social media platforms and similar devices at any time and may be adverse to LATAM's reputation or business. Further, as laws, regulations, and different platforms' terms of service rapidly evolve to govern the use of social media, the failure by LATAM, its employees or third parties acting on LATAM's behalf to abide by applicable laws and regulations in the use of these platforms and devices could adversely impact the LATAM's business, financial condition, and results of operations or subject it to fines or other penalties.

Safety & Operational Risks

We depend on a limited number of suppliers for certain aircraft and engine parts. LATAM flies and depends on Airbus and Boeing aircraft, and our business could be adversely affected if we do not receive timely deliveries of aircraft, if aircraft from these suppliers become unavailable or if the public develops a negative perception of the aircraft we use in our operations.

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 2023, LATAM Airlines Group's main suppliers were aircraft manufacturers Airbus and Boeing.

In addition to Airbus and Boeing, LATAM Airlines has a number of other suppliers, primarily related to aircraft accessories, spare parts, and components, including Pratt & Whitney Canada, MTU Maintenance, Rolls-Royce, General Electric Commercial Aviation Services Ltd., General Electric Celma, General Electric Engines Service, CMF International and Honeywell, among others.

As of December 31, 2023, LATAM Group had a total fleet of 256 Airbus and 77 Boeing aircraft (38 of these aircraft are non-current assets classified as held 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.

The COVID-19 pandemic and its impact on the aviation industry, along with the subsequent global supply chain challenges faced by manufacturers and distributors, resulted in a widespread shortage of aircraft and delays in scheduled deliveries. Consequently, the waiting period for obtaining new aircraft as well as the time between a new order and its delivery became longer, affecting both Airbus and Boeing, as well as LATAM.

On July 25, 2023, Pratt & Whitney disclosed a powder metal contamination issue affecting PW1100 GTF engines, which power Airbus Neo Family aircraft. Pratt & Whitney also disclosed that they had designed a plan to remove and inspect those engines. As of December 31, 2023, LATAM group reported 31 Airbus Neo family aircraft within its fleet (approximately 9% of the total fleet). The total number of AOG (Aircraft on Ground) affecting LATAM group's operations is a fraction of this number and will depend on the turnaround time of the shop inspection and engine repair, and the level of cycles that the engines have. While we do not yet know the full impact of these operational disruptions resulting from engine shortages from Pratt & Whitney, potential reduction of air traffic could have an adverse effect on our business, result of operations and financial condition. Our business could also be materially adversely affected if the passengers avoid flying on our aircraft due to an adverse perception of aircraft manufacturing, whether because of safety concerns or other problems, real or perceived, or in the event of an accident involving such aircraft or its engines.

The occurrence of any one or more of the above mentioned 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

Problems with air traffic control systems or other technical failures could interrupt our operations and have a material adverse effect on our business.

The operations, including the ability to deliver customer service, are dependent on the effective operation of the equipment, including aircraft, maintenance systems and reservation systems. The operations are also dependent on the effective operation of domestic and international air traffic control systems and the air traffic control infrastructure by the corresponding authorities in the markets in which the group operates. Equipment failures, personnel shortages, air traffic control problems and other factors that could interrupt operations could adversely affect our financial results as well as our reputation.

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; and

• 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 when comprehensively 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.

On November 18, 2022, LATAM Airlines Peru reported that during the take-off of flight LA 2213 at Lima's Jorge Chávez International Airport a fire truck entered the runway while performing an emergency drill and collided with its aircraft. Authorities subsequently confirmed fatalities of three firefighters who were in the fire truck that struck the aircraft. There were no fatalities among the 102 passengers and 6 crew members of the aircraft. According to the final report of the Aviation Accidents Investigation Commission (Comisión de Investigación de Accidentes de Aviación, "CIAA") issued in September 2023, this chain of events was originated by the airport operator's inadequate planning and coordination, as well as the failure to use the communication and International Civil Aviation Organization ("ICAO") standardized phraseology. The aircraft damage from this event was covered by LATAM's insurance policies.

Prolonged technical and operational problems with the airport infrastructure in cities where we have a significant presence may have a material adverse effect on our operations.

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, Bogota's El Dorado International Airport, and Lima's Jorge Chavez International Airport.

Santiago's International Airport opened its new International Terminal, called Terminal 2, at the end of February 2022. The new terminal reduced assisted check-in counters by 50%, which poses a challenge to the airlines as it obligates them to implement self-service models. Additionally, Terminal 1 is currently undergoing a remodeling plan for the national terminal, which is being carried out in two phases (east and west). During the initial phase, LATAM has effectively maintained and concentrated operations in the east sector, utilizing the existing facilities. However, in August 2024, the concessionaire will start with the second phase of the remodeling, and the entire operation of the national terminal will be shifted to the west sector, resulting in significant impact on LATAM's use of the facilities. The completion of this phase and the entire remodeling project is scheduled to be finalized by August 2025.

Furthermore, due to the previous airport concessions provided by the Chilean government in 2019, there are two airports currently under construction in Chile: Iquique's Diego Aracena International Airport and Arica's Chacalluta International Airport, which are both undergoing terminal and platform expansions. These works are expected to be completed by the first half 2024 and they imply a risk of adverse effects to the airports' operations. In addition, there are three other new concessions in Chile planning to start terminal construction work during 2024 and 2026: Balmaceda Airport, Calama Airport, La Florida International Airport and Presidente Carlos Ibáñez del Campo International Airport.

In Peru, the Jorge Chávez International Airport in Lima has a limited growth capacity on the air side (including the runway and apron, as well as parking spaces), and faces challenges relating to the interior infrastructure of the airport, which is overly crowded. The airport concessionaire is currently in the process of building a second runway and a new terminal to be completed at the end of 2024. Any delay or limitation due to ongoing works could negatively affect our operations, limit our ability to grow and affect our competitiveness in the country and region.

On the other hand, Jaén Airport and Jauja Airport in Perú have experienced significant runway infrastructure issues, resulting in severe operational challenges and flight cancellations. Urgent intervention was requested to the Peruvian government in 2023 to address these needs and rectify these problems, in order to ensure the efficient and safe functioning of air operations.

Brazilian airports, such as the Brasília and São Paulo (Guarulhos) International Airports, have limited the number of takeoff and landing slots per day due to infrastructural limitations. Any condition that would prevent or delay our access to airports or routes that are vital to our strategy, or our ability to maintain our existing slots and obtain additional slots, could materially adversely affect our operations.

In 2022, under the state government airport concession program in Brazil (the “Concession Program”), 15 airports in Brazil were granted under new concessions, 8 of those airports are operated by LATAM, including the Congonhas Airport located at downtown São Paulo. The Concession Program allows for important investments in infrastructure, but it implies a high volume of work to be undertaken simultaneously. Over the next 5 years, 29 of the 55 Airports operated by LATAM in Brazil will undergo infrastructure improvement works, which may generate temporary restrictions and could affect our revenues.

In 2023, after two years of delay due to the COVID-19 pandemic, GRU Airport, the concessionaire of Guarulhos Airport, began the last phase of infrastructure expansion works, including the construction of a new fast exit on the main runway and a new taxiway. In addition, there are plans to build a new pier and expand of the apron, which are expected to be completed by 2025. These developments will facilitate an increase in operations at the country's busiest airport.

While LATAM is closely coordinating with and supporting the airport concessionaires, any delays on the completion of the ongoing remodeling or expansion works of any of the airports indicated above would materially adversely affect our operations.

Our business may be adversely affected by a downturn in the airline industry caused by exogenous events that affect travel behavior or increase costs, such as outbreak of disease, weather conditions and natural disasters, war or terrorist attacks.

Demand for air transportation may be adversely impacted by exogenous events, such as epidemics (such as Ebola and Zika) and pandemics (such as the COVID-19 pandemic), terrorist attacks, war or political and social instability. Increasing geopolitical tensions and hostilities in connection with the conflict in Ukraine, and in the Middle East, 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.

Following a terrorist attack by Hamas in the Gaza strip on October 7, 2023, Israel declared war on Hamas and other terrorist organizations in Gaza. The military conflict is ongoing, and its length and outcome are highly unpredictable. The Israel conflict and any future terrorist attacks or threat of attacks, whether or not involving commercial aircraft, any increase in hostilities relating to reprisals against terrorist organizations or otherwise and any related economic impact could result in decreased passenger traffic and materially and negatively affect the business, financial condition and results of operations.

Revenues for airlines depend on the number of passengers carried, the fare paid by each passenger and service factors, such as the timelines of flight departures and arrivals. During periods of fog, ice, low temperatures, storms or other adverse weather conditions or natural disasters outside of our control, some or all of our flights may be canceled or significantly delayed, affecting and disrupting our operations and reducing profitability. For example, in 2022, a LATAM aircraft was severely damaged after flying through stormy weather on approach to Asuncion Airport in Paraguay, and was required to make an emergency landing. Increases in the frequency, severity or duration of thunderstorms, hurricanes, typhoons, floods or other severe weather events, including from changes in the global climate and rising global temperatures, could result in increases in delays and cancellations, turbulence-related injuries and fuel consumption to avoid such weather, any of which could result in loss of revenue and higher costs. For example, in October 2023, there were significant delays and cancellations due to strong weather conditions in Guarulhos airport, Brazil. Likewise, in February, 2024, forest fires in Chile affecting the Valparaiso Region and La Araucanía Region impacted LATAM’s operations at the Arturo Merino Benitez International Airport and at La Araucanía International Airport, respectively, delaying flights and increasing operational costs derived from certain commercial flexibility measures granted to passengers affected by the fires.

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.

The impacts of a pandemic and the efforts to mitigate the spread of a virus may adversely impact the group’s business, operations and financial results.

A pandemic, such as COVID-19, and its variants may negatively affect global economic conditions, disrupt supply chains and negatively affect aircraft manufacturing operations and reduce the availability of aircraft spare parts.

There is a possibility of changes in consumer behavior in the medium and long term as a result of a pandemic and its variants that may generate adverse financial impacts for LATAM. The COVID-19 pandemic and the accompanying fear of widespread outbreaks of communicable diseases materially reduced the demand for and availability of air travel around the world, materially affecting our business, operations and financial performance.

By the end of 2023, our operations in domestic markets were fully recovered, while the international segment is expected to recover during the first quarter of 2024. LATAM corporate segment is close to reaching pre-pandemic RPK levels. Nevertheless, we cannot assure that a new pandemic or any of its variants will not affect the business in the future.

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, which may adversely affect our business and reputation.

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.

Furthermore, in light of the rise of generative Artificial Intelligence technology (AI), generative AI systems have the potential to create deceptive or harmful content, such as deep fakes or fake news, leading to misinformation and manipulation. The misuse or malicious intent of generative AI could pose a threat to our operations and reputation.

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.

To date we have not experienced any major incidents related to cybersecurity or our information systems. Any such incident could cause damage to our reputation and may require us to expend substantial resources to remedy the situation, and could therefore have a material adverse effect on our business and results of operations. In addition, there can be no assurance that any efforts we make to prevent these incidents will be successful in avoiding harm to our business. See "Item 16K. Cybersecurity."

Risks Relating to the Airline Industry and the Countries in Which the Group Operates

Because 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. 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.

Latin American countries have historically experienced economic instability, including uneven periods of economic growth as well as significant downturns (e.g., periods of severe economic recession, currency devaluation, high inflation, and political instability). Our business has been adversely affected by these factors and global economic recessionary conditions, which include weak economic growth in Chile, recessions in Brazil and Argentina, and poor economic performance in certain emerging market countries in which the group operates.

High interest rates, 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.

Accordingly, our business, financial condition and results of operations may be adversely affected by changes in government policies or regulations in Latin America, 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.

According to S&P, as of January 31, 2024 long term local currency ratings of the countries where LATAM group operates in South America are as follow: Ecuador B-, Peru BBB+, Colombia BBB-, and Chile A+, all of them with a negative outlook, while Brazil is rated BB with a stable outlook. On the other hand, long term foreign currency ratings of these countries are: Ecuador B-, Peru BBB, Colombia BB+, and Chile A, all of them with a negative outlook, while Brazil is rated BB with a stable outlook.

LATAM cannot ensure that any country will not experience similar adverse developments in the future or 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.

Latin American governments have exercised and continue to exercise significant influence over their economies.

Governments in Latin America frequently intervene in the economies of their respective countries and occasionally make significant changes in policy and regulations. Governmental actions have often involved, among other measures, nationalizations and expropriations, price controls, currency devaluations, mandatory increases on wages and employee benefits, capital controls and limits on imports. Our business, financial condition and results of operations may be adversely affected by changes in government policies or regulations, including 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 oversight). For example, the Brazilian government's actions to control inflation and implement other policies have involved wage and price controls, depreciation of the real, restrictions on remittance, and intervention by the Central Bank to affect base interest rates.

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 July 2017, Brazilian 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". However, the conviction was overturned and his political rights restored by the Brazilian Supreme Court. President Luiz Inácio Lula da Silva ran for office in the presidential election of October 2022 and narrowly defeated President Bolsonaro. Former President Bolsonaro questioned the results of the elections, resulting in protests across the country. Luiz Inácio Lula da Silva was sworn in as president in January 2023. We cannot predict which policies the president Luiz Inácio Lula da Silva may adopt or change during his term in office, or the effect that any such policies might have on our business and on the Brazilian economy.

In Peru, on December 7, 2022, President Pedro Castillo announced the dissolution of the congress and called for new elections to be held immediately, provoking an attempted coup d'état. Subsequently, he was removed from office and arrested. On the same day, Vice President Dina Boluarte assumed the presidency of Peru, to serve the remaining presidential term until 2026. Dina Boluarte is the sixth president Peru has had since 2018. None of her five predecessors in office managed to complete the five-year term established by the Constitution and several former presidents are in prison or prosecuted in judicial proceedings.

In October 2019, Chile saw significant protests associated with economic conditions which resulted 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 intensify again, it could lead to operational delays or adversely impact our ability to operate in Chile.

Furthermore, current initiatives to address the concerns of the protesters are under discussion in the Chilean Congress. These initiatives include labor reforms, tax reforms and pension reforms, among others. On October 25, 2020, 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 convened for a nine-month period, with the possibility of a one-time, three-month extension, to present a new constitution. The proposed constitution was finalized on July 4, 2022. On September 4, 2022, a referendum was held, in which the proposed constitution was rejected by a margin of 62% to 38% of voters. On December 12, 2022, Chilean lawmakers announced that they had agreed to a document entitled “Acuerdo por Chile” (Agreement for Chile). This document marked the establishment of a new consensus and served as foundation for redrafting the new proposed constitution. The second proposed constitution was finalized on October 30, 2023. On December 17, 2023, a referendum was held, in which the proposed constitution was rejected by a margin of 55% to 45% of voters.

Chile held presidential elections in December 2021, with left-wing Gabriel Boric winning by a wide margin. Gabriel Boric was sworn in as president in March 2022. There can be no assurance that the recent changes in the Chilean administration, its constitution or any future civil unrest will not adversely affect our business, operating results and financial condition in Chile.

In Ecuador, Guillermo Lasso was elected as President in 2021, for the 2021-2025 period. On May 16, 2023, following the media exposure of the “Encuentro Case”, which revealed the connections between the Lasso government and certain members of the Albanian mafia, the National Assembly initiated an impeachment process against President Lasso, for embezzlement. However, the next day, Guillermo Lasso issued an executive decree (Decreto Ejecutivo 741), which ordered the dissolution of the National Assembly and called for extraordinary presidential and legislative elections to complete the period. On October 15, 2023, Daniel Noboa was elected as an interim president of the Republic of Ecuador for a period of 18 months. He became the youngest president elected by popular vote in the history of the country at thirty-five years of age, and the second youngest president in the country's history.

On January 7, 2024, Adolfo Macias, the leader of a major drug cartel in Ecuador, escaped from prison. This event revealed strong connections between the gangs controlling the prisons in the country and governmental officers, and caused a series of riots and violent attacks across the country, including looting, burning vehicles, shootings, explosions and abductions of police officers and civilians. As a consequence, on January 8, 2024, President Daniel Noboa declared a 60-day state of emergency in an attempt to control gang violence, with the support of the army.

On August 7, 2022, Gustavo Petro, candidate for the left-wing “Pacto Histórico” party, was elected President of Colombia. Although throughout history elected governments (and the Colombian Congress) have pursued free market economic policies, with almost no economic interventions, we cannot predict whether the policies that could be adopted by the administration would have a negative impact on the Colombian economy or our business operations and financial performance. Further, regional elections were held on October 29, 2023, to elect governors for the 32 departments in Colombia as well as mayors and members of the local Administrative boards of the national territory.

On November 19, 2023, Javier Milei was elected president of the Republic of Argentina for a period of four years. Javier Milei is a right-wing politician and economist, who has proposed a comprehensive overhaul of the country’s fiscal and structural policies (among others, to dollarize the economy, privatize state public companies, remove subsidies on public utilities and close the Argentine Central Bank of Argentina). However, we cannot predict if and to what degree such policies will be implemented, nor if our operations or the legal framework under which we operate could be affected.

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.

Because 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.

As of May 1, 2023, LATAM has launched a new distribution channel called “New Distribution Capability” (NDC) by LATAM, which follows the International Air Transport Association’s (IATA) modernized standard language (XML based) to transmit data. This distribution channel is an alternative for travel agencies across all regions where the group operates, to access our content, and be able to shop, book, and manage orders. While this distribution channel mitigates risks of interruption of our services and lowers our dependency on GDS's technology, we cannot assure that the NDC by LATAM will operate without disruptions that may affect our operations..

The failure of any of our third-party service providers to adequately perform their service obligations, or other interruptions of services including those of NDC by LATAM, 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.

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. We actively manage the Brazilian real to U.S. dollar (R$/US$) exchange rate risk by entering into FX derivative contracts and carrying out internal operations for obtaining natural hedging. For further information, see "Item 11. Quantitative and Qualitative Disclosures About Market Risk—Risk of Variation in Foreign Exchange Rates."

Environmental and Regulatory Risks

Our 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 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 ("CO2") 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 CO2 emissions after 2020. In order to comply with this strategy, we have developed sustainability strategies focused on climate change and we have taken different measures, such as the alliance with the Cataruben foundation in Colombia, with the objectives of offsetting CO2 through reducing deforestation and switching to sustainable agriculture practices, amongst others, thus contributing to improve the communities' life quality and the protection of biodiversity. In addition, we have other initiatives in place such as the promotion of SAF (Sustainable Aviation Fuel) with local governments and the lean fuel program which seeks to improve fuel efficiency. In addition, frameworks such as the Emissions Trading System, both in the EU and UK ("EU-ETS" and "UK-ETS"), are regulations related to the European market, where airlines have a pre-established amount of CO2 emissions for each year, which are then reduced over time, similar to a "cap and trade" system. Airlines must report and verify emissions related to this scheme and surrender the allocated allowances in time in order to comply. Should operations exceed the maximum allocated emissions, airlines must either acquire more from the market or pay the corresponding fee to the authority.

The proliferation of national regulations and taxes on CO2 emissions in the countries that the group has domestic operations, including environmental regulations that the airline industry is facing in Colombia, where limits on offsetting programs were included in the new Tax Reform of 2022, may also affect the cost of operations and the margins.

Our business may be adversely affected by the consequences of climate change.

There are regulatory risks associated with the management of climate change in the short and medium term, due to the fact that, in an effort from different countries to contribute to the fight against climate change, there is a tendency to impose economic instruments such as carbon taxes or emissions trading systems that seek to regulate emissions from different industries, including the aviation industry. These mechanisms seek to discourage the consumption of fossil fuels, through imposing an additional cost. However, in the case of the airline industry, especially in the South American region, there is no viable substitute fuel that would allow the industry to migrate to other types of fuels. The related risks present an opportunity to work hand in hand with the relevant governments to implement public policies allowing for progress in the production of sustainable aviation fuels in the region, thus promoting the migration away from fossil fuels and creating policies and instruments relevant to industries such as aviation, which currently has no substitute fuel available in South America. In the long term, there are physical risks associated with climate change, including the risk for greater intensity of meteorological phenomena, such as storms, tornados, hurricanes, floods and others, which in turn may pose a risk to infrastructure (destinations, airports) and communities. As a consequence, it may be necessary to modify routes and destinations, which in turn may affect our business and results of operations.

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.

We are 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 we operate. 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.

We are subject to risks relating to litigation and administrative proceedings that could adversely affect our 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. For further information, see "Item 8. Financial Information—Legal and Arbitration Proceedings" and Note 30 to our audited consolidated financial statements included in this report.

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. These new technologies could generate new risks in their implementation that could impact us directly or indirectly. As an example, at the beginning of 2022, the implementation of 5G in the United States had a temporary impact on operations at certain airports and generated a review by the Federal Aviation Administration ("FAA") on the specific requirements for its implementation. Additionally, during the course of 2023, while the widespread adoption and growth of Generative Artificial Intelligence systems demonstrated significant innovation and advancement in our operations, they could present certain risks that would likely require a regulatory framework to effectively address them. While LATAM is working on internal policies to regulate the use of these technologies, all processes of digitization and technological innovation may be exposed to risks, or may need to adjust to comply with future regulatory frameworks.

Similarly, the rapidly increasing technological transformation may advance faster than the review and control capacity of the authorities and the knowledge about the effects of their possible impacts, which could affect us directly or indirectly in ways we cannot foresee.

Our reputation and brand could be adversely impacted if we fail to make progress towards achieving our environmental sustainability and diversity, equity and inclusion goals.

Our reputation and brand could also be adversely impacted by, among other things, failure to make progress toward and achieve our environmental sustainability and diversity, equity and inclusion goals, as well as public pressure from investors or policy groups to change our policies or negative public perception of the environmental impact of air travel. For example, we have established ambitious goals to reduce our carbon emissions, with the long-term goal to be net-zero carbon emissions by 2050. Achieving these ambitious goals will require significant capital investment from manufacturers and other stakeholders, as we are unable to achieve these goals using our existing fleet, current technologies and available fuel sources. We are continuing to develop our climate strategy and transition plan; however, our ability to execute on such a plan is subject to substantial risks and uncertainties, as it is dependent on the actions of governments and third parties and will require, among other things, significant capital investment, including from third parties, research and development from manufacturers and other stakeholders, along with government policies and incentives to reduce the cost, and incent production of technologies that are not available at scale. Significant damage to our reputation and brand could have a material adverse effect on our business and financial results, including as a result of litigation related to any of these matters.

Risks Related to Our Indebtedness

We have substantial liquidity needs and continue to pursue various financing options. Our business may be adversely affected if we are unable to service our debt or meet our future financing requirements.

We have a high degree of debt and payment obligations under our aircraft leases and financial debt arrangements. We require significant amounts of financing to meet our aircraft capital requirements and may require additional financing to fund our other business needs. We cannot guarantee that we will have access to or be able to arrange for financing in the future on favorable terms. Higher financing costs could affect our ability to expand or renew our fleet, which in turn could adversely affect our business.

In addition, a substantial portion of our property and equipment is subject to liens securing our indebtedness, including our secured bonds and loans. In the event that we fail to make payments on our bonds and loans, creditors' enforcement of liens could limit or end our ability to use the affected property and equipment to fulfill our operational needs and thus generate revenue. For further information, related to current contractual obligations, see "Item 5. Operating and Financial Review and Prospects—Contractual Obligations—Long Term Indebtedness".

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 SOFR and other floating interest rates; increases in interest rates will increase our financing cost and may have adverse effects on our financial condition and results of operations.

On July 27, 2017, the head of the United Kingdom Financial Conduct Authority ("FCA") (the authority that regulated LIBOR) announced that it intended 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 LIBOR to a more robust reference rate, its recommended alternative, the Secured Overnight Financing Rate ("SOFR"). Although the adoption of SOFR was voluntary, the impending discontinuation of LIBOR made it essential that market participants considered moving to alternative rates such as SOFR and that they have appropriate fallback language in existing contracts referencing LIBOR.

Because the publication of LIBOR was discontinued on June 30, 2023, we have amended our derivative and debt contracts to replace the LIBOR rate for SOFR as an alternative rate as convened by the ARRC. SOFR will fluctuate with changing market conditions and, as SOFR increases, our interest expense will mechanically increase, which could have an adverse effect on our total financing costs. As of December 31, 2023, our variable interest rate debt amounted to US$2,027 million.

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. If we are unable to adequately adjust our prices, our revenue might not be sufficient to offset the increased payments due under our loans and this would adversely affect our financial condition and results of operations. In addition, there is no guarantee that SOFR or other replacement rates for LIBOR will maintain market acceptance. See also the discussion of interest rate risk in "Item 11. Quantitative and Qualitative Disclosures About Market Risks—Risk of Fluctuations in Interest Rates."

Our debt agreements contain various affirmative, negative and financial covenants, which could limit our ability to conduct our business. A breach of certain negative covenants could also trigger an event of default and acceleration of our indebtedness.

Certain of our debt instruments, including our five-year term loan facility (the "Term Loan B Facility") and the indentures governing our 2027 Notes and 2029 Notes, contain an asset coverage ratio and certain limitations to the incurrence of additional indebtedness by us and our subsidiaries. A decline in this coverage ratio, including due to factors that are beyond our control, could require us to post additional collateral, trigger an increase in the annual interest rates stipulated under our various debt instruments, or an event of default.

Complying with certain of the covenants in our debt agreements and other restrictive covenants that may be contained in any future debt agreements could limit our ability to operate our business and to take advantage of business opportunities that are in our long-term interest. See Note 31 of our audited consolidated financial statements.

While the covenants in our debt agreements are subject to important exceptions and qualifications, if we fail to comply with them and are unable to obtain a waiver or amendment, refinance the indebtedness subject to these covenants or take other mitigating actions, an event of default would result. These arrangements also contain other events of default customary for such financings. If an event of default were to occur, the lenders or noteholders could, among other things, declare outstanding amounts due and payable and where applicable and subject to the terms of relevant collateral agreements, repossess collateral, including aircraft or other valuable assets. In addition, an event of default or acceleration of indebtedness under one agreement could result in an event of default under other of our debt instruments. The acceleration of significant indebtedness could require us to seek to renegotiate, repay or refinance the obligations under our debt arrangements, and there is no assurance that such renegotiation or refinancing efforts would be successful.

Risks Relating to our Common shares and ADRs

Our major shareholders may have interests that differ from ADRs holders.

Under the terms of the deposit agreement governing the ADSs, if holders of ADSs do not provide JP Morgan Chase Bank, N.A., in its capacity as depositary for the ADSs, with timely instructions on the voting of the common shares underlying their ADRs, the depositary will be deemed to have been instructed to give a person designated by the board of directors the discretionary right to vote those common shares. The person designated by the board of directors to exercise this discretionary voting right may have interests that are aligned with our major shareholders, which may differ from those of our ADSs holders. Historically, our board of directors has designated its chairman to exercise this right, which is however no guarantee that it will do so in the future. The members of the board of directors elected by the shareholders in 2022 designated Ignacio Cueto, to serve in this role. For more information about LATAM beneficial ownership, see "Item 7. Major Shareholders and Related Party Transactions—Major Shareholders.

Holders of ADRs may be adversely affected by the substantial dilution of the shares represented by ADRs.

On June 18, 2022, the United States Bankruptcy Court for the Southern District of New York entered an order confirming the joint plan of reorganization (as amended, restated, modified, revised or supplemented from time to time, the "Plan") filed by the Reorganized Debtors and dated as of May 25, 2022 [ECF No. 5753]. Pursuant to the Plan, on September 13, 2022, the Reorganized Debtors commenced the preemptive rights offerings for the New Convertible Notes Class A, New Convertible Notes Class B, New Convertible Notes Class C (collectively, "New Convertible Notes") and ERO New Common Stock (each as defined in the Plan), which offerings concluded on October 12, 2022. On November 3, 2022, the Plan became effective pursuant to its terms and we emerged from bankruptcy. In connection with our emergence and the conversion of the New Convertible Notes into shares of the Company, the equity interests of existing shareholders were substantially diluted. The shares represented by ADRs currently amount to a small portion of our capital. The market prices of the shares represented by ADRs may be adversely affected by such dilution and may experience significant fluctuation and volatility.

Trading of our ADSs and common shares in the securities markets is limited and could experience further illiquidity and price volatility.

As a result of our Chapter 11 proceedings, on June 10, 2020, the NYSE notified the SEC of its intention to remove the ADSs from listing and registration on the NYSE, effective at the opening of business on June 22, 2020. As of the date of this annual report, the ADSs are traded in the over-the-counter market, which is a less liquid market, and our ADR program, with JP Morgan Chase Bank, N.A. as depositary, is not open for issuances. There is no defined timeline for re-opening the ADR program or for returning to the U.S. public markets. In addition, there can be no assurance that the ADSs will continue to trade in the over-the-counter market or that any public market for the ADSs will exist in the future, whether broker-dealers will continue to provide public quotes of the ADSs, whether the trading volume of the ADSs will be sufficient to provide for an efficient trading market, whether quotes for the ADSs may be blocked in the future or that we will be able to relist the ADSs on a securities exchange.

Our common shares are listed on the Santiago Stock Exchange.

Chilean securities markets are substantially smaller, less liquid and more volatile than major securities markets in the United States. In addition, Chilean securities markets may be materially affected by developments in other emerging markets, particularly other countries in Latin America. Accordingly, although holders are entitled to withdraw the common shares underlying the ADSs from the depositary at any time, the ability to sell the common shares underlying ADSs in the amount and at the price and time of choice may be substantially limited. This limited trading market may also increase the price volatility of the ADSs or the common shares underlying the ADSs, which could also result in price disparity between the trading prices of the two.

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. For further information, see “Item 10. Additional Information—Exchange Controls — Foreign Investment and Exchange Controls in Chile".

Our ADS holders may not be able to exercise preemptive rights in certain circumstances.

As described further in “Item 10. Additional Information—Preemptive Rights and Increases in Share Capital,” to the extent that a holder of our ADSs is unable to exercise its preemptive rights because a registration statement has not been filed, the depositary may attempt to sell the holder’s preemptive rights and distribute the net proceeds of the sale, net of the depositary’s fees and expenses, to the holder, provided that a secondary market for those rights exists and a premium can be recognized over the cost of the sale. A secondary market for the sale of preemptive rights can be expected to develop if the subscription price of the shares of our common stock upon exercise of the rights is below the prevailing market price of the shares of our common stock. However, we cannot assure you that a secondary market in preemptive rights will develop in connection with any future issuance of shares of our common stock or that if a market develops, a premium can be recognized on their sale. Amounts received in exchange for the sale or assignment of preemptive rights relating to shares of our common stock will be taxable in Chile and in the United States. See “Item 10. Additional Information—Taxation-Chilean Tax—Capital Gains.” As described further in this annual report, 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. See “Item 10. Additional Information—Memorandum and Articles of Association—Preemptive Rights and Increases in Share Capital,” If a secondary market for the sale of preemptive rights does not develop and such rights cannot be sold, they will expire and a holder of our ADSs will not realize any value from the grant of the preemptive rights. In either case, the equity interest of a holder of our ADSs in us will be diluted proportionately. Pursuant to the registration rights agreement entered into on November 10, 2022 with certain of our creditors, which the group refers to as the “Creditor Backstop Agreement” and the “Backstop Creditors”, respectively (the “Registration Rights Agreement”), we have reached an agreement to amend the terms of the deposit agreement governing our ADSs, to provide for (a) full flexibility (subject to applicable fees and procedures contained in the deposit agreement) to deposit and withdraw, at the election of the respective holders of ADS, any ordinary shares from time to time held by the backstop parties or their transferees into or out of the ADS program; (b) participation in dividends and distributions subject to the procedures of the depositary as set forth in the deposit agreement and subject to compliance with applicable law (including, without limitation, Chilean law); (c) participation in voting at the instruction of the respective holders of ADS, subject to the procedures of the depositary as set forth in the deposit agreement and subject to compliance with applicable law (including, without limitation, Chilean law); and (d) participation in preemptive rights offerings in the form of additional ADS subject to compliance with applicable law (including, without limitation, Chilean law) and the procedures of the Depositary set forth in the deposit agreement; provided that such offerings are for ordinary shares constituting at least two percent (2%) of the outstanding ordinary shares (excluding any Ordinary Shares subject to lock-up).

We are not required to disclose as much information to investors as a U.S. issuer is required to disclose and, as a result, you may receive less information about us than you would receive from a comparable U.S. company.

The corporate disclosure requirements that apply to us may not be equivalent to the disclosure requirements that apply to a U.S. company and, as a result, you may receive less information about us than you would receive from a comparable U.S. company. We are subject to the reporting requirements of the Securities Exchange Act of 1934, as amended (the “Exchange Act”). The disclosure requirements applicable to foreign issuers under the Exchange Act are more limited than the disclosure requirements applicable to U.S. issuers. Publicly available information about issuers of securities listed on Chilean stock exchanges also provides less detail in certain respects than the information regularly published by listed companies in the United States or in certain other countries. Furthermore, there is a lower level of regulation of the Chilean securities market and of the activities of investors in such markets as compared with the level of regulation of the securities markets in the United States and in certain other developed countries.

Commitment to sustainability

climate change

EMISSIONS REDUCTION TARGETS

SASB: TR-AL-110A.2
GRI 305-5

SCOPE COVERED BY THE TARGET	BASE YEAR	TARGET YEAR	BASE YEAR EMISSIONS COVERED (TCO_2e)	% OF TOTAL BASE YEAR EMISSIONS	TARGET % REDUCTION COMPARED TO THE BENCHMARK YEAR
Scope 1 (air emissions)	2019	2030	12,149,725	100%	50%

The year 2019 was the last pre-pandemic year and is considered the aviation industry standard for comparisons, being widely accepted by international initiatives such as SBTi.

NCG 461: 8.2 SUSTAINABILITY INDICATORS BY TYPE OF INDUSTRY
GRI 305-1, 305-2, 305-3 & 305-4
SASB: TR-AL-110A.1. & TR-AL- 110A.2

GREENHOUSE GASES (tCO_2e)	UNIT	2020	2021	2022	2023	2023 VS.2022
Direct emissions (Scope 1)	tCO_2e	5,614,368	6,497,576	9,780,288	11,524,420	17.8%
Indirect emissions (Scope 2)	tCO_2e	16,355	14,549	7,150	5,217	-27.0%
Other indirect emissions (Scope 3)	tCO_2e	24,827	2,446	3,198,317	3,094,768	-3.2%
Total	**tCO_2e**	**5,655,551**	**6,514,570**	**12,985,755**	**14.624.405**	**12.7%**
Emissions intensity across the whole operation	**($kgCO_2e$/100RTK)**	**76.87**	**80.76**	**101.8**	**96.65**	**-5.1%**
Emissions intensity in air operation	**($kgCO_2e$/100RTK)**	**76.31**	**80.55**	**76.67**	**76.16**	**-0.7%**
Net emissions intensity across operations[1]	**($kgCO_2e$/100RTK)**	**75.04**	**76.10**	**97.02**	**92.19**	**-5.0%**

[1] Net emissions across the whole operation: total emissions minus the offsets made.
RTK: Acronym for "revenue ton-kilometers".

SOURCE[2]	UNIT	EMISSION FACTOR
Jet fuel	$kgCO_2$ /kg	3.16
Jet fuel	$kgCO_2e$/kg	3.18
Gasoline	$kgCO_2$ /TJ	68,700
Diesel	$kgCO_2$ /TJ	74,400
Natural gas	$kgCO_2$ /TJ	55,600
Liquefied petroleum gas (LPG)	$kgCO_2$ /TJ	64,100[2]

[2] Source: Huella Chile - IPCC 2006

SCOPE OF THE INFORMATION

	UNIT	2020	2021	2022	2023
Jet fuel- air operation	%	100	100	100	100
Jet fuel - air operation					
Diesel	%	96	96	96	96
Natural gas	%	100	100	100	N/A[1]
Gasoline	%	100	100	100	100
LPG	%	100	100	100	100
Fuel - mobile sources					
Diesel	%	96	96	96	98
Gasoline	%	96	96	96	100
LPG	%	100	100	100	N/A[2]
Refrigerating gases (various)	%	100	100	100	100
Electricity	%	100	100	100	100
Transportation using other airlines (jet fuel)	%	100	100	100	100

[1] *Natural gas is not among the energy sources for the year 2023.*
[2] *Liquefied petroleum gas (LPG) for mobile sources is not among the energy sources for the year 2023.*

SIGNIFICANT ATMOSPHERIC EMISSIONS

GRI 305-6 AND 305-7

	UNIT	2020	2021	2022	2023	2023 VS. 2022
Nitrogen oxides (NOx)	**tCO_2e**	**19,207**	**22,184**	**33,198**	**39,092**	**17.8%**
Passenger operation intensity	(g/RPK)	0.273	0.330	0.325	0.266	-18.2%
Cargo operation intensity	(g/RPK)	1.792	1.734	1.718	2.005	17.0%
Sulfur oxides (SOx)	**tCO_2e**	**851**	**983**	**1,470**	**1,731**	**17.8%**
Passenger operation intensity	(g/RPK)	0.012	0.013	0.014	0.012	-14.3%
Cargo operation intensity	(g/RPK)	0.079	0.077	0.085	0.089	4.7%
Gases affecting the Ozone layer[1]	**tCO_2e**	**7,667**	**7,474**	**11,859**	**9,712**	**-18.1%**

[1] *Including: Halon-1301; HCFC-141b; HCFC-22. For the year 2023, values from previous years are adjusted to show all data in tCO_2e.*
RPK: Acronym for "revenue passenger-kilometers".
RTK: Acronym for "revenue ton-kilometers".

Employees

Better, simpler and more transparent

LATAM GROUP – EMPLOYEE PROFILE 2023

NCG 461: 5.1.1 NUMBER OF INDIVIDUALS BY SEX and 5.1.2 NUMBER OF INDIVIDUALS BY NATIONALITY

GRI 2-7 AND 2-8 ; 405-1

	BRAZIL		CHILE		COLOMBIA		ECUADOR		UNITED STATES		PERU		OTHERS		LATAM GROUP	
	M	W	M	W	M	W	M	W	M	W	M	W	M	W	M	W
Senior management	14	2	37	4	1	-	-	1	4	1	2	-	1	2	59	10
Management	89	55	250	135	16	8	4	5	22	13	14	7	21	8	416	231
Leadership	482	237	326	190	54	25	24	8	51	28	53	36	40	32	1,030	556
Operators	7,208	2,757	1,524	872	579	441	91	32	781	241	570	485	249	236	11,002	5,064
Sales force	69	192	77	286	5	13	2	9	2	1	12	33	13	33	180	567
Administrative	181	160	192	243	26	41	8	11	1	9	40	37	35	45	483	546
Other professionals	522	377	977	569	37	27	4	9	33	22	28	26	16	14	1,617	1,044
Other technicians	3,453	2,890	1,453	1,588	521	488	167	122	2	-	1,028	977	30	44	6,654	6,109
Total	**12,018**	**6,670**	**4,836**	**3,887**	**1,239**	**1,043**	**300**	**197**	**896**	**315**	**1,747**	**1,601**	**405**	**414**	**21,441**	**14,127**

Note: In addition to the 35,568 employees, LATAM's workforce is comprised by transitory workers, hired through outsourcing companies for a maximum of 6 months to fill temporary vacancies due to employee leave or the expiration of external contracts.

** LATAM has no professionals in the Auxiliary category.*

OTHERS (IN DETAIL)

NCG 461: 5.1.1 NCG 461: 5.1.1 NUMBER OF INDIVIDUALS BY SEX and 5.1.2 NUMBER OF INDIVIDUALS BY NATIONALITY

GRI 2-7 AND 2-8 ; 405-1

	GERMANY		ARGENTINA		AUSTRALIA		BOLIVIA		COSTA RICA		CUBA		SPAIN		FRANCE		ITALY		MEXICO		NEW ZEALAND		THE NETHERLANDS		PARAGUAY		PORTUGAL		UK		SOUTH AFRICA		URUGUAY		VENEZUELA	
	M	W	M	W	M	W	M	W	M	W	M	W	M	W	M	W	M	W	M	W	M	W	M	W	M	W	M	W	M	W	M	W	M	W	M	W
Senior management	-	-	-	-	-	-	-	-	-	-	-	-	1	2	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Management	1	-	4	2	1	-	-	-	-	-	-	-	10	5	-	-	1	-	-	1	-	-	-	-	3	-	-	-	-	-	-	-	1	-	-	-
Leadership	2	-	8	10	-	1	-	1	1	-	-	-	11	10	-	1	-	-	5	3	3	-	2	-	5	3	-	-	1	-	-	-	2	2	-	1
Operators	8	9	72	84	2	3	18	14	-	1	3	2	60	64	6	1	1	3	34	30	1	3	1	1	21	7	1	4	11	4	-	1	10	5	-	-
Sales force	1	1	1	4	-	1	-	-	-	-	-	-	3	16	-	3	1	-	4	-	-	-	-	-	1	6	-	1	1	1	-	-	1	-	-	-
Administrative	-	-	11	9	-	1	-	-	-	-	-	-	2	8	-	-	-	-	15	20	2	-	1	2	4	5	-	-	-	-	-	-	-	-	-	-
Other professionals	-	1	1	3	-	1	1	-	-	-	-	-	11	8	-	-	-	-	1	-	-	-	1	-	-	1	-	-	-	-	-	-	1	-	-	-
Other technicians	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	30	44	-	-	-	-	-	-	-	-	-	-
Total	**12**	**11**	**97**	**112**	**3**	**7**	**19**	**15**	**1**	**1**	**3**	**2**	**98**	**113**	**6**	**5**	**3**	**3**	**59**	**54**	**6**	**3**	**5**	**3**	**64**	**66**	**1**	**5**	**13**	**5**	**-**	**1**	**15**	**7**	**-**	**1**

** LATAM has no professionals in the Auxiliary category.*

LATAM GROUP – EMPLOYEE PROFILE 2023

NCG 461: 5.1.3 NUMBER OF INDIVIDUALS BY AGE RANGE

GRI 405-1

BY AGE RANGE	UNDER 30 YEARS		FROM 30 TO 40 YEARS OLD		FROM 41 TO 50 YEARS OLD		FROM 51 TO 60 YEARS OLD		FROM 61 TO 70 YEARS OLD		OVER 70 YEARS OLD	
	M	W	M	W	M	W	M	W	M	W	M	W
Senior management	-	-	5	-	25	8	25	2	4	-	-	-
Management	7	3	209	136	134	69	57	20	9	3	-	-
Leadership	75	54	426	310	346	139	156	48	25	5	2	-
Operators	2,900	2,187	3,913	1,877	2,712	753	1,199	224	260	22	18	1
Sales force	20	45	73	213	67	204	17	91	3	14	-	-
Administrative	108	100	177	230	132	145	46	65	20	5	-	1
Other professionals	446	329	733	466	294	202	100	42	34	5	10	-
Other technicians	1,077	1,495	2,497	2,542	1,903	1,761	991	294	180	17	6	-
Total	**4,633**	**4,213**	**8,033**	**5,774**	**5,613**	**3,281**	**2,591**	**786**	**535**	**71**	**36**	**2**

FUNCTIONAL CATEGORIES

Senior management
CEOs
Vice-presidents
Directors

Management
SeniorManagers
Managers
Assistant Managers

Leadership
Area managers
Department heads

Operators
Cargo operations
Maintenance Operations
Airport Operations
Operations control center

Sales force
Sales operations
Customer care

Administrative
Support activities and general roles

Other professionals
Middle management in support activities

Other technicians
Command crew
Cabin crew

NCG 461: 5.1.4 NUMBER OF INDIVIDUALS BY SENIORITY

BY SENIORITY	UNDER 3 YEARS		FROM 3 TO 6 YEARS		MORE THAN 6 AND UP TO 9 YEARS		MORE THAN 9 AND UP TO 12 YEARS		OVER 12 YEARS OLD	
	M	W	M	W	M	W	M	W	M	W
Senior management	2	1	7	1	6	1	5	1	39	6
Management	36	27	38	25	53	36	72	52	217	91
Leadership	108	80	110	82	102	51	129	70	581	273
Operators	5,208	3,077	1,291	573	621	386	1,164	382	2,718	646
Sales force	45	115	31	71	18	45	32	78	54	258
Administrative	168	161	40	60	38	43	60	62	177	220
Other professionals	771	486	214	132	87	81	170	112	375	233
Other technicians	2,630	2,486	393	309	366	397	359	345	2,906	2,572
Total	**8,968**	**6,433**	**2,124**	**1,253**	**1,291**	**1,040**	**1,991**	**1,102**	**7,067**	**4,299**

** LATAM has no professionals in the Auxiliary category*

NCG 461: 5.1.5 INDIVIDUALS WITH DISABILITIES

GRI 405-1

INDIVIDUALS WITH DISABILITIES	MEN	WOMEN
Senior management	0	0
Management	3	1
Leadership	19	4
Operators	419	144
Sales force	10	16
Administrative	30	14
Auxiliary	0	0
Other professionals	27	17
Other technicians	4	6

CONTRACT TYPE[1] GRI 2-7 EMPLOYEES	INDEFINITE TERM		FIXED TERM	
	M	W	M	W
Brazil	12,018	6,670	-	-
Chile	4,353	3,410	483	477
Colombia	950	648	289	395
Ecuador	300	197	-	-
United States	895	313	1	2
Peru	1,383	1,180	364	421
Others	399	400	6	14
EMPLOYEES NCG 461: 5.2 NCG 461: 5.2 LABOR FORMALITY	20,298 / 57.1%	12,818 / 36%	1,143 / 3.2%	1,309 / 3.7%

[1] NB: There are no contracts per job or task.
Others: Argentina, Australia, Bolivia, Costa Rica, Cuba, France, Germany, Italy, Mexico, Netherlands, New Zealand, Paraguay, Portugal, South Africa, Spain, United Kingdom, Uruguay and Venezuela.

CONTRACT TYPE GRI 2-7 EMPLOYEES	ORDINARY WORK HOURS		PART-TIME[1]	
	M	W	M	W
Brazil	11,797	6,491	221	179
Chile	4,788	3,793	48	94
Colombia	1,239	1,043	-	-
Ecuador	300	197	-	-
United States	889	297	7	18
Peru	1,747	1,590	-	11
Others	369	379	36	35
LATAM Group NCG 461: 5.3 WORK ADAPTABILIT	21,129 / 59.40%	13,790 / 38.77%	312 / 0.88%	337 / 0.95%

Others: Argentina, Australia, Bolivia, Costa Rica, Cuba, France, Germany, Italy, Mexico, Netherlands, New Zealand, Paraguay, Portugal, South Africa, Spain, United Kingdom, Uruguay and Venezuela.

In 2023, there were no individuals entering workday adaptability agreements for workers with family duties or other reasons.

On the other hand, 5,149 individuals adopted telework, 2,977 of whom were men (8.37% of the total workforce) and 2,172 women (6.11% of the total workforce).

COLLECTIVE BARGAINING AGREEMENTS[3] IN 2023

NCG 461: 8.2 SUSTAINABILITY INDICATORS
SASB TR-AL- 310A.1
GRI 2-30

Employees covered by collective bargaining agreements	89%
Unionized employees	45%

[3] *Based on the total workforce on December 31, 2023.*

Overall, the group affiliates apply their own policies to define working conditions and terms of employment for workers not covered by collective bargaining agreements. The exception is Chile where, since September 2016, in compliance with the provisions of the law, some basic and transversal benefits, such as the benefit of tickets, defined in a collective union agreement, are extended to new hires.

NCG 461: 8.2 SUSTAINABILITY INDICATORS
SASB TR-AL-310A.2

During 2023, there were no labor stoppages involving more than a thousand workers, nor idle days as a result of work stoppages.

LATAM GROUP - NEW HIRES AND WORKFORCE TURNOVER IN 2023

GRI 401-1

	TOTAL NUMBER OF HIRES	HIRING RATE	TOTAL NUMBER OF PEOPLE WHO LEFT LATAM GROUP[1]	TURNOVER RATE
LATAM Airlines Brazil	2,957	8.31%	2,024	5.69%
LATAM Airlines Chile	1,689	4.75%	700	1.97%
LATAM Airlines Colombia	876	2.46%	311	0.87%
LATAM Airlines Ecuador	122	0.34%	30	0.08%
United States Regional Office	466	1.31%	384	1.08%
LATAM Airlines Peru	590	1.66%	326	0.92%
Others[2]	127	0.36%	79	0.22%
Total	**6,827**	**19.19%**	**3,854**	**10.84%**

[1] *Individuals who left the LATAM Group either voluntarily, through dismissal, retirement or death in service.*
[2] *Considering LATAM group operations in other countries of the Americas, Europe and Oceania.*

INTERNAL HIRES

81% of open positions were filled by internal candidates in 2023.

NEW HIRES BY GENDER IN 2023

GRI 401-1

COUNTRY	WOMEN	MEN
Brazil	37.0%	63.00%
Chile	49.9%	50.10%
Colombia	54.0%	46.00%
Ecuador	41.0%	59.00%
Peru	53.6%	46.40%
United States	23.2%	76.80%
Others	46.5%	53.50%
Total	**43.1%**	**56.90%**

STAFF TURNOVER RATE BY COUNTRY 2023

COUNTRY	FY 2023
Brazil	43.3%
Chile	24.7%
Colombia	12.8%
Ecuador	1.8%
Peru	8.6%
United States	6.8%
Others	1.9%

LATAM AIMS TO ACHIEVE A GENDER BALANCE OF AROUND 40/60 AT ALL FUNCTIONAL LEVELS BY 2030.

SHARE OF WOMEN	2023
Women in the whole workforce	39.7%
Women in all leadership positions (junior, middle and top)	34.6%
Women in all junior leadership positions	35.6%
Women in all top leadership positions	14.7%
Women in leadership positions in revenue-generating functions	37.8%
Women in STEM positions (**)	26.5%

(*) Support positions such as human capital, legal, information technology, etc. are excluded.
(**) STEM: Personnel with background and a position related to science, technology, engineering and mathematics.

LABOR FORCE SHARE BY NATIONALITY 2023

NATIONALITY	SHARE OF THE WHOLE WORKFORCE	SHARE IN LEADERSHIP POSITIONS
Brasil	52.9%	40.4%
Chile	22.3%	33.6%
Colombia	6.9%	6.6%
Ecuador	1.6%	2.3%
Estados Unidos	1.7%	2.8%
Perú	9.6%	6.0%
Otros	5.0%	8.3%

LONG-TERM INCENTIVES FOR LATAM GROUP EMPLOYEES

As a long-term incentive for the employees, during 2023, LATAM group had the "unit-based pay" program. This comprises units granted to each employee, which are paid over a period of up to 42 months, and are linked to:

- The employee's permanence in LATAM group.
- The share price compared to the value of the ERO.
- The occurrence of events related to the volume of transactions and liquidity of the stock.
- Performance defined on the basis of fulfillment of certain company indicators.

This program applies to executives who are not part of the Global Executive Meeting (GEM)—i.e., who are Senior Managers, Managers and Assistant Managers of different areas or business units in LATAM group.

PAY GAP BY GENDER 2023

INDICATOR	DIFFERENCE BETWEEN MALE AND FEMALE EMPLOYEES
Pay gap by gender: average	94%
Pay gap by gender: median	94%
Bonus gap: average	95%
Bonus gap: median	96%

INDIVIDUALS WHO TOOK POSTNATAL LEAVE IN 2023

GRI 401-3

COUNTRY	SENIOR MANAGEMENT		MANAGEMENT		LEADERSHIP		SALES FORCE		ADMINISTRATIVE		OPERATORS		OTHER PROFESSIONALS		OTHER TECHNICIANS		TOTAL	
	M	W	M	W	M	W	M	W	M	W	M	W	M	W	M	W	M	W
Germany	0	0	0	0	0	0	0	0	0	1	0	0	1	0	0	0	1	1
Argentina	0	0	0	0	0	2	0	0	0	0	0	0	0	0	0	0	0	2
Bolivia	0	0	0	0	0	0	0	0	0	0	1	0	0	0	0	0	1	0
Brazil	0	0	1	3	11	18	0	4	35	116	78	18	37	37	61	72	223	268
Chile	0	0	11	19	6	9	0	8	2	5	37	52	19	23	4	88	79	204
Colombia	0	0	0	0	1	0	0	2	0	6	7	0	0	0	11	11	19	19
Cuba	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Ecuador	0	0	0	0	1	0	0	1	2	2	3	0	0	0	1	1	7	4
Spain	0	0	1	1	0	0	0	0	0	0	0	2	1	0	0	0	2	3
United States	0	0	0	1	1	0	0	1	0	2	0	0	0	0	0	0	2	4
France	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Italy	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	1	0
Mexico	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Oceanía (New Zeland and Australia)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
The Netherlands	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Paraguay	0	0	0	0	0	0	0	0	0	0	1	0	0	0	1	3	2	3
Peru	0	0	1	1	1	3	3	6	0	0	7	2	0	0	25	23	37	35
Portugal	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
UK	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Uruguay	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Others (Costa Rica, Venezuela and South Africa)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL	**0**	**0**	**15**	**25**	**21**	**32**	**4**	**22**	**39**	**132**	**134**	**74**	**58**	**60**	**103**	**198**	**374**	**543**

Note: 100% of individuals who requested postnatal leave were granted access to this benefit.
Note: LATAM has no professionals in the Auxiliary category

AVERAGE NUMBER OF DAYS OF POSTNATAL LEAVE USED IN 2023

GRI 401-3

COUNTRY	SENIOR MANAGEMENT		MANAGEMENT		LEADERSHIP		SALES FORCE		ADMINISTRATIVE		OPERATORS		OTHER PROFESSIONALS		OTHER TECHNICIANS	
	M	W	M	W	M	W	M	W	M	W	M	W	M	W	M	W
Germany	0	0	0	0	0	0	0	0	0	4	0	0	4	0	0	0
Argentina	0	0	0	0	0	90	0	0	0	0	0	0	0	0	0	0
Bolivia	0	0	0	0	0	0	0	0	0	0	3	0	0	0	0	0
Brazil	0	0	7	161	17	147	0	59	18	130	17	127	18	138	17	120
Chile	0	0	4	17	4	46	0	41	5	33	3	23	3	47	4	49
Colombia	0	0	0	0	14	0	0	126	0	126	14	0	0	0	20	126
Cuba	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Ecuador	0	0	0	0	15	0	0	84	15	84	15	0	0	0	15	84
Spain	0	0	67	29	0	0	0	0	0	0	0	81	84	0	0	0
United States	0	0	0	84	5	0	5	84	0	84	0	0	0	0	0	0
France	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Italy	0	0	10	0	0	0	0	0	0	0	0	0	0	0	0	0
Mexico	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Oceania (New Zeland and Australia)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
The Netherlands	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Paraguay	0	0	0	0	0	0	0	0	0	0	15	0	0	0	15	126
Peru	0	0	10	98	10	98	10	98	0	0	10	85	0	0	11	94
Portugal	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
UK	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Uruguay	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Others (Costa Rica, Venezuela and South Africa)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

Note: LATAM has no professionals in the Auxiliary category.

Particularly regarding post-natal leave available to male workers in Chile, 100% opted for the 5-day leave from among the options provided by Chilean Law.

ANNEXES

Supply Chain Management - Corporate Sustainability Assessment (CSA)

• **KPIs for Supplier Screening:**

Supplier Screening	2023
Total number of significant suppliers in Tier-1	270
% of total spend on significant suppliers in Tier-1	100%
Total number of significant suppliers in non Tier-1	0

• **KPIs for Supplier Assessment and Development:**

Supplier assessment	2023
Total number of suppliers assessed via desk assessments or on-site assessments	5,557
% of suppliers assessed with potential negative impacts supported in corrective action plan implementation	1%

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Financial statements

NCG 461: 11. FINANCIAL REPORTS

LATAM AIRLINES GROUP S.A. AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2023

CONTENTS

CLP	-	CHILEAN PESO
UF	-	CHILEAN UNIDAD DE FOMENTO
ARS	-	ARGENTINE PESO
US$	-	UNITED STATES DOLLAR
THUS$	-	THOUSANDS OF UNITED STATES DOLLARS
MUS$	-	MILLIONS OF UNITED STATES DOLLARS
COP	-	COLOMBIAN PESO
BRL/R$	-	BRAZILIAN REAL
THR$	-	THOUSANDS OF BRAZILIAN REAL

REPORT OF INDEPENDENT AUDITORS
(Free translation from the original in Spanish)

Santiago, February 22, 2024

To the Board of Directors and Shareholders
LATAM Airlines Group S.A.

Opinion

We have audited the consolidated financial statements of LATAM Airlines Group S.A. and subsidiaries, which comprise the consolidated statements of financial position as of December 31, 2023 and 2022 and the related consolidated statements of income by function, comprehensive income, changes in equity and cash flows direct method for the years then ended and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of LATAM Airlines Group S.A. and subsidiaries as of December 31, 2023 and 2022, the results of its operations and its cash flows for the years then ended in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Basis for opinion

We conducted our audits in accordance with Generally Accepted Auditing Standards in Chile. Our responsibilities under those standards are described in the paragraphs under the section "Auditor's responsibilities for the audit of the consolidated financial statements" in this report. In accordance with relevant ethical requirements, for our audits of the consolidated financial statements, we are required to be independent of LATAM Airlines Group S.A. and subsidiaries and to comply with other ethical responsibilities in accordance with such requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's responsibility for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board. 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.

In preparing and presenting the consolidated financial statements, Management is required to evaluate whether there are facts or circumstances that, taken as a whole, raise substantial doubt about the ability of LATAM Airlines Group S.A. and subsidiaries to continue as a going concern for the foreseeable future.

Santiago, February 22, 2024
LATAM Airlines Group S.A.
2

Auditor's responsibility for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high, but not absolute, level of assurance and, therefore, does not guarantee that an audit performed in accordance with Generally Accepted Auditing Standards in Chile will always detect a material misstatement when it exists. The risk of not detecting a material misstatement due to fraud is greater than the risk of not detecting a material misstatement due to error, as fraud may involve collusion, forgery, intentional omissions, concealment, misrepresentations or disregard of controls by Management. A misstatement is considered material if, individually or in the aggregate, it would influence the judgment of a reasonable user based on these consolidated financial statements.

As part of an audit conducted in accordance with Generally Accepted Auditing Standards in Chile, we:

- Exercise our professional judgment and maintain our professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error; we design and perform audit procedures in response to those risks. Such procedures include examining evidence, on a test basis, regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to an audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of LATAM Airlines Group S.A. and subsidiaries internal control. Consequently, we do not express such an opinion.
- We assess the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by Management, as well as assessing the appropriateness of the overall presentation of the consolidated financial statements.
- We conclude whether in our judgment there are facts or circumstances that, taken as a whole, cast substantial doubt about the ability of LATAM Airlines Group S.A. and subsidiaries to continue as a going concern for the foreseeable future.

We are required to communicate to those charged with governance, among other matters, the planned timing and scope of the audit and significant audit findings, including any significant deficiencies and material weaknesses in internal control that we identify during our audit.

DocuSigned by:
29A251EE1C8442C...
Jonathan Yeomans Gibbons
RUT: 13.473.972-K

PricewaterhouseCoopers

Contents of the Notes to the consolidated financial statements of LATAM Airlines Group S.A. and Subsidiaries.

Notes Page

LATAM AIRLINES GROUP S.A. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

ASSETS

	Note	As of December 31, 2023	As of December 31, 2022
		ThUS$	ThUS$
Current Assets			
Cash and cash equivalents	6 - 7	1,714,761	1,216,675
Other financial assets	7 - 11	174,819	503,515
Other non-financial assets	12	185,264	191,364
Trade and other accounts receivable	7 - 8	1,385,910	1,008,109
Accounts receivable from related entities	7 - 9	28	19,523
Inventories	10	592,880	477,789
Current tax assets	17	47,030	33,033
Total current assets other than non-current assets (or disposal groups) classified as held for sale		4,100,692	3,450,008
Non-current assets (or disposal groups) classified as held for sale	13	102,670	86,416
Total current assets		4,203,362	3,536,424
Non-current assets			
Other financial assets	7 - 11	34,485	15,517
Other non-financial assets	12	168,621	148,378
Accounts receivable	7 - 8	12,949	12,743
Intangible assets other than goodwill	15	1,151,986	1,080,386
Property, plant and equipment	16	9,091,130	8,411,661
Deferred tax assets	17	4,782	5,915
Total non-current assets		10,463,953	9,674,600
Total assets		14,667,315	13,211,024

The accompanying Notes 1 to 36 form an integral part of these consolidated financial statements.

LATAM AIRLINES GROUP S.A. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

LIABILITIES AND EQUITY

LIABILITIES	Note	As of December 31, 2023	As of December 31, 2022
		ThUS$	ThUS$
Current liabilities			
Other financial liabilities	7 - 18	596,063	802,841
Trade and other accounts payables	7 - 19	1,765,279	1,627,992
Accounts payable to related entities	7 - 9	7,444	12
Other provisions	20	15,072	14,573
Current tax liabilities	17	2,371	1,026
Other non-financial liabilities	21	3,301,906	2,642,251
Total current liabilities		5,688,135	5,088,695
Non-current liabilities			
Other financial liabilities	7 - 18	6,341,669	5,979,039
Accounts payable	7 - 23	418,587	326,284
Other provisions	20	926,736	927,964
Deferred tax liabilities	17	382,359	344,625
Employee benefits	22	122,618	93,488
Other non-financial liabilities	21	348,936	420,208
Total non-current liabilities		8,540,905	8,091,608
Total liabilities		14,229,040	13,180,303
EQUITY			
Share capital	24	5,003,534	13,298,486
Retained earnings/(losses)	24	464,411	(7,501,896)
Treasury Shares	24	—	(178)
Other equity	24	39	39
Other reserves	24	(5,017,682)	(5,754,173)
Parent’s ownership interest		450,302	42,278
Non-controlling interest	14	(12,027)	(11,557)
Total equity		438,275	30,721
Total liabilities and equity		14,667,315	13,211,024

The accompanying Notes 1 to 36 form an integral part of these consolidated financial statements.

LATAM AIRLINES GROUP S.A. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF INCOME BY FUNCTION

	Note	For the year ended December 31, 2023	2022
		ThUS$	ThUS$
Revenue	5 - 25	11,640,541	9,362,521
Cost of sales	26	(8,816,590)	(8,103,483)
Gross margin		2,823,951	1,259,038
Other income	27	148,641	154,286
Distribution costs	26	(587,272)	(426,599)
Administrative expenses	26	(683,311)	(576,429)
Other expenses	26	(532,801)	(531,575)
Gains/(losses) from restructuring activities	26	—	1,679,934
Other gains/(losses)	26	(91,043)	(347,077)
Income (loss) from operation activities		1,078,165	1,211,578
Financial income	26	125,356	1,052,295
Financial costs	26	(698,231)	(942,403)
Foreign exchange gains/(losses)		85,891	25,993
Result of indexation units		5,311	(1,412)
Income (loss) before taxes		596,492	1,346,051
Income tax (expense)/benefits	17	(14,942)	(8,914)
NET INCOME (LOSS) FOR THE YEAR		581,550	1,337,137
Income (loss) attributable to owners of the parent		581,831	1,339,210
Income (loss) attributable to non-controlling interest	14	(281)	(2,073)
Net Income (loss) for the year		581,550	1,337,137
EARNING (LOSS) PER SHARE			
Basic earnings (loss) per share (US$)	29	0.000963	0.013861
Diluted earnings (loss) per share (US$)	29	0.000963	0.013592

The accompanying Notes 1 to 36 form an integral part of these consolidated financial statements.

LATAM AIRLINES GROUP S.A. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Note	For the year ended at December 31, 2023	2022
		ThUS$	ThUS$
NET INCOME/(LOSS)		581,550	1,337,137
Components of other comprehensive income (loss) that will not be reclassified to income before taxes			
Other comprehensive income (loss), before taxes, gains (losses) by new measurements on defined benefit plans	24	(21,198)	(9,935)
Total other comprehensive (loss) that will not be reclassified to income before taxes		(21,198)	(9,935)
Components of other comprehensive income that will be reclassified to income before taxes			
Currency translation differences Gains (losses) on currency translation, before tax		(12,423)	(32,563)
Other comprehensive loss, before taxes, currency translation differences		(12,423)	(32,563)
Cash flow hedges			
Gains (losses) on cash flow hedges before taxes	24	(41,144)	52,017
Reclassification adjustment on cash flow hedges before tax	24	(26,568)	31,293
Amounts removed from equity and included in the carrying amount of non-financial assets (liabilities) that were acquired or incurred through a highly probable hedged forecast transaction, before tax	24	(11,112)	(8,143)
Other comprehensive income (losses), before taxes, cash flow hedges		(78,824)	75,167
Change in value of time value of options			
Gains/(Losses) on change in value of time value of options before tax	24	25,751	(24,005)
Reclassification adjustments on change in value of time value of options before tax	24	28,818	19,946
Other comprehensive income, before taxes, changes in the time value of the options		54,569	(4,059)
Total other comprehensive income that will be reclassified to income before taxes		(36,678)	38,545
Other components of other comprehensive income (loss), before taxes		(57,876)	28,610
Income tax relating to other comprehensive income that will not be reclassified to income			
Income tax relating to new measurements on defined benefit plans	17	751	567
Income tax relating to other comprehensive income that will not be reclassified to income		751	567
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)	17	3,604	(235)
Income taxes related to components of other comprehensive loss will be reclassified to income		3,604	(235)
Total Other comprehensive income (loss)		(53,521)	28,942
Total comprehensive income (loss)		528,029	1,366,079
Comprehensive income (loss) attributable to owners of the parent		515,687	1,367,315
Comprehensive income (loss) attributable to non-controlling interests		12,342	(1,236)
TOTAL COMPREHENSIVE INCOME (LOSS)		528,029	1,366,079

The accompanying Notes 1 to 36 form an integral part of these consolidated financial statements.

LATAM AIRLINES GROUP S.A. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

		Attributable to owners of the parent													
					Change in other reserves										
	Note	Share capital	Other equity	Treasury shares	Currency translation reserve	Cash flow hedging reserve	Gains (Losses) from changes in the time value of the options	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$	ThUS$	ThUS$
Equity as of January 1, 2023		13,298,486	39	(178)	(3,805,560)	36,542	(21,622)	(28,117)	37,235	(1,972,651)	(5,754,173)	(7,501,896)	42,278	(11,557)	30,721
Total increase (decrease) in equity															
Net income/(loss) for the period	24	—	—	—	—	—	—	—	—	—	—	581,831	581,831	(281)	581,550
Other comprehensive income		—	—	—	(25,051)	(75,220)	54,569	(20,442)	—	—	(66,144)	—	(66,144)	12,623	(53,521)
Total comprehensive income		—	—	—	(25,051)	(75,220)	54,569	(20,442)	—	—	(66,144)	581,831	515,687	12,342	528,029
Transactions with shareholders															
Dividends	25	—	—	—	—	—	—	—	—	—	—	(174,549)	(174,549)	—	(174,549)
Increase for other contributions from the owners	24	—	17,401	—	—	—	—	—	—	(14,401)	(14,401)	—	3,000	—	3,000
Increase (decrease) through transfers and other changes, equity	24-34	(8,294,952)	(17,401)	178	—	—	—	—	—	817,036	817,036	7,559,025	63,886	(12,812)	51,074
Total transactions with shareholders		(8,294,952)	—	178	—	—	—	—	—	802,635	802,635	7,384,476	(107,663)	(12,812)	(120,475)
Closing balance as of December 31, 2023		5,003,534	39	—	(3,830,611)	(38,678)	32,947	(48,559)	37,235	(1,170,016)	(5,017,682)	464,411	450,302	(12,027)	438,275

The accompanying Notes 1 to 36 form an integral part of these consolidated financial statements.

LATAM AIRLINES GROUP S.A. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

		Attributable to owners of the parent													
					Change in other reserves										
	Note	Share capital	Other equity	Treasury shares	Currency translation reserve	Cash flow hedging reserve	Gains (Losses) from changes in the time value of the options	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$	ThUS$	ThUS$
Equity as of January 1, 2022		3,146,265	—	(178)	(3,772,159)	(38,390)	(17,563)	(18,750)	37,235	2,448,098	(1,361,529)	(8,841,106)	(7,056,548)	(10,356)	(7,066,904)
Total increase (decrease) in equity															
Net income/(loss) for the period	24	—	—	—	—	—	—	—	—	—	—	1,339,210	1,339,210	(2,073)	1,337,137
Other comprehensive income		—	—	—	(33,401)	74,932	(4,059)	(9,367)	—	—	28,105	—	28,105	837	28,942
Total comprehensive income		—	—	—	(33,401)	74,932	(4,059)	(9,367)	—	—	28,105	1,339,210	1,367,315	(1,236)	1,366,079
Transactions with shareholders															
Equity issue	24 -33	800,000	—	—	—	—	—	—	—	—	—	—	800,000	—	800,000
Increase for other contributions from the owners	24	—	9,250,229	—	—	—	—	—	—	(4,340,749)	(4,340,749)	—	4,909,480	—	4,909,480
Increase (decrease) through transfers and other changes, equity	24 -33	9,352,221	(9,250,190)	—	—	—	—	—	—	(80,000)	(80,000)	—	22,031	35	22,066
Total transactions with shareholders		10,152,22	39	—	—	—	—	—	—	(4,420,749)	(4,420,749)	—	5,731,511	35	5,731,546
Closing balance as of December 31, 2022		13,298,48	39	(178)	(3,805,560)	36,542	(21,622)	(28,117)	37,235	(1,972,651)	(5,754,173)	(7,501,896)	42,278	(11,557)	30,721

The accompanying Notes 1 to 36 form an integral part of these consolidated financial statements.

LATAM AIRLINES GROUP S.A. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS - DIRECT METHOD

	Note	For the year ended December 31, 2023	For the year ended December 31, 2022
		ThUS$	ThUS$
Cash flows from operating activities			
Cash collection from operating activities			
Proceeds from sales of goods and services		13,397,385	10,549,542
Other cash receipts from operating activities		169,692	117,118
Payments for operating activities			
Payments to suppliers for the supply goods and services	34	(9,689,508)	(9,113,130)
Payments to and on behalf of employees		(1,304,696)	(1,039,336)
Other payments for operating activities		(270,580)	(272,823)
Income taxes (paid)		(18,379)	(14,314)
Other cash inflows (outflows)	34	(20,346)	(130,260)
Net cash (outflow) inflow from operating activities		2,263,568	96,797
Other cash receipts from sales of equity or debt instruments of other entities		—	417
Other payments to acquire equity or debt instruments of other entities		—	(331)
Amounts raised from sale of property, plant and equipment		46,524	56,377
Purchases of property, plant and equipment		(795,787)	(780,538)
Purchases of intangible assets		(68,052)	(50,116)
Interest received		98,552	18,934
Other cash inflows (outflows)	34	59,258	6,300
Net cash (outflow) inflow from investing activities		(659,505)	(748,957)
Cash flows inflow (out flow) from investing activities			
Proceeds from the issuance of shares	34	—	549,038
Amounts from the issuance of other equity instruments	34	—	3,202,790
Payments for changes in ownership interests in subsidiaries that do not result in loss of control	24	(23)	—
Amounts raised from long-term loans	34	—	2,361,875
Amounts raised from short-term loans	34	—	4,856,025
Loans from related entities	32	—	770,522
Loans repayments	34	(342,005)	(8,759,413)
Payments of lease liabilities	34	(225,358)	(131,917)
Payments of loans to related entities	34	—	(1,008,483)
Interest paid		(594,234)	(521,716)
Other cash (outflows) inflows	34	11,405	(463,766)
Net cash inflow (outflow) from financing activities		(1,150,215)	854,955
Net (decrease) increase in cash and cash equivalents before effect of exchanges rate change		453,848	202,795
Effects of variation in the exchange rate on cash and cash equivalents		44,238	(32,955)
Net (decrease) increase in cash and cash equivalents		498,086	169,840
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	6	1,216,675	1,046,835
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	6	1,714,761	1,216,675

The accompanying Notes 1 to 36 form an integral part of these consolidated financial statements.

LATAM AIRLINES GROUP S.A. AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

AS OF DECEMBER 31, 2023

NOTE 1 - GENERAL INFORMATION

LATAM Airlines Group S.A. ("LATAM" or the "Company") is an open stock company which holds the values inscribed in the Registro de Valores of the Commission for the Financial Market, whose shares are listed in Chile on the Electronic Stock Exchange of Chile - Stock Exchange and the Santiago Stock Exchange. LATAM's ADRs are currently trading in the United States of America on the OTC (Over-The-Counter) markets.

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 Chile, Ecuador, Peru, Brazil, Colombia and Paraguay. In addition, the Company has subsidiaries that operate in the cargo business in Chile, Brazil and Colombia.

The Company is located in Chile, in the city of Santiago, on Avenida Presidente Riesco No. 5711, Las Condes commune.

As of December 31, 2023, the Company's statutory capital is represented by 604,441,789,335 ordinary shares without nominal value. As of that date, 604,437,877,587 shares were subscribed and paid. The foregoing, considering the capital increase approved by the shareholders of the company at an extraordinary meeting held on July 5, 2022, in the context of the implementation of its reorganization plan approved and confirmed in the Chapter 11 Proceedings, as well as the Capital decrease required for the Chilean Capital Markets law that appears in a public deed dated September 6, 2023, granted at the Notaría of Santiago of Mr. Eduardo Javier Diez Morello.

The major shareholders of the Company, considering the total amount of subscribed and paid shares, are Banco de Chile on behalf of State Street which owns 45.81%, Banco de Chile on behalf of Non-Resident Third Parties with 11.94%, Delta Air Lines with 10.05% and Qatar Airways with 10.03% ownership.

As of December 31, 2023, the Company had a total of 2,100 shareholders in its registry. At that date, approximately 0.01% of the Company's capital stock was in the form of ADRs.

During 2023, the Company had an average of 34,174 employees, ending this year with a total of 35,568 collaborator, distributed in 5,149 Administration employees, 17,655 in Operations, 8,688 Cabin Crew and 4,076 Command crew.

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, 2023 Direct	Indirect	Total	As December 31, 2022 Direct	Indirect	Total
				%	%	%	%	%	%
96.969.680-0	Lan Pax Group S.A. and Subsidiaries	Chile	US$	99.9959	0.0041	100.0000	99.9959	0.0041	100.0000
Foreign	Latam Airlines Perú S.A.	Peru	US$	23.6200	76.1900	99.8100	23.6200	76.1900	99.8100
93.383.000-4	Lan Cargo S.A.	Chile	US$	99.8940	0.0041	99.8981	99.8940	0.0041	99.8981
76.717.244-3	Prime Cargo SpA.	Chile	CLP	0.0000	100.0000	100.0000	0.0000	0.0000	0.0000
Foreign	Connecta Corporation	U.S.A.	US$	0.0000	100.0000	100.0000	0.0000	100.0000	100.0000
Foreign	Prime Airport Services Inc. and Subsidiary	U.S.A.	US$	0.0000	100.0000	100.0000	0.0000	100.0000	100.0000
96.951.280-7	Transporte Aéreo S.A.	Chile	US$	0.0000	100.0000	100.0000	0.0000	100.0000	100.0000
96.631.520-2	Fast Air Almacenes de Carga S.A.	Chile	CLP	0.0000	100.0000	100.0000	0.0000	100.0000	100.0000
Foreign	Laser Cargo S.R.L.	Argentina	ARS	0.0000	100.0000	100.0000	0.0000	100.0000	100.0000
Foreign	Lan Cargo Overseas Limited and Subsidiaries	Bahamas	US$	0.0000	0.0000	0.0000	0.0000	100.0000	100.0000
96.969.690-8	Lan Cargo Inversiones S.A. and Subsidiary	Chile	US$	0.0000	100.0000	100.0000	0.0000	100.0000	100.0000
96.575.810-0	Inversiones Lan S.A.	Chile	US$	99.9000	0.1000	100.0000	99.9000	0.1000	100.0000
96.847.880-K	Technical Training 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	Professional Airline Services INC.	U.S.A.	US$	100.0000	0.0000	100.0000	100.0000	0.0000	100.0000
Foreign	Jarletul S.A.	Uruguay	US$	0.0000	100.0000	100.0000	0.0000	100.0000	100.0000
Foreign	Latam Travel S.R.L.	Bolivia	US$	99.0000	1.0000	100.0000	99.0000	1.0000	100.0000
76.262.894-5	Latam Travel Chile II S.A.	Chile	US$	99.9900	0.0100	100.0000	99.9900	0.0100	100.0000
Foreign	Latam Travel S.A.	Argentina	ARS	94.0100	5.9900	100.0000	94.0100	5.9900	100.0000
Foreign	TAM S.A. and Subsidiaries (*)	Brazil	BRL	63.0987	36.9013	100.0000	63.0901	36.9099	100.0000

(*) As of December 31, 2023, the indirect participation percentage of TAM S.A. and its Subsidiaries is from Holdco I S.A., a company which LATAM Airlines Group S.A. has a 100% share on economic rights and 51.04% of political rights. Its percentage arose as a result of the provisional measure No. 863 of the Brazilian government implemented in December of 2018 that allows foreign capital to have up to 100% of the share ownership of a Brazilian Airline.

b) Financial Information

		Statement of financial position						Net Income For the year ended At December 31,	
		As of December 31, 2023			As of December 31, 2022			2023	2022
Tax No.	Company	Assets	Liabilities	Equity	Assets	Liabilities	Equity	Gain /(loss)	
		ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$
96.969.680-0	Lan Pax Group S.A. and Subsidiaries (*)	487,236	1,835,537	(1,000,622)	392,232	1,727,968	(1,342,687)	7,514	(121,673)
Foreign	Latam Airlines Perú S.A.	334,481	285,645	48,836	335,773	281,178	54,595	(4,666)	(12,726)
93.383.000-4	Lan Cargo S.A.	391,430	189,019	202,411	394,378	212,094	182,284	22,677	(1,230)
76.717.244-3	Prime Cargo SpA.	912	—	912	—	—	—	—	—
Foreign	Connecta Corporation	64,054	6,790	57,264	78,905	22,334	56,571	693	14,814
Foreign	Prime Airport Services Inc. and Subsidiary (*)	19,435	17,241	2,194	25,118	24,305	813	1,380	1,838
96.951.280-7	Transporte Aéreo S.A.	280,117	151,066	129,051	283,166	177,109	106,057	24,871	(36,190)
96.631.520-2	Fast Air Almacenes de Carga S.A.	14,255	10,455	3,800	16,150	12,623	3,527	462	1,154
Foreign	Laser Cargo S.R.L.	—	1	(1)	—	3	(3)	—	—
Foreign	Lan Cargo Overseas Limited and Subsidiaries (*)	—	—	—	35,991	15,334	20,656	—	(1,287)
96.969.690-8	Lan Cargo Inversiones S.A. and Subsidiary (*)	166,503	80,502	(71,744)	220,144	148,489	11,661	(5,345)	(11,901)
96.575.810-0	Inversiones Lan S.A. (*)	1,238	50	1,188	1,281	56	1,225	(36)	(14)
96.847.880-K	Technical Training LATAM S.A.	1,246	893	353	1,417	1,110	307	165	77
Foreign	Latam Finance Limited	114	208,621	(208,507)	3,011	211,517	(208,506)	(1)	169,582
Foreign	Professional Airline Services INC.	15,571	10,943	4,628	56,895	53,786	3,109	1,681	258
Foreign	Jarletul S.A.	16	1,101	(1,085)	16	1,109	(1,093)	8	(2)
Foreign	Latam Travel S.R.L.	92	—	92	92	5	87	5	154
76.262.894-5	Latam Travel Chile II S.A.	356	1,239	(883)	368	1,234	(866)	(16)	2
Foreign	Latam Travel S.A.	4,547	1,554	2,993	7,303	2,715	4,588	940	(6,187)
Foreign	TAM S.A. and Subsidiaries (*)	4,240,748	3,027,373	1,212,329	3,497,848	4,231,547	(733,699)	740,783	(69,932)

(*) The Equity reported corresponds to Equity attributable to owners of the parent, it does not include Non-controlling participation.

In addition, the following 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 (Liquidated in May 2023); and (3) Yamasa Sangyo Aircraft LA1 Kumiai, Yamasa Sangyo Aircraft LA2 Kumiai, earmarked for aircraft financing. These companies have been consolidated as required by IFRS 10.

All entities over which LATAM has control have been included in the consolidation. The Company has analyzed the control criteria in accordance with the requirements of IFRS 10.

Changes occurred in the consolidation perimeter between January 1, 2022 and December 31, 2023, are detailed below:

(1) Incorporation or acquisition of companies

- On December 22, 2022, LATAM Airlines Group S.A. purchased of 1,390,468,967 preferred shares of Latam Travel S.A.;consequently, the shareholding composition of Latam Travel S.A. is as follows: Lan Pax Group S.A. with 5.69%, Inversora Cordillera S.A. with 0.30% and LATAM Airlines Group S.A. with 94.01%. These transactions were between LATAM Airlines Group entities and therefore did not generate any effects within the consolidated financial statements.

- On March 29, 2023, a capital increase was made in TAM S.A. carried out a capital increase, through the contribution of LATAM Airlines Group S.A. of accounts receivable for ThUS$785,865; consequently, there were no significant changes in the shareholder composition and therefore did not generate any effect within the Consolidated Financial Statements.

- On March 29, 2023, a capital increase was made in TAM Linheas Aéreas S.A carried out a capital increase, through the contribution of TAM S.A. of accounts receivable for ThUS$785,865; consequently, there were no significant changes in the shareholder composition and therefore did not generate any effect within the Consolidated Financial Statements.

- On March 29, 2023, a capital increase was made in Aerovías de Integración Regional S.A. Aires S.A. through the contribution of made a capital increase where Holdco Colombia I SpA made a contribution through accounts receivable for ThUS$120,410, consequently, there were no significant changes in the shareholder composition and therefore did not generate any effect within the Consolidated Financial Statements.

- On April 14, 2023, a capital reduction was carried out in Lan Argentina S.A. through the absorption of losses in the sum of ThUS$160,170. Consequently, there were no significant changes in the shareholding composition and therefore it did not generate any effect within the Consolidated Financial Statements.

- On June 7, 2023, a capital increase was made in TAM S.A. carried out a capital increase, through the contribution of LATAM Airlines Group S.A. of accounts receivable for ThUS$308,031, consequently, there were no significant changes in the shareholder composition and therefore did not generate any effect within the Consolidated Financial Statements.

- On June 7, 2023, a capital increase was made in TAM Linheas Aéreas S.A carried out a capital increase, through the contribution of TAM S.A. of accounts receivable for ThUS$308,031, consequently, there were no significant changes in the shareholder composition and therefore did not generate any effect within the Consolidated Financial Statements.

- On June 13 and 14, 2023, Inversiones Lan S.A. made a purchase of 923 shares from third parties, for an a total amount of ThUS$ 23, of the subsidiary Aerovías de Integración Regional S.A. Aires S.A., consequently, these transactions generated a decrease in the non-controlling interest, without generating significant effects on the Consolidated Financial Statements.

- On July 21, 2023, a capital increase was carried out in Latam Airlines Ecuador S.A through the contribution of accounts receivable held by Holdco Ecuador S.A for ThUS$3,100, consequently, there were no significant changes in the shareholding composition and Therefore, it did not generate any effect within the Consolidated Financial Statements.

- On July 28, 2023, Lan Cargo S.A purchased 1 share of Lan Cargo Overseas Limited from Inversiones Lan S.A. Consequently, there were no significant changes in the shareholding composition and therefore did not generate any effect within the Consolidated Financial Statements.

- On August 1, 2023, Inversiones Lan S.A. purchased 1 share of Americonsult SA de CV from Lan Cargo Overseas Limited. Consequently, there were no significant changes in the shareholding composition and therefore did not generate any effect within the Consolidated Financial Statements.

- On August 4, 2023, the merger of Holdco Colombia II SpA into Lan Pax Group S.A takes place, acquiring the latter all of its assets, liabilities, rights and obligations. As a result of the above, Holdco Colombia II SpA is dissolved. On the same date Lan Pax Group S.A carries out a capital increase of ThUS$347 in Holdco Colombia I SpA through the contribution of 47,010 shares of Aerovías de Integración Regional S.A. These transactions were carried out between entities under common control of LATAM Airlines Group S.A. Group. and, therefore, did not generate any effect within the Consolidated Financial Statements.

- On September 11, 2023, the company Mas Investment Limited was liquidated and its controller Lan Cargo Overseas Limited acquired all its assets, liabilities, rights and obligations, as a result of the liquidation, including the investments that Mas Investment Limited held in the following companies: (i) Consultoría Administrativa Profesional S.A. de C.V., equivalent to 49,500 shares; (ii) Americonsult, S.A. de C.V., equivalent to 499 shares; (iii) Transporte Aéreo S.A. equivalent to 109,662 shares; and (iv) Inversiones Aereas S.A., equivalent to 15,216 shares. These transactions were carried out between entities under common control of LATAM Airlines Group S.A. and, therefore, did not generate any effect within the Consolidated Financial Statements.

- On September 11, 2023, the company Lan Cargo Overseas Limited was liquidated and its controller Lan Cargo S.A acquired all its all its assets, liabilities, rights and obligations, as a result of the liquidation, including the investments that Lan Cargo Overseas Limited held in the following companies: (i) Prime Airport Services Inc., equivalent to 105 shares; (ii) Americonsult de Costa Rica S.A, equivalent to 66 shares; (iii) Americonsult de Guatemala, Sociedad Anónima, equivalent to 50 shares; (iv) Consultoría Administrativa Profesional S.A. de C.V., equivalent to 49,500 shares; (v) Americonsult, S.A. de C.V., equivalent to 499 shares; (vi) Transporte Aéreo S.A. equivalent to 109,662 shares; and (vii) Inversiones Aereas S.A., equivalent to 15,216 shares. These transactions were carried out between entities under common control of LATAM Airlines Group S.A. and, therefore, did not generate any effect within the Consolidated Financial Statements.

- On September 15, 2023, a capital increase was made in TAM S.A. through the contribution of ThUS$106,104 on accounts receivable from LATAM Airlines Group S.A.; consequently, there were no significant changes in the shareholder composition and therefore did not generate any effect within the Consolidated Financial Statements.

- On September 15, 2023, a capital increase was made in TAM Linheas Aéreas S.A through the contribution of ThUS$106,104 on accounts receivable from TAM S.A., consequently, there were no significant changes in the shareholder composition and therefore did not generate any effect within the Consolidated Financial Statements.

- On October 23 and 30, 2023, Inversiones Lan S.A. purchased a total 183 shares from Non-controlling interest, for an a total amount of ThUS$2, of the subsidiary Aerovías de Integración Regional S.A. Aires S.A., consequently, these transactions generated a decrease in non-controlling interest, with no generating significant effects on the Consolidated Financial Statements.

- On December 6, 2023, the company Prime Cargo SpA was incorporated, which is 100% owned by Lan Cargo S.A., whose exclusive purpose is to carry out storage activities for all types of products and/or merchandise.

- On December 29, 2023, LATAM Airlines Group S.A. purchased of 2,392,166 preferred shares of Inversora Cordillera S.A. a Transportes Aéreos del Mercosur S.A.;consequently, the shareholding composition of Inversora Cordillera S.A. is as follows: Lan Pax Group S.A. with 99.95% and LATAM Airlines Group S.A. with 0.05%. These transactions were between subsidiaries of LATAM Airlines Group not generating any effects within the Consolidated Financial Statements.

- On December 29, 2023, LATAM Airlines Group S.A. purchased of 53,376 preferred shares of LAN Argentina S.A. a Transportes Aéreos del Mercosur S.A.;consequently, the shareholding composition of LAN Argentina S.A. is as follows: Lan Pax Group S.A. with 4.99%, Inversora Cordillera S.A. with 94.96% and LATAM Airlines Group S.A. with 0.05%. These transactions were between subsidiaries of LATAM Airlines Group not generating any effects within the Consolidated Financial Statements.

NOTE 2 - SUMMARY OF MATERIAL 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. and Subsidiaries as of December 31, 2023 and 2022, have been prepared in accordance with the International Financial Reporting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards) and with the interpretations issued by the International Financial Reporting Standards Interpretations Committee (IFRIC IC).

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 Accounting Standards 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 describe 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.

These consolidated financial statements have been prepared in accordance with the accounting policies used by the Company in the preparation of the 2022 consolidated financial statements, except for the standards and interpretations adopted as of January 1, 2023.

(a) Application of new standards for the year 2023:

Accounting pronouncements with implementation effective from January 1, 2023:

(i) Standards and amendments	Issuance Date	Effective Date:
IFRS 17: Insurance contracts, replaces IFRS 4.	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 IAS 1: Presentation of financial statements, on materiality accounting policies.	February 2021	01/01/2023
Amendment to IAS 8: Accounting policies, changes in accounting estimates and error, on separating between changes in accounting estimates and changes in accounting policies.	February 2021	01/01/2023
Amendment to IAS 12: Income taxes, on international tax reform – rules of the two pillar model.	May 2023	01/01/2023
Amendment to IAS 12: Income taxes, Deferred taxes related to assets and liabilities that arise from a single transaction.	May 2021	01/01/2023

The application of these accounting standards as of January 1, 2023, had no significant effect on the Company's consolidated financial statements.

(b) Accounting pronouncements not in force for the financial year beginning on January 1, 2023:

(i) Standards and amendments	Issuance Date	Effective Date:
Amendment to IAS 1: Presentation of financial statements, on classification of liabilities.	January 2020	01/01/2024
Amendment to IAS 1: Presentation of financial statements, on non-current liabilities with covenants.	October 2022	01/01/2024
Amendment to IFRS 16: Leases, on sales with leaseback.	September 2022	01/01/2024
Amendment to IFRS 10: Consolidated financial statements and IAS 28: Investments in associates and joint ventures.	September 2014	Not determined
Amendments to IAS 7 "Statement of cash flows" and IFRS 7 "Financial Instruments: Information to be Disclosed"	May 2023	01/01/2024
Amendments to IAS 21: Lack of Exchangeability	August 2023	01/01/2025

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 Exit

Chapter 11 Filing and Procedure: Due to the effects on the operation of the restrictions established in the countries to control the effects of the COVID-19 pandemic, on May 25, 2020 the Board of LATAM Airlines Group S.A. ("LATAM Parent") resolved unanimously that LATAM Parent and some its subsidiaries 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, which petition was submitted on May 26, 2020 and was jointly administered under Case Number 20-11254. Subsequently, Piquero Leasing Limited (July 7, 2020) and TAM S.A. and its subsidiaries in Brazil (July 9, 2020) joined the process (the voluntary petitions, collectively, the "Bankruptcy Filing" and each LATAM entity that filed a petition, a "Debtor" and jointly, the "Debtors").

The Bankruptcy Filing for each of the Debtors (each one, respectively, a "Petition Date") was jointly administered under the caption "In re LATAM Airlines Group S.A. et al." Case Number 20-11254. On June 18, 2022, the Bankruptcy Court issued a memorandum decision approving the Debtors' joint plan of reorganization (the "Plan") and rejecting all remaining objections and entered an order confirming the Plan (the "Confirmation Order"). On November 3, 2022 (the "Effective Date"), the Plan was substantially consummated and each of the Debtors emerged from the Chapter 11 proceedings as "Reorganized Debtors". Pursuant to the Plan, the Company received an infusion of approximately US$8.19 billion through a mix of new equity, convertible notes and debt, which enabled the Company to exit Chapter 11 with appropriate capitalization to effectuate its business plan. Upon emergence, the Company had total debt of approximately US$6.8 billion, cash and cash equivalents of approximately US$1.1 billion and revolving undrawn facilities in the amount of US$1.1 billion. Specifically, the Plan provided that:

- The Company conducted a US$800 million common equity rights offering, open to all shareholders in accordance with their preemptive rights under applicable Chilean law, and fully backstopped by the parties participating in the Restructuring Support Agreement (RSA);
- Three distinct classes of convertible notes were issued by the Company, all of which were preemptively offered to shareholders. The preemptive rights offering period closed on October 12, 2022. For those securities not subscribed by the Company's shareholders during the respective preemptive rights period:

- New Convertible Notes Class A, hereinafter Class G Convertible notes (by the denomination with which they were registered in the Registro de Valores of the CMF), were delivered to certain general unsecured creditors of the Company in settlement of their allowed claims under the Plan.

  The Issuance conditions:
  Nominal Value : Approximately ThUS$1,257,003
  Conversion Ratio: 15.904615504595600. The Convertible Notes Class G Conversion Ratio shall step down by 50% after the sixty days (60) counted from the Effective Date.
  Backup Shares: 19,992,142,087
  Maturity: 31 Dec. 2121
  Interest rate: 0%
  Conversion Conditions: They may be converted into shares of the Company within twelve months from the Effective Date of the Plan. As soon as 50% of the holders of New Class G Convertible Notes have opted to convert, the remaining Class G Convertible Notes will be automatically converted.

- New Convertible Notes Class B, hereinafter Class H Convertible notes (by the denomination with which they were registered in the Registro de Valores of the CMF), were subscribed and purchased by the shareholder that are part of the RSA.

  The Issuance conditions:
  Nominal Value: Approximately ThUS$1,372,840
  Conversion Ratio: 92.2623446840237. The conversion ratio of Class H Convertible Notes will be reduced by 50% after the sixty days (60) counted from the fifth (5th) anniversary from the Effective Date .
  Backup Shares: 126,661,409,136
  Maturity: 31 Dec. 2121
  Interest rate: 1% interest rate payable in cash annually with no interest in the first 60 days.
  Conversion Conditions:

  a) First Convertible Notes Class H Conversion Period: Each holder of Convertible Notes Class H will have the ability to convert its Convertible Notes Class H into shares of the Company within sixty (60) days from the Effective Date.

  b) Second Convertible Notes Class H Conversion Period: Additionally, each holder of Convertible Notes Class H will have the ability to convert their Convertible Notes Class H into shares of the Company beginning on the fifth (5th) anniversary of the Effective Date and until the sixth (6th) anniversary of the Effective Date.

- New Convertible Notes Class C, hereinafter Class I Convertible notes (by the denomination with which they were registered in the Registro de Valores of the CMF), were provided to certain general unsecured creditors in exchange for a combination of a contribution of new money to the Company and the settlement of their allowed claims under the Plan, subject to certain limitations and holdbacks by the backstopping parties.

  The Issuance conditions:
  Nominal Value: Approximately ThUS$6,863,427
  Conversion Ratio: 56.143649821654. The Convertible Notes Class I Conversion Ratio shall step down by 50% after the sixty days (60) counted from the Effective Date.
  Backup Shares: 385,337,858,290
  Maturity: 31 Dec. 2121
  Interest rate: 0%
  Conversion Conditions: They may be converted into shares within 12 months from the Effective Date of the Plan. As soon as 50% of the holders of Class I Convertible Notes have opted to convert, then the remaining Class I Convertible Notes will be automatically converted.

- The election period for the Convertible Notes Class G and Convertible Notes Class I by creditors ended on October 6, 2022.

- General unsecured creditors that elected to receive Convertible Notes Class G or Convertible Notes Class I were entitled to receive a one-time cash distribution in an aggregate amount of approximately US$175 million.

- The Convertible Notes Classes H and I were issued, totally or partially, in consideration of a new money contribution for the aggregate amount of approximately US$4.64 billion fully backstopped by the parties to the RSA.

- In lieu of receiving Convertible Notes Class G or Convertible Notes Class I (and the aforementioned one-time cash distribution), general unsecured creditors were provided with the alternative of opting to receive New Local Notes issued by LATAM. As set forth in the Plan and based on the elections made by general unsecured creditors, such notes were issued in the amount of UF 3,818,042 (equal to approximately US$130 million as of the date of their issuance).

Pursuant to the Plan and Backstop Agreements, LATAM raised up to US$500 million through a new revolving credit facility and approximately US$2.25 billion in total new money debt financing through exit financing (new term loan and new notes).

On September 2, 2022, the Convertible Notes Classes G, H and I together with the shares contemplated in the Plan were registered with the Chilean Registro de Valores of the Financial Market Commission (the "CMF"). The CMF approved the New Local Notes on September 5, 2022. The Debtors established September 12, 2022 as the record date with respect to creditors entitled to participate in the Convertible Notes Class G and Convertible Notes Class I, and commenced the offering of the Convertible Notes to claimholders on the same day.

As of December 31, 2023, 100.000% of the Convertible Notes Class G was placed, 99.997% of the Convertible Notes Class H was placed and 100.000% of the Convertible Notes Class I was placed had been converted into equity, respectively (See Note 24)

As of the Effective Date, the Plan was substantially consummated. Pursuant to the Plan, the Reorganized Debtors were permitted to operate their businesses and manage their properties without supervision of the Bankruptcy Court and free of the restrictions of the Bankruptcy Code.

As customary in this type of restructurings, the docket of the Chapter 11 proceedings remained open after the Effective Date to finalize the reconciliation process of certain claims that were still outstanding as of the Effective Date, as well as to resolve certain administrative matters.

On June 29, 2023, the Bankruptcy Court entered a final decree in the Chapter 11 proceedings ordering that Case Number 20-11254 and its docket be closed (the "Final Decree"). The foregoing, as a result of the resolution of substantially all remaining matters in the Chapter 11 proceedings and all appeals of the Confirmation Order.

As part of their overall reorganization process, while the Chapter 11 proceedings were outstanding the Debtors sought and received relief in certain non-U.S. jurisdictions (i.e., Cayman Islands, Chile and Colombia).

2.2. Basis of Consolidation

(a) Subsidiaries

Subsidiaries are all the entities (including special-purpose entities) over which the Company has the power to control the financial and operating policies, which are generally accompanied by a holding of more than half of the voting rights. In evaluating whether the Company controls another entity, the existence and effect of potential voting rights that are currently exercisable or convertible at the date of the consolidated financial statements are considered. The subsidiaries are consolidated from the date on which control is passed to the Company and they are excluded from the consolidation on the date they cease to be so controlled. The results and cash are incorporated from the date of acquisition.

Balances, transactions and unrealized gains on transactions between the Company's entities are eliminated. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment loss of the asset transferred. When necessary, in order to ensure uniformity with the policies adopted by the Company, the accounting policies of the subsidiaries are modified.

To account for and identify the financial information to be disclosed when carrying out a business combination, such as the acquisition of an entity by the Company, the acquisition method provided for in IFRS 3: Business combinations is used.

(b) Transactions with non-controlling interests

The Group applies the policy of considering transactions with non-controlling interests, when not related to the loss of control, as equity transactions without an effect on income.

(c) Sales of subsidiaries

When a subsidiary is sold and a percentage of participation is not retained, the Company derecognizes the assets and liabilities of the subsidiary, the non-controlling interest and other components of equity related to the subsidiary. Any gain or loss resulting from the loss of control is recognized in the consolidated income statement by function within Other gains (losses).

If LATAM Airlines Group S.A. and Subsidiaries retain an ownership of participation in the disposed subsidiary which does not represent control, this is recognized at fair value on the date that control is lost and the amounts previously recognized in Other comprehensive income are accounted as if the Company had disposed directly the assets and related liabilities, which can cause these amounts to be reclassified to profit or loss. The percentage retained valued at fair value is subsequently accounted using the equity method.

(d) Investees or associates

Investees or associates are all entities over which LATAM Airlines Group S.A. and Subsidiaries have significant influence but have no control. This usually arises from holding between 20% and 50% of the voting rights. Investments in associates are booked using the equity method and are initially recognized at their cost.

2.3. Foreign currency transactions

(a) Presentation and functional currencies

The items included in the financial statements of each of the entities of LATAM Airlines Group S.A. and its 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 Accounting Standards, hyperinflationary. The consolidated financial statements of the subsidiaries whose functional currency is the Argentine Peso have been restated.

The non-monetary items of the statement of financial position as well as the income statement, comprehensive income and cash flows of the group's entities, whose functional currency corresponds to a hyperinflationary economy, are adjusted for inflation and re-expressed in accordance with the variation of the consumer price index ("CPI"), at each presentation date of its financial statements. The re-expression of non-monetary items is made from the date of initial recognition in the statements of financial position and considering that the financial statements are prepared under the historical cost criterion.

Net losses or gains arising from the re-expression of non-monetary ítems and income and costs are recognized in the consolidated income statement under "Result of indexation units".

Net gains and losses on the re-expression of opening balances due to the initial application of IAS 29 are recognized in consolidated retained earnings.

Re-expression due to hyperinflation will be recorded until the period or exercise in which the economy of the entity ceases to be considered as a hyperinflationary economy. At that time, the adjustments made by hyperinflation will be part of the cost of non-monetary assets and liabilities.

The comparative amounts in the consolidated financial statements of the Company are presented in a stable currency and are not adjusted for subsequent changes in the price level or exchange rates.

(d) Group entities

The results and the financial situation of the Group's entities, whose functional currency is different from the presentation currency of the consolidated financial statements, of LATAM Airlines Group S.A., which does not correspond to the currency of a hyperinflationary economy, are converted into the currency of presentation as follows:

(i) Assets and liabilities of each consolidated statement of financial position presented are translated at the closing exchange rate on the consolidated statement of financial position date;

(ii) The revenues and expenses of each income statement account are translated at the exchange rates prevailing on the transaction dates, and

(iii) All the resultant exchange differences by conversion are shown as a separate component in other comprehensive income, within "Gain (losses) from exchange rate difference, before tax".

For those subsidiaries of the group whose functional currency is different from the presentation currency and corresponds to the currency of a hyperinflationary economy; its restated results, cash flow and financial situation are converted to the presentation currency at the closing exchange rate on the date of the consolidated financial statements.

The exchange rates used correspond to those fixed in the country where the subsidiary is located, whose functional currency is different to the U.S. dollar.

2.4. Property, plant and equipment

The land of LATAM Airlines Group S.A. and its Subsidiaries, are recognized at cost less any accumulated impairment loss. The rest of the Property, plant and equipment are recorded, both at their initial recognition and their subsequent measurement, at their historical cost, restated for inflation when appropriate, less the corresponding depreciation and any loss due to impairment.

The amounts of advances paid to the aircraft manufacturers are capitalized by the Company under Construction in progress until they are received.

Subsequent costs (replacement of components, improvements, extensions, etc.) are included in the value of the initial asset or are recognized as a separate asset, only when it is probable that the future economic benefits associated with the elements of property, plant and equipment, will flow to the Company and the cost of the item can be determined reliably. The value of the replaced component is written off. The rest of the repairs and maintenance are charged to income when they are incurred.

The depreciation of the Property, plant 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 assets are reviewed and adjusted, if necessary, once a year. Useful lives are detailed in Note 16 (d).

When the value of an asset exceeds its estimated recoverable amount, its value is immediately reduced to its recoverable amount.

Losses and gains from the sale of property, plant and equipment are calculated by comparing the consideration with the book value and are included in the consolidated statement of income.

2.5. Intangible assets other than goodwill

(a) Airport slots and Loyalty program

Airport slots and the Loyalty program correspond to intangible assets with indefinite useful lives and are annually tested for impairment as an integral part of the CGU Air Transport.

Airport Slots correspond to an administrative authorization to carry out operations of arrival and departure of aircraft, at a specific airport, within a certain period of time.

The Loyalty program corresponds to the system of accumulation and exchange of points that is part of TAM Linhas Aereas S.A.

The airport slots and Loyalty program were recognized at fair value under IFRS 3, as a consequence of the business combination with TAM S.A. and Subsidiaries.

(b) Computer software

Licenses for computer software acquired are capitalized on the basis of the costs incurred in acquiring them and preparing them for using the specific software. These costs are amortized over their estimated useful lives, for which the Company has defined useful lives between 3 and 10 years.

Expenses related to the development or maintenance of computer software which do not qualify for capitalization, are shown as an expense when incurred. The personnel costs and other costs directly related to the production of unique and identifiable computer software controlled by the Company, are shown as intangible Assets other than Goodwill when they have met all the criteria for capitalization.

2.6. Borrowing costs

Interest costs incurred for the construction of any qualified asset are capitalized over the time necessary for completing and preparing the asset for its intended use. Other interest costs are recognized in the consolidated statement of income by function when accrued.

2.7. Losses for impairment of non-financial assets

Intangible assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Assets subject to amortization are tested for impairment losses whenever any event or change in circumstances indicates that the carrying amount may not be recoverable. An impairment loss is recognized for the excess of the carrying amount of the asset over its recoverable amount. The recoverable amount is the fair value of an asset less the costs of sale or the value in use, whichever is greater. For the purpose of evaluating impairment losses, assets are grouped at the lowest level for which there are largely independent cash inflows (cash generating unit. Non-financial assets, other than goodwill, that would have suffered an impairment loss are reviewed if there are indicators of reversal of losses. Impairment losses are recognized in the consolidated statement of income by function under "Other gains (losses)".

2.8. Financial assets

The Company classifies its financial assets in the following categories: at fair value (either through other comprehensive income, or through gains or losses), and at amortized cost. The classification depends on the business model of the entity to manage the financial assets and the contractual terms of the cash flows.

The group reclassifies debt investments when, and only when, it changes its business model to manage those assets.

In the initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset classified at amortized cost, the transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets accounted for at fair value through profit or loss are recorded as expenses in the consolidated statement of income by function.

(a) Debt instruments

The subsequent measurement of debt instruments depends on the group's business model to manage the asset and cash flow characteristics of the asset. The Company has two measurement categories in which the group classifies its debt instruments:

Amortized cost: the assets held for the collection of contractual cash flows where those cash flows represent only payments of principal and interest are measured at amortized cost. A gain or loss on a debt investment that is subsequently measured at amortized cost and is not part of a hedging relationship is recognized in income when the asset is derecognized or impaired. Interest income from these financial assets is included in financial income using the effective interest rate method.

Fair value through profit or loss: assets that do not meet the criteria of amortized cost or fair value through other comprehensive income are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognized in profit or loss and is presented net in the consolidated statement of income by function within other gains / (losses) in the period or exercise in which it arises.

(b) Equity instruments

Changes in the fair value of financial assets at fair value through profit or loss are recognized in other gains / (losses) in the consolidated statement of income by function as appropriate.

The Company evaluates in advance the expected credit losses associated with its debt instruments recorded at amortized cost. The applied impairment methodology depends on whether there has been a significant increase in credit.

2.9. Derivative financial instruments and embedded derivatives

Derivative financial instruments and hedging activities

Initially at fair value on the date on which the derivative contract was made and are subsequently valued at their fair value. The method to recognize the resulting loss or gain depends on whether the derivative designated as a hedging instrument and, if so, the nature of the item being hedged.

The Company designates certain derivatives as:

(a) Hedge of an identified risk associated with a recognized liability or an expected highly- probable transaction (cash-flow hedge), or

(b) Derivatives that do not qualify for hedge accounting.

At the beginning of the transaction, the Company documents the economic relationship between the hedged items existing between the hedging instruments and the hedged items, as well as its objectives for risk management and the strategy to carry out various hedging operations. The Company also documents its assessment, both at the beginning and on an ongoing basis, as to whether the derivatives used in the hedging transactions are highly effective in offsetting the changes in the fair value or cash flows of the items being hedged.

The total fair value of the hedging derivatives is booked as Other non-current financial asset or liability if the remaining maturity of the item hedged is over 12 months, and as an Other current financial asset or liability if the remaining term of the item hedged is less than 12 months. Derivatives not booked as hedges are classified as Other financial assets or liabilities.

(a) Cash flow hedges

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is shown in the statement of other comprehensive income. The loss or gain relating to the ineffective portion is recognized immediately in the consolidated statement of income by function under other gains (losses). Amounts accumulated in equity are reclassified to profit or loss in the periods or exercise when the hedged item affects profit or loss. When these amounts correspond to hedging derivatives of highly probable items that give rise to non-financial assets or liabilities, in which case, they are recorded as part of the non-financial assets or liabilities.

For fuel price hedges, the amounts shown in the statement of other comprehensive income are reclassified to results under the line-item Cost of sales to the extent that the fuel subject to the hedge is used.

Gains or losses related to the effective part of the change in the intrinsic value of the options are recognized in the cash flow hedge reserve within equity. Changes in the time value of the options related to the part are recognized within Other Consolidated Comprehensive Income in the costs of the hedge reserve within equity.

When a hedging instrument matures, is sold, or fails to meet the requirements to be accounted for as a hedge, 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)”.

Embedded derivatives

The Company assesses the existence of embedded derivatives in financial instrument contracts. Derivatives embedded in non-derivative host contracts are treated as separate derivatives when they meet the definition of a derivative, their risks and characteristics are not closely related to those of the host contracts and the contracts are not measured at FVTPL as a whole. LATAM Airlines Group S.A. has determined that no embedded derivatives currently exist.

2.10. Inventories

Inventories, are shown at the lower of cost and their net realizable value. The cost is determined on the basis of the weighted average cost method (WAC). The net realizable value is the estimated selling price in the normal course of business, less estimated costs necessary to make the sale.

2.11. Trade and other accounts receivable

Commercial accounts receivable are initially recognized at their fair value and subsequently at their amortized cost in accordance with the effective rate method, less the provision for impairment according to the model of the expected credit losses. The Company applies the simplified approach permitted by IFRS 9, which requires that expected lifetime losses be recognized upon initial recognition of accounts receivable.

In the event that the Company transfers its rights to any financial asset (generally accounts receivable) to a third party in exchange for a cash payment, the Company evaluates whether all risks and rewards have been transferred, in which case the account receivable is derecognized.

The existence of significant financial difficulties on the part of the debtor, the probability that the debtor goes bankrupt or financial reorganization are considered indicators of a significant increase in credit risk.

The carrying amount of the asset is reduced as the provision account is used and the loss is recognized in the consolidated income statement under "Cost of sales". When an account receivable is written off, it is regularized against the provision account for the account receivable.

2.12. Cash and cash equivalents

Cash and cash equivalents include cash and bank balances, time deposits in financial institutions, and other short-term and highly liquid investments and a low risk of loss of value.

2.13. Capital

The common shares are classified as net equity.

Incremental costs directly attributable to the issuance of new shares or options are shown in net equity as a deduction from the proceeds received from the placement of shares.

2.14. Trade and other accounts payables

Trade payables and other accounts payable are initially recognized at fair value and subsequently at amortized cost.

2.15. Interest-bearing loans

Financial liabilities are shown initially at their fair value, net of the costs incurred in the transaction. Later, these financial liabilities are valued at their amortized cost; any difference between the proceeds obtained (net of the necessary arrangement costs) and the repayment value, is shown in the consolidated statement of income during the term of the debt, according to the effective interest rate method.

Financial liabilities are classified in current and non-current liabilities according to the contractual payment dates of the nominal principal.

Convertible Notes

The component parts of the convertible notes issued by LATAM Airlines Group S.A. are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for similar non-convertible instruments. This amount is recorded as a liability on an amortized cost basis using the effective interest method until extinguished upon conversion or at the instrument’s maturity date. The conversion option classified as equity is determined by the deducting the amount of the liability component from the fair value of the compound instrument as a whole. This is recognized and included in other equity, net of income tax effects. and is not subsequently remeasured. In addition, the conversion option classified as equity will remain in other equity until the conversion option is exercised, in which case, the balance recognized in other equity will be transferred to share capital. Where the conversion option remains unexercised at maturity date of the convertible bond, the balance recognized in other equity will be transferred to retained earnings. No gain or loss is recognized in profit or loss upon conversion or expiration of the conversion option.

Transaction costs that relate to the issue of the convertible notes are allocated to the liability and equity components in proportion to the allocation of the gross proceeds. Transaction costs relating to the equity component are charged directly to equity.

2.16. Current and deferred taxes

The tax expense for the period or exercise comprises income and deferred taxes.

The current income tax expense is calculated based on tax laws enacted at the date of the statement of financial position, in the countries in which the subsidiaries and associates operate and generate taxable income.

Deferred taxes are recognized on the temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred income tax is accounted for if it arises from the initial recognition of an asset or a liability in a transaction other than a business combination that at the time of the transaction does not affect the accounting or the taxable profit or loss. Deferred tax is determined using the tax rates (and laws) that have been enacted or substantially enacted at the date of the consolidated statements of financial position and are expected to apply when the related deferred tax asset is realized or the deferred tax liability discharged.

Deferred tax assets are recognized only to the extent it is probable that the future taxable profit will be available against which the temporary differences can be utilized.

The tax (current and deferred) is recognized in the statement of income by function, unless it relates to an item recognized in other comprehensive income, directly in equity. In this case the tax is also recognized in other comprehensive income or, directly in the statement of income by function, respectively.

Deferred tax assets and liabilities are offset if, and only if:

(a) there is a legally enforceable right to set off current tax assets and liabilities, and

(b) the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either: (i) the same taxable entity, or (ii) different taxable entities which intend to settle current tax liabilities and assets on a net basis, or to realize the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

LATAM Airlines Group S.A has evaluated the potential impact from the implementation of the “GloBE or Pillar Two rules”, which seeks to ensure that multinational groups pay a minimum effective tax rate of 15%. As of December 31, 2023, this regulation has not been adopted in Chile (where LATAM has its headquarters) or in other jurisdictions where LATAM Airlines Group S.A has operating companies. Therefore, it has not been necessary to estimate a potential impact of its application from its entry into force (January 1, 2023). At the close of this Financial Statements, the group does not present expenses or income for current taxes related to the Pillar Two income tax.

LATAM Airlines Group S.A. and its Subsidiaries have adopted the exception of paragraph 4A of IAS 12, incorporated in the amendment published on May 23, 2023.

2.17. Employee benefits

(a) Personnel vacations

The Company recognizes the expense for personnel vacations on an accrual basis.

(b) Share-based compensation

The compensation plans implemented based on the value of the shares of the Company are recognized in the consolidated financial statements in accordance with IFRS 2: Share-based payments, for cash settled awards the fair value, updated as of the closing date of each reporting period or exercise, is recorded as a liability with charge to remuneration.

(c) Post-employment and other long-term benefits

Provisions are made for these obligations by applying the method of the projected unit credit method, and considering estimates of future permanence, mortality rates and future wage increases determined on the basis of actuarial calculations. The discount rates are determined by reference to market interest-rate curves. Actuarial gains or losses are shown in other comprehensive income.

(d) Incentives

The Company has an annual incentives plan for its personnel for compliance with objectives and individual contribution to the results. The incentives eventually granted consist of a given number or portion of monthly remuneration and the provision is made on the basis of the amount estimated for distribution.

(e) Termination benefits

The group recognizes termination benefits at the earlier of the following dates: (a) when the group terminates the employee relationship; and (b) when the entity recognizes costs for a restructuring that is within the scope of IAS 37 and involves the payment of terminations benefits.

2.18. Provisions

Provisions are recognized when:

(i) The Company has a present legal or constructive obligation as a result of a past event;

(ii) It is probable that payment is going to be required to settle an obligation; and

(iii) A reliable estimate of the obligation amount can be made.

2.19. Revenue from contracts with customers

(a) Transportation of passengers and cargo

The Company recognizes the sale for the transportation service as a deferred income liability, which is recognized as income when the transportation service has been provided or expired. In the case of air transport services sold by the Company and that will be made by other airlines, the liability is reduced when they are remitted to said airlines. The Company periodically reviews whether it is necessary to make an adjustment to deferred income liabilities, mainly related to returns, changes, among others.

Compensations granted to clients for changes in the levels of services or billing of additional services such as additional baggage, change of seat, among others, are considered modifications of the initial contract, therefore, they are deferred until the corresponding service is provided.

(b) Expiration of air tickets

The Company estimates on a monthly basis the probability of expiration of air tickets, with refund clauses, based on their history of use. Air tickets without a refund clause expire on the date of the flight in case the passenger does not show up.

(c) Costs associated with the contract

The costs related to the sale of air tickets are capitalized and deferred until the moment of providing the corresponding service. These assets are included under the heading "Other current non-financial assets" in the Consolidated Classified Statement of Financial Position.

(d) Frequent passenger program

The Company maintains the following loyalty programs: LATAMPASS's and LATAMPASS's Brazil, 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 points that are not likely to be redeemed ("breakage").

The balance of miles and points that are pending to redeem are included within deferred revenue.

(2) Miles sold to financial and non-financial partners

To value the miles or points earned through financial and non-financial partners, the performance obligations with the client are estimated separately. To calculate these performance obligations, different components that add value in the commercial contract must be considered, such as marketing, advertising and other benefits, and finally the value of the points awarded to customers based on our ETV. The value of each of these components is finally allocated in proportion to their relative prices. The performance obligations associated with the valuation of the points or miles earned become part of the Deferred Revenue, and the remaining performance obligations are recorded as revenue when the miles or points are delivered to the client.

When the miles and points are exchanged for products and services other than the services provided by the Company, the income is recognized immediately; when the exchange is made for air tickets of any airline of LATAM Airlines Group S.A. and Subsidiaries, the income is deferred until the air transport service is provided.

The miles and points that the Company estimates will not be exchanged are recognized in the results based on the consumption pattern of the miles or points effectively exchanged by customers. The Company uses statistical models to estimate the probability of exchange, which is based on historical patterns and projections.

2.20. Leases

The Company recognizes contracts that meet the definition of a lease as a right of use asset and a lease liability on the date when the underlying asset is available for use.

Right of use assets are measured at cost including the following:

- The amount of the initial measurement of the lease liability;
- Lease payment made at or before commencement date;
- Initial direct costs, and
- Restoration costs.

The right of use assets are recognized in the statement of financial position in Property, plant and equipment.

Lease liabilities include the net present value of the following payments:

- Fixed payments including in substance fixed payment.
- Variable lease payments that depend on an index or a rate;
- The exercise price of a purchase option, if it is reasonably certain that the option will be exercised.

The discount rate that LATAM Airlines Group S.A. uses is the interest rate implicit in the lease, if that rate can be readily determined. This is the rate of interest that causes the present value of (a) lease payments and (b) the unguaranteed residual value to equal the sum of (i) the fair value of the underlying asset and (ii) any initial direct costs of the lessor.

LATAM Airlines Group S.A. uses its incremental borrowing rate if the interest rate implicit in the lease cannot be readily determined.

Lease liabilities are recognized in the statement of financial position under "Other financial liabilities, current or non-current".

Interest accrued on financial liabilities is recognized in the consolidated statement of income in "Financial costs".

Principal and interest are present in the consolidated cash flow as "Payments of lease liability" and "Interest paid", respectively, within financing cash flows.

Payments associated with short-term leases without purchase options and leases of low-value assets are recognized on a straight-line basis in profit or loss at the time of accrual. Those payments are presented within operating cash flows.

The Company analyzes the financing agreements of aircraft, mainly considering characteristics such as:

(a) That the Company initially acquired the aircraft or took an important part in the process of direct acquisition with the manufacturers.

(b) Due to the contractual conditions, it is virtually certain that the Company will execute the purchase option of the aircraft at the end of the lease term.

Since these financing agreements are "substantially purchases" and not leases, the related liability is considered as a financial debt classified under IFRS 9 and continues to be presented within the "Other financial liabilities" described in Note 18. On the other hand, the aircraft are presented in Property, Plant and Equipment, as described in Note 16, as "own aircraft".

The Group qualifies as sale and lease transactions, operations that lead to a sale according to IFRS 15. More specifically, a sale is considered as such if there is no option to purchase the goods at the end of the lease term.

If the sale by the seller-lessee is classified as a sale in accordance with IFRS 15, the underlying asset is derecognized, and a right-of-use asset equal to the portion retained proportionally of the amount of the asset is recognized.

If the sale by the seller-lessee is not classified as a sale in accordance with IFRS 15, the transferred assets are kept in the financial statements and a financial liability equal to the sale price is recognized (received from the buyer-lessor).

2.21. Non-current assets or disposal groups classified as held for sale

Non-current assets (or disposal groups) classified as assets held for sale are shown at the lesser of their book value and the fair value less costs to sell.

2.22. Maintenance

The costs incurred for scheduled heavy maintenance of the aircraft's fuselage and engines are capitalized and depreciated until the next maintenance. The depreciation rate is determined on technical grounds, according to the use of the aircraft expressed in terms of cycles and flight hours.

In case of aircraft include in property, plant and equipment, these maintenance cost are capitalized as Property, plant and equipment, while in the case of aircraft on right of use, a liability is accrued based on the use of the main components is recognized, since a contractual obligation with the lessor to return the aircraft on agreed terms of maintenance levels exists. These are recognized as Cost of sales.

Additionally, some contracts that comply with the definition of lease establish the obligation of the lessee to make deposits to the lessor as a guarantee of compliance with maintenance and return conditions. These deposits, often called maintenance reserves, accumulate until a major maintenance is performed. Once made, the recovery is requested to the lessor. At the end of the contract period, there is comparison between the reserves that have been paid and required return conditions, and compensation between the parties are made if applicable.

The unscheduled maintenance of aircraft and engines, as well as minor maintenance, are charged to results as incurred.

2.23. Environmental costs

Disbursements related to environmental protection are charged to results when incurred or accrue.

NOTE 3 - FINANCIAL RISK MANAGEMENT

3.1. Financial risk factors

The Company is exposed to different financial risks: (a) market risk, (b) credit risk, and (c) liquidity risk. The risk management of the Company aims to minimize the adverse effects of financial risks affecting the company.

(a) Market risk

Due to the nature of its operations, the Company has exposure to market factors such as: (i) fuel-price risk, (ii) exchange -rate risk (FX), and (iii) interest -rate risk.

The Company has developed manuals and procedures to manage the market risk, which goal is to identify, quantify, monitor and mitigate the adverse effects of changes in market factors mentioned above.

For the foregoing, Management monitors the evolution of fuel price levels, exchange rates and interest rates, quantifies their exposures and their risk, and develops and executes hedging strategies.

(i) Fuel-price risk

Exposure:

For the execution of its operations, the Company purchases a fuel called Jet Fuel grade 54 USGC, which is subject to the fluctuations of international fuel prices.

Mitigation:

To hedge the fuel-price risk exposure, the Company operates with derivative instruments (swaps and options) whose underlying assets may be different from Jet Fuel, such as West Texas Intermediate (“WTI”) crude, Brent (“BRENT”) crude and distillate Heating Oil (“HO”), which may have a high correlation with Jet Fuel and greater liquidity.

Fuel Hedging Results:

During the period ended December 31, 2023, the Company recognized gains of US$15.7 million for fuel hedging net of premiums in the costs of sales for the year. During the period ended December 31, 2022, the Company recognized gains of US$18.8 million for fuel hedging net of premiums in the costs of sales for the year.

As of December 31, 2023, the market value of the fuel positions amounted to US$22.10 million (positive). At the end of December 2022, this market value was US$12.6 million (positive).

The following tables show the level of hedge for different periods:

Positions as of December 31, 2023 (*)	Maturities				
	Q124	Q224	Q324	Q424	Total
Percentage of coverage over the expected volume of consumption	35%	32%	30%	22%	30%

Positions as of December 31, 2022 (*)	Maturities				
	Q123	Q223	Q323	Q423	Total
Percentage of coverage over the expected volume of consumption	24%	24%	15%	5%	17%

(*) The percentage shown in the table considers all the hedging instruments (swaps and options).

Sensitivity analysis

A drop in fuel price positively affects the Company through a reduction in costs. However, also negatively affects contracted positions as these are acquired to protect the Company against the risk of a rise in price. Therefore, the policy is to maintain a hedge-free percentage in order to be competitive in the event of a drop in price.

The current hedge positions are booked as cash flow hedge contracts, so a variation in the fuel price has an impact on the Company’s net equity.

The following table shows the sensitivity of financial instruments according to reasonable changes in the price of fuel and their effect on equity.

The calculations were made considering a parallel movement of US$ 5 per barrel in the underlying reference price curve at the end of December 2023 and the end of December 2022. The projection period was defined until the end of the last fuel hedging contract in force, being the last business day of the second half of 2024.

Benchmark price (US$ per barrel)	Positions as of December 31, 2023 effect on Equity (MUS$)	Positions as of December 31, 2022 effect on Equity (MUS$)
+5	+10.8	+2.2
-5	-10.7	-2.3

Given the fuel hedging structure for the year of 2023, 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$ 131.6 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$ 131.3 million in higher fuel costs.

(ii) Foreign exchange rate risk:

Exposure:

The functional currency of the financial statements of the Parent Company is the US dollar, so that the risk of the Transactional and Conversion exchange rate arises mainly from the Company's business, strategic and accounting operating activities that are expressed in a monetary unit other than the functional currency.

The subsidiaries of LATAM are also exposed to foreign exchange risk whose impact affects the Company's Consolidated Income.

The largest operational exposure to LATAM's exchange risk comes from the concentration of businesses in Brazil, which are mostly denominated in Brazilian real (R$), and are actively managed by the Company.

At a lower concentration, the Company is also exposed to the fluctuation of other currencies, such as: Euro, Pound sterling, Australian dollar, Colombian peso, Chilean peso, Argentine peso, Paraguayan guarani, Mexican peso, Peruvian Sol and New Zealand dollar.

Mitigation:

The Company mitigates currency risk exposures by contracting hedging or non-hedging derivative instruments or through natural hedges or execution of internal operations.

Exchange Rate Hedging Results (FX):

As of December 31, 2023, the Company recognized losses of US$10.1 million for FX hedging derivatives net of premiums reflected in the cost of sale. At the end of December of 2022, the Company recognize gains for US$5.2 million for FX hedging derivatives cost of sales.

As of December 31, 2023, the market value of hedging FX derivative positions is US$1.5 million (negative). As of December 31, 2022, the market value of the hedging FX derivative positions was US$ 0.2 million (positive). As of December 31, 2023, the Company has current hedging FX derivatives for US$414 million. . As of December 31, 2022, the Company holds current hedging FX derivatives of US$108 million.

As of December 31, 2023, the Company does not maintain for FX non-hedging derivatives. At the end of December of 2022, the Company recognized losses of US$1.8 million in non-hedging FX derivatives net of premiums reflected in Other gains/(losses).

Sensitivity analysis:

A depreciation of the R$/US$ exchange rate, negatively affects the Company's operating cash flows, however, also positively affects the value of the positions of derivatives contracted.

The following table shows the sensitivity of current hedging FX derivative instruments according to reasonable changes in the exchange rate and its effect on equity.

Appreciation (depreciation) of R$/US$	Effect on equity as of December 31, 2023 (MUS$)	Effect on equity as of December 31, 2022 (MUS$)
-10%	-10.0	-2.9
+10%	+19.0	+3.0

Impact of Exchange rate variation in the Consolidated Income Statements (Foreign exchange gains/losses).

In the case of TAM S.A., whose functional currency is the Brazilian real, a large part of its liabilities is expressed in US dollars. Therefore, when converting financial assets and liabilities, from dollar to real, they have an impact on the result of TAM S.A., which is consolidated in the Company's Income Statement.

In order to reduce the impact on the Company's result caused by appreciations or depreciations of R$/US$, the Company carries out internal operations to reduce the net exposure in US$ for TAM S.A.

The following table shows the impact of the Exchange Rate variation on the Consolidated Income Statement when the R$/US$ exchange rate appreciates or depreciates by 10%:

Appreciation (depreciation) of R$/US$	Effect on Income Statement for the year ended December 31, 2023 (MUS$)	Effect on Income Statement for the year ended December 31, 2022 (MUS$)
-10%	+6.6	+70.7
+10%	-6.6	-70.7

Impact of the exchange rate variation in the Equity, from translate the subsidiaries financial statements into US Dollars (Cumulative Translate Adjustment).

Since the functional currency of TAM S.A. and Subsidiaries is the Brazilian real, the Company presents the effects of the exchange rate fluctuations in Other comprehensive income (Cumulative Translation Adjustment) by converting the Statement of financial position and Income statement of TAM S.A. and Subsidiaries from their functional currency to the U.S. dollar, which is the presentation currency of the consolidated financial statement of LATAM Airlines Group S.A. and Subsidiaries.

The following table shows the impact on the Cumulative Translation Adjustment included in Other comprehensive income recognized in Total equity in the case of an appreciation or depreciation 10% the exchange rate R$/US$:

Appreciation (depreciation) of R$/US$	Effect at December 31, 2023 MUS$	Effect at December 31, 2022 MUS$
-10%	+327.01	+98.11
+10%	-267.56	-80.28

(iii) Interest -rate risk:

Exposure:

The Company has exposure to fluctuations in interest rates affecting the markets future cash flows of the assets, and current and future financial liabilities.

The Company is mainly exposed to the Secured Overnight Financing Rate ("SOFR") and other less relevant interest rates such as Brazilian Interbank Certificates of Deposit ("CDI") . Due to the fact that the publication of LIBOR ceased by June 30th 2023, the company has effectively migrated to SOFR as an alternative rate, which was fully materialized on September 30th 2023.

Of the company's financial debt subject to variable rates, all of the contracts maintain exposure to the SOFR reference rate.

Mitigation:

Currently, 50% (52% as of December 31, 2022) of the debt is fixed against fluctuations in interest rates. The variable debt is indexed to the reference rate based on SOFR.

Likewise, most of the company's liquidity is denominated in dollars and indexed to a return rate similar and with alike fluctuation to the SOFR rate, which helps reduce exposure.

Rate Hedging Results:

During the period ended December 31, 2023, the Company recognized losses of US$1.8 million (negative) corresponding to the recognition for premiums paid.

As of December 31, 2023, the Company has no interest rate derivatives outstanding , at the end of December 2022 this market value was US$8.8 million (positive).

As of December 31, 2023, the Company recognized a decrease in the right-of-use asset due to the expiration of derivatives for US$ 14.9 million associated with the aircraft lease. On this same date, a lower depreciation expense of the right-of-use asset for US$ 1.1 million (positive) is recognized. At the end of December 2022, the Company recognized US$ 0.1 million for this same concept.

As of December 31, 2023, the Company settled derivatives for US$ 14.8 million associated with hedges of leased aircraft.

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) of future curve SOFR rate	Positions as of December 31, 2023 effect on Income (Loss) before taxes (MUS$)	Positions as of December 31, 2022 effect on Income (Loss) before tax (MUS$)
+100 basis points	-20.27	-22.64
-100 basis points	+20.27	+22.64

A large part of the derivatives of current rates are recorded as cash flow hedge contracts, therefore, a variation in interest rates has an impact on the market value of the derivatives, whose changes affect the equity of the entity.

The calculations were made by vertically increasing (decreasing) 100 base points of the interest rate curve, both scenarios being reasonably possible according to historical market conditions.

Increase (decrease) interest rate curve	Positions as of December 31, 2023 effect on equity (MUS$)	Positions as of December 31, 2022 effect on equity (MUS$)
+100 basis points	—	+6.9
-100 basis points	—	-8.2

The sensitivity calculation hypothesis must assume that the forward curves of interest rates will not necessarily reflect the real value of the compensation of the flows. In addition, the interest rate structure is dynamic over time.

During the periods presented, the Company has recorded US$ 0.1 million (negative) for ineffectiveness in the consolidated income statement for this type of coverage.

(b) Credit risk

Credit risk occurs when the counterparty does not comply with 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 customer portfolio as of December 31, 2023 has experienced an increased by 24% compared to the balance as of December 31, 2022, mainly due to an increase in passenger transportation operations (travel agencies and corporate) that increased by 22% in its sales, mainly affecting the payment methods credit card 29%, and cash sales 9%. In relation to the cargo business, it presented a decrease in its operations of 5% compared to December 2022. There was especial consideration for the Expected Credit Loss calculation for the clients with balance at the year end that management considered risky. The Expected Credit Loss at the end of December 2023 had a decrease 4% compared to the end of December 2022, as a result of the decrease in the portfolio due to collection, and due to the application of write-offs.

The Company is exposed to credit risk due to its operational activities and its financial activities, including deposits with banks and financial institutions, investments in other types of instruments, exchange rate transactions and derivatives contracts.

To reduce the credit risk related to operational activities, the company has implemented 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 and short-term mutual funds. These investments are booked as Cash and cash equivalents and other current financial assets.

In order to reduce counterparty risk and to ensure that the risk assumed is known and managed by the Company, investments are diversified among different banking institutions (both local and international). The Company evaluates the credit standing of each counterparty and the levels of investment, based on (i) its credit rating, and (ii) investment limits according to the Company's level of liquidity. According to these two parameters, the Company chooses the most restrictive parameter of the previous two and based on this, establishes limits for operations with each counterparty.

The Company has no guarantees to mitigate this exposure.

(ii) Operational activities

The Company has four large sales "clusters": travel agencies, cargo agents, airlines and credit-card administrators. The first three are governed by International Air Transport Association ("IATA"), international organization comprising most of the airlines that represent over 90% of scheduled commercial traffic and one of its main objectives is to regulate the financial transactions between airlines and travel agents and cargo. When an agency or airline does not pay their debt, it is excluded from operating with IATA's member airlines. In the case of credit-card administrators, they are fully guaranteed by 100% by the issuing institutions.

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.

The sales invoicing of TAM Linhas Aéreas S.A. related with cargo agents for domestic transportation in Brazil is done directly by TAM Linhas Aereas S.A.

Credit quality of financial assets

The external credit evaluation system used by the Company is provided by IATA. Internal systems are also used for particular evaluations or specific markets based on trade reports available on the local market. The internal classification system is complementary to the external one, i.e. for agencies or airlines not members of IATA, the internal demands are greater.

To reduce the credit risk associated with operational activities, the Company has established credit limits to abridge the exposure of their debtors which are monitored permanently (mainly in case of operational activities of TAM Linhas Aéreas S.A. with travel agents). The bad-debt rate in the principal countries where the Company has a presence is insignificant.

(c) Liquidity risk

Liquidity risk represents the risk that the Company does not have sufficient funds to pay its obligations.

Due to the cyclical nature of its business, the operation and investment needs, along with the need for financing, the Company requires liquid funds, defined as Cash and cash equivalents plus other short-term financial assets, to meet its payment obligations.

The balance of liquid funds, future cash generation and the ability to obtain financing, provide the Company with alternatives to meet future investment and financing commitments.

As of December 31, 2023, the balance of liquid funds is US$1,715 million ((US$ 1,217 million as of December 31, 2022), which are invested in short-term instruments through financial entities with a high credit rating classification.

As of December 31, 2023, LATAM maintains engaged two Revolving Credit Facility for a total of US$1,100 million, one for an amount of US$600 million and another for an amount of US$500 million, which are fully available. The first of these lines is secured by and subject to the availability of certain collateral (i.e. aircraft, engines and spare parts). The second one, is secured by certain intangibles assets of the Company, which are shared with other Chapter 11 exit financing.

Class of liability for the analysis of liquidity risk ordered by date of maturity as of December 31, 2023
Debtor: LATAM Airlines Group S.A. 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$		%	%
Bank loans													
0-E	GOLDMAN SACHS	U.S.A.	US$	44,721	127,878	302,953	1,192,355	—	1,667,907	1,089,000	Quarterly	20.31	15.04
Obligations with the public													
97.036.000-K	SANTANDER	Chile	UF	—	3,230	6,409	6,409	182,647	198,695	160,214	To the expiration	2.00	2.00
0-E	WILMINGTON TRUST COMPANY	U.S.A.	US$	—	153,813	307,625	697,438	793,625	1,952,501	1,150,000	To the expiration	15.00	13.38
97.036.000-K	SANTANDER	Chile	US$	—	—	—	—	6	6	3	To the expiration	1.00	1.00
Guaranteed obligations													
0-E	BNP PARIBAS	U.S.A.	US$	5,940	17,082	41,319	40,578	120,730	225,649	171,704	Quarterly	6.98	6.98
0-E	WILMINGTON TRUST COMPANY	U.S.A.	US$	5,948	16,928	42,098	40,736	54,056	159,766	132,585	Quarterly/Monthly	8.76	8.76
Other guaranteed obligation													
0-E	EXIM BANK	U.S.A.	US$	452	1,348	43,531	43,494	16,665	105,490	99,109	Quarterly	2.29	2.05
0-E	MUFG	U.S.A.	US$	12,919	37,926	16,649	—	—	67,494	64,102	Quarterly	7.11	7.11
0-E	CREDIT AGRICOLE	France	US$	6,451	33,576	75,714	243,842	—	359,583	266,768	To the expiration	9.43	9.43
Financial lease													
0-E	NATIXIS	France	US$	10,653	30,443	73,474	70,443	94,995	280,008	215,357	Quarterly	7.58	7.58
0-E	US BANK	U.S.A.	US$	17,984	50,411	17,681	—	—	86,076	84,177	Quarterly	4.41	3.16
0-E	EXIM BANK	U.S.A.	US$	3,262	9,389	216,015	148,582	75,118	452,366	413,072	Quarterly	4.13	3.31
0-E	BANK OF UTAH	U.S.A.	US$	5,891	17,705	47,590	54,357	117,597	243,140	172,582	Monthly	10.71	10.71
Others loans													
0-E	OTHERS (*)	Chile	US$	104	—	—	—	—	104	104	To the expiration	—	—
	TOTAL			114,325	499,729	1,191,058	2,538,234	1,455,439	5,798,785	4,018,777			

(•) 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, 2023
Debtor: TAM S.A. Tax No. 02.012.862/0001-60, Brazil.

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$		%	%
Financial leases													
0-E	NATIXIS	France	US$	510	1,530	4,080	9,886	—	16,006	16,006	Quarterly	—	—
	TOTAL			510	1,530	4,080	9,886	—	16,006	16,006			

Class of liability for the analysis of liquidity risk ordered by date of maturity as of December 31, 2023
Debtor: LATAM Airlines Group S.A. 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$	139,599	419,554	1,116,682	928,238	1,685,262	4,289,335	2,894,195	—	—	—
	OTHER ASSETS	OTHERS	US$	2,523	7,276	14,863	846	1,404	26,912	25,680	—	—	—
			CLP	19	57	94	—	—	170	135	—	—	—
			UF	557	1,255	2,906	2,426	5,099	12,243	11,097	—	—	—
			COP	122	308	266	148	—	844	667	—	—	—
			EUR	63	101	172	23	—	359	296	—	—	—
			BRL	2,314	6,871	15,177	14,438	25,742	64,542	35,841	—	—	—
			MXN	24	71	8	—	—	103	84	—	—	—
Trade and other accounts payables													
-	OTHERS	OTHERS	US$	846,541	7,063	—	—	—	853,604	709,933	—	—	—
			CLP	44,593	8,072	—	—	—	52,665	64,317	—	—	—
			BRL	309,999	7,671	—	—	—	317,670	409,474	—	—	—
			Other currency	178,740	5,522	—	—	—	184,262	118,189	—	—	—
Accounts payable to related parties currents													
Foreign	Qatar Airways	Qatar	US$	—	2,312	—	—	—	2,312	2,312	—	—	—
Foreign	Delta Air Lines, Inc.	U.S.A	US$	—	5,132	—	—	—	5,132	5,132	—	—	—
	Total			1,525,094	471,265	1,150,168	946,119	1,717,507	5,810,153	4,277,352			
	Total consolidated			1,639,929	972,524	2,345,306	3,494,239	3,172,946	11,624,944	8,312,135			

Class of liability for the analysis of liquidity risk ordered by date of maturity as of December 31, 2022
Debtor: LATAM Airlines Group S.A. 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$		%	%
Bank loans													
97.023.000-9	GOLDMAN SACHS	U.S.A.	US$	32,071	122,278	323,125	1,361,595	—	1,839,069	1,100,000	Quarterly	18.46	13.38
0-E	SANTANDER	Spain	US$	19,164	55,288	—	—	—	74,452	70,951	Quarterly	7.26	7.26
Obligations with the public													
97.030.000-7	SANTANDER	Chile	UF	—	3,136	6,271	6,271	178,736	194,414	156,783	At Expiration	2.00	2.00
0-E	WILMINGTON TRUST COMPANY	U.S.A.	US$	—	152,531	307,625	757,625	887,250	2,105,031	1,150,000	At Expiration	15.00	13.38
97.036.000-K	SANTANDER	Chile	US$	—	—	—	—	6	6	3	At Expiration	1.00	1.00
Guaranteed obligations													
0-E	BNP PARIBAS	U.S.A.	US$	6,692	14,705	39,215	39,215	138,345	238,172	184,198	Quarterly	5.76	5.76
0-E	WILMINGTON TRUST COMPANY	U.S.A.	US$	3,839	13,465	45,564	43,444	75,505	181,817	141,605	Quarterly / Monthly	8.20	8.20
Other guaranteed obligation													
0-E	EXIM BANK	U.S.A.	US$	394	1,171	12,119	21,111	60,857	95,652	86,612	Quarterly	2.01	1.78
0-E	MUFG	U.S.A.	US$	13,091	38,914	69,916	—	—	121,921	112,388	Quarterly	6.23	6.23
0-E	CREDIT AGRICOLE	France	US$	5,769	31,478	70,890	267,615	—	375,752	275,000	At Expiration	8.24	8.24
Financial lease													
0-E	CITIBANK	U.S.A.	US$	6,995	5,844	—	—	—	12,839	12,514	Quarterly	6.19	5.47
0-E	BNP PARIBAS	U.S.A.	US$	6,978	20,662	1,543	—	—	29,183	28,165	Quarterly	5.99	5.39
0-E	NATIXIS	France	US$	9,864	29,468	75,525	70,787	129,582	315,226	239,138	Quarterly	6.44	6.44
0-E	US BANK	U.S.A.	US$	18,072	54,088	86,076	—	—	158,236	152,693	Quarterly	4.06	2.85
0-E	PK AIRFINANCE	U.S.A.	US$	1,749	5,165	6,665	—	—	13,579	12,590	Quarterly	5.97	5.97
0-E	EXIM BANK	U.S.A.	US$	3,176	9,681	137,930	193,551	157,978	502,316	446,509	Quarterly	3.58	2.79
0-E	BANK OF UTAH	U.S.A.	US$	5,878	17,651	47,306	50,649	145,184	266,668	182,237	Monthly	10.45	10.45
Others loans													
0-E	OTHERS (*)	Chile	US$	2,028	—	—	—	—	2,028	2,028	At Expiration	—	—
	TOTAL			135,760	575,525	1,229,770	2,811,863	1,773,443	6,526,361	4,353,414			

(•) Obligation with creditors for executed letters of credit.

Class of liability for the analysis of liquidity risk ordered by date of maturity as of December 31, 2022
Debtor: TAM S.A. Tax No. 02.012.862/0001-60, Brazil.

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$		%	%
Financial Leases													
0-E	NATIXIS	France	US$	510	1,530	4,080	4,080	7,846	18,046	18,046	Semiannual /Quarterly	7.23	7.23
Bank loans													
0-E	MERRILL LYNCH CREDIT PRODUCTS, LLC	Brazil	BRL	304,549	—	—	—	—	304,549	304,549	Monthly	3.95	3.95
	TOTAL			305,059	1,530	4,080	4,080	7,846	322,595	322,595			

Class of liability for the analysis of liquidity risk ordered by date of maturity as of December 31, 2022
Debtor: LATAM Airlines Group S.A. Tax No. 89.862.200-2, Chile.

Tax No.	Creditor	Creditor country	Currency	Up to 90 days	More than 90 days to one year	More than one to three years	More than three to five years	More than five years	Total	Nominal value	Amortization	Annual Effective rate	Annual Nominal rate
				ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$		%	%
Lease Liability													
	AIRCRAFT	OTHERS	US$	80,602	250,297	845,215	776,431	1,094,935	3,047,480	2,134,968	—	—	—
	OTHER ASSETS	OTHERS	US$	1,727	8,080	20,641	6,251	1,763	38,462	35,157	—	—	—
			CLP	20	34	69	—	—	123	111	—	—	—
			UF	574	1,568	3,007	2,515	6,273	13,937	11,703	—	—	—
			COP	76	227	301	—	—	604	518	—	—	—
			EUR	84	253	246	24	—	607	571	—	—	—
			BRL	2,064	6,192	14,851	12,491	28,625	64,223	33,425	—	—	—
Trade and other accounts payables													
	OTHERS	OTHERS	US$	80,557	58,342	—	—	—	138,899	138,899	—	—	—
			CLP	168,393	1,231	—	—	—	169,624	169,624	—	—	—
			BRL	370,772	5,242	—	—	—	376,014	376,014	—	—	—
			Other currency	583,118	3,935	—	—	—	587,053	587,053	—	—	—
Accounts payable to related parties currents													
Foreign	Inversora Aeronáutica Argentina S.A.	Argentina	US$	5	—	—	—	—	5	5	—	—	—
Foreign	Patagonia Seafarms	U.S.A	US$	7	—	—	—	—	7	7	—	—	—
	Total			1,287,999	335,401	884,330	797,712	1,131,596	4,437,038	3,488,055			
	Total consolidated			1,728,818	912,456	2,118,180	3,613,655	2,912,885	11,285,994	8,164,064			

The Company has fuel, interest rate and exchange rate hedging strategies involving derivatives contracts with different financial institutions.

As of December 31, 2023, the Company maintains guarantees for US$11.0 million corresponding to derivative transactions. The increase is due to: i) Increase in the number of hedging contracts and ii) changes in fuel prices, exchange rates and interest rates. At the end of 2022, the Company had guarantees for US$7.5 million corresponding to derivative transactions.

3.2. Capital risk management

The objectives of the Company, in relation to capital management are: (i) to meet the minimum equity requirements and (ii) to maintain an optimal capital structure.

The Company monitors contractual obligations and regulatory requirements in the different countries where the group's companies are domiciled to ensure faithful compliance with the minimum equity requirement, the most restrictive limit of which is to maintain positive liquid equity.

Additionally, the Company periodically monitors the short and long term cash flow projections to ensure that it has sufficient cash generation alternatives to meet future investment and financing commitments.

The international credit rating of the Company is the result of the ability to meet long-term financial commitments. As of December 31, 2023, the Company has a national rating of BBB- by Fitch, and international rating by Standard & Poor's of B with a positive outlook, and B1 with a stable outlook by Moody's.

3.3. Estimates of fair value.

At December 31, 2023, 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).

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, 2023				As of December 31, 2022			
		Fair value measurements using values considered as				Fair value measurements using values considered as		
	Fair value	Level I	Level II	Level III	Fair value	Level I	Level II	Level III
	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$
Assets								
Cash and cash equivalents	89,706	89,706	—	—	95,452	95,452	—	—
Short-term mutual funds	89,706	89,706	—	—	95,452	95,452	—	—
Other financial assets, current	22,136	—	22,136	—	21,601	—	21,601	—
Fair value interest rate derivatives	—	—	—	—	8,816	—	8,816	—
Fair value of fuel derivatives	22,136	—	22,136	—	12,594	—	12,594	—
Fair value of foreign currency derivative	—	—	—	—	191	—	191	—
Liabilities								
Other financial liabilities, current	1,544	—	1,544	—	—	—	—	—
Fair value of foreign currency derivatives	1,544	—	1,544	—	—	—	—	—

Additionally, at December 31, 2023, 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, 2023		As of December 31, 2022	
	Book value	Fair value	Book value	Fair value
	ThUS$	ThUS$	ThUS$	ThUS$
Cash and cash equivalents	1,625,055	1,625,055	1,121,223	1,121,223
Cash on hand	2,019	2,019	2,248	2,248
Bank balance	552,187	552,187	480,566	480,566
Overnight	75,236	75,236	259,129	259,129
Time deposits	995,613	995,613	379,280	379,280
Other financial assets, current	152,683	152,683	481,914	481,914
Other financial assets	152,683	152,683	481,914	481,914
Trade debtors, other accounts receivable and Current accounts receivable	1,385,910	1,385,910	1,008,109	1,008,109
Accounts receivable from entities related, current	28	28	19,523	19,523
Other financial assets, non-current	34,485	34,485	15,517	15,517
Accounts receivable, non-current	12,949	12,949	12,743	12,743
Other current financial liabilities	594,519	867,791	802,841	824,167
Accounts payable for trade and other accounts payable, current	1,765,279	1,765,279	1,627,992	1,627,992
Accounts payable to entities related, current	7,444	7,444	12	12
Other financial liabilities, non current	6,341,669	6,174,294	5,979,039	5,533,131
Accounts payable, non current	418,587	418,587	326,284	326,284

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, revenue, expenses and commitments. Basically, these estimates refer to:

(a) Impairment of Intangible asset with indefinite useful life

Management conducts an impairment test annually or more frequently if events or changes in circumstances indicate potential impairment. An impairment loss is recognized for the amount by which the carrying amount of the cash generating unit (CGU) exceeds its recoverable amount.

Management's value-in-use calculations included significant judgments and assumptions relating to revenue growth rates, exchange rates, discount rates, inflation rates, fuel price. The estimation of these assumptions requires significant judgment by management as these variables are inherently uncertain; however, the assumptions used are consistent with the Company's forecasts approved by management. Therefore, management evaluates and updates the estimates as necessary in light of conditions that affect these variables. The main assumptions used as well as the corresponding sensitivity analyses are shown in Note 15.

(b) Depreciation expense and impairment of Properties, Plant and Equipment

The depreciation of assets is calculated based on a straight-line basis, except for certain technical components depreciated on cycles and hours flown. These useful lives are reviewed on an annual basis according to the Company's future economic benefits associated with them.

Changes in circumstances such as: technological advances, business model, planned use of assets or capital strategy may result in a useful life different from what has been estimated. When it is determined that the useful life of property, plant, and equipment must be reduced, as may occur in line with changes in planned usage of assets, the difference between the net book value and estimated recoverable value is depreciated, in accordance with the revised remaining useful life.

The residual values are estimated according to the market value that the assets will have at the end of their life. The residual value and useful life of the assets are reviewed, and adjusted if necessary, once a year. When the value of an asset is greater than its estimated recoverable amount, its value is immediately reduced to its recoverable amount.

The Company has concluded that the Properties, Plant and Equipment cannot generate cash inflows to a large extent independent of other assets, therefore the impairment assessment is made as an integral part of the only Cash Generating Unit maintained by the Company, Air Transport. The Company checks when there are signs of impairment, whether the assets have suffered any impairment losses at the Cash Generated Unit level.

(c) Recoverability of deferred tax assets

Management records deferred taxes on the temporary differences that arise between the tax bases of assets and liabilities and their amounts in the financial statements. Deferred tax assets on tax losses are recognized to the extent that it is probable that future tax benefits will be available to offset temporary differences.

The Company applies significant judgment in evaluating the recoverability of deferred tax assets. In determining the amounts of the deferred tax asset to be accounted for, management considers tax planning strategies, historical profitability, projected future taxable income (considering assumptions such as: growth rate, exchange rate, discount rate and fuel price consistent with those used in the impairment analysis of the group's cash-generating unit) and the expected timing of reversals of existing temporary differences.

(d) Air tickets sold that will not be finally used.

The Company records the sale of air tickets as deferred revenue. Ordinary revenue from the sale of tickets is recognized in the statement of income when the passenger transportation service is provided or expires due to non-use. The Company evaluates the probability of expiration of air tickets on a monthly basis, based on the history of use. A change in this probability could impact revenue in the year in which the change occurs and in future years.

As of December 31, 2023, deferred revenues associated with air tickets sold amount to ThUS$ 2,009,242 (ThUS$ 1,574,145 as of December 31, 2022). An hypothetical change of one percentage point in passenger behavior with respect to use would result an impact of up to ThUS$ 10,150 per month (ThUS$ 7,453 as of December 31, 2022).

(e) Valuation of the miles and points awarded to the holders of the loyalty programs, pending use.

As of December 31, 2023, deferred revenue associated with the LATAM Pass loyalty program from Spanish-speaking countries increased to ThUS$ 1,099,580 (ThUS$ 1,120,565 as of December 31, 2022). An hypothetical change of one percentage point in the probability of redemption would translate into a cumulative impact of ThUS$ 31,510 on the results of 2023 (ThUS$ 29,571 as of December 31, 2022). Deferred revenue associated with the LATAM Pass Brazil loyalty program increased to ThUS$179,151 as of December 31, 2023 (ThUS$ 140,486 as of December 31, 2022). An hypothetical change of one percentage point in the exchange probability would result in an accumulated impact of ThUS$ 5,125 on the results of 2023 (ThUS$ 3,772 as of December 31, 2022).

Management used statistical models to estimate the miles and points awarded that will not be redeemed by the program's members (breakage) which involved significant judgments and assumptions relating to the historical redemption and expiration activity and forecasted redemption and expiration patterns.

The Management in conjunction with an external specialist developed a predictive model of non -use miles or points, which allows to generate non-use rates on the basis of historical information, based on behavior of the accumulation, use and expiration of the miles or points.

(f) Legal Contingencies

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

During 2022, as a result of the arrival of new aircraft and the significant change in the flows of many current contracts, the Company evaluated the relevance in the current scenario of continuing to use the implicit rate, a methodology used in recent years, or whether it should in instead use a different approximation for calculating the rate. It was concluded that the implicit rate was not being able to reflect the economic environment in which the company operates, therefore it was not accurately representing the Company's indebtedness conditions. Because of this, all new contracts entered into from 2022 and all contracts that were modified from 2022 used the incremental rate. Existing contracts that remained unchanged continued using the original implicit discount rate.

(i) Discount rate

The discount rates used to calculate the aircraft lease debt correspond to: (i) For aircraft that did not have contractual changes associated with the exit from Chapter 11, the rate used was the implicit rate of the contract, this is the discount rate that results from the aggregate present value of the minimum lease payments and the unguaranteed residual value, and (ii) For aircraft that had contractual changes associated with exit from Chapter 11, the rate used was the incremental rate, this discount rate was calculated considering our recent aircraft debt negotiations, as well as publicly available data for instruments with similar characteristics when calculating our incremental borrowing rates.

For assets other than aircraft, the estimated lessee's incremental borrowing rate, which is derived from information available at the lease inception date, was used to determine the present value of the lease payments. We consider our recent debt issuances as well as publicly available data for instruments with similar characteristics when calculating our incremental borrowing ratios.

A decrease of one percentage point in our estimate of the rates used to determine the lease liabilities current registered fleet as of December 31, 2023 would increase the lease liability by approximately US$ 111 million.

(ii) Lease term

In determining the lease term, all facts and circumstances that create an economic incentive to exercise an extension option are considered. Extension options (or periods after termination options) are only included in the lease term if it is reasonably certain that the lease will be extended (or not terminated). This is reviewed if a significant event or significant change in circumstances occurs that affects this assessment and is within the lessee's control.

In any case, it is possible that events that may take place in the future make it necessary to modify them in future periods, which would be done prospectively.

NOTE 5 - SEGMENT INFORMATION

As of December 31, 2023, 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,	
	2023	2022
	ThUS$	ThUS$
Peru	988,908	858,957
Argentina	244,413	206,856
U.S.A.	1,044,822	1,058,107
Europe	800,897	768,980
Colombia	662,263	540,231
Brazil	5,006,377	3,724,466
Ecuador	332,801	248,454
Chile	1,898,150	1,514,645
Asia Pacific and rest of Latin America	661,910	441,825
Income from ordinary activities	11,640,541	9,362,521
Other operating income	148,641	154,286

The Company allocates revenues by geographic area based on the point of sale of the passenger ticket or cargo. Assets are composed primarily of aircraft and aeronautical equipment, which are used throughout the different countries, so it is not possible to assign a geographic area.

The Company has no customers that individually represent more than 10% of sales.

NOTE 6 - CASH AND CASH EQUIVALENTS

	As of December 31, 2023	As of December 31, 2022
	ThUS$	ThUS$
Cash on hand	2,019	2,248
Bank balances (1)	552,187	480,566
Overnight	75,236	259,129
Total Cash	629,442	741,943
Cash equivalents		
Time deposits	995,613	379,280
Mutual funds	89,706	95,452
Total cash equivalents	1,085,319	474,732
Total cash and cash equivalents	1,714,761	1,216,675

(1) As of December 31, 2023, within the item bank balances are ThUS$ 391,966 related to banks accounts that pay interest to the Company for the daily or monthly balances (ThUS$ 274,235 as of December 31, 2022)

Cash and cash equivalents are denominated in the following currencies:

Currency	As of December 31, 2023	As of December 31, 2022
	ThUS$	ThUS$
Argentine peso	3,438	10,711
Brazilian real	520,796	193,289
Chilean peso	47,933	17,643
Colombian peso	36,326	22,607
Euro	25,329	19,361
US Dollar	1,020,467	906,666
Mexican peso	8,159	9,406
R.P. Chinese Yuan	20,801	16,247
Other currencies	31,512	20,745
Total	1,714,761	1,216,675

NOTE 7 - FINANCIAL INSTRUMENTS

Financial instruments by category

As of December 31, 2023

Assets	Measured at amortized cost	At fair value with changes in results	Hedge derivatives	Total
	ThUS$	ThUS$	ThUS$	ThUS$
Cash and cash equivalents	1,625,055	89,706	—	1,714,761
Other financial assets, current	152,683	—	22,136	174,819
Trade and others accounts receivable, current	1,385,910	—	—	1,385,910
Accounts receivable from related entities, current	28	—	—	28
Other financial assets, non current	34,485	—	—	34,485
Accounts receivable, non current	12,949	—	—	12,949
Total	3,211,110	89,706	22,136	3,322,952

Liabilities	Measured at amortized cost	At fair value with changes in results	Hedge derivatives	Total
	ThUS$	ThUS$	ThUS$	ThUS$
Other financial liabilities, current	594,519	—	1,544	596,063
Trade and others accounts payable, current	1,765,279	—	—	1,765,279
Accounts payable to related entities, current	7,444	—	—	7,444
Other financial liabilities, non-current	6,341,669	—	—	6,341,669
Accounts payable, non-current	418,587	—	—	418,587
Total	9,127,498	—	1,544	9,129,042

As of December 31, 2022

Assets	Measured at amortized cost	At fair value with changes in results	Hedge derivatives	Total
	ThUS$	ThUS$	ThUS$	ThUS$
Cash and cash equivalents	1,121,223	95,452	—	1,216,675
Other financial assets, current (*)	481,637	277	21,601	503,515
Trade and others accounts receivable, current	1,008,109	—	—	1,008,109
Accounts receivable from related entities, current	19,523	—	—	19,523
Other financial assets, non current	15,517	—	—	15,517
Accounts receivable, non current	12,743	—	—	12,743
Total	2,658,752	95,729	21,601	2,776,082

Liabilities	Measured at amortized cost	At fair value with changes in results	Hedge derivatives	Total
	ThUS$	ThUS$	ThUS$	ThUS$
Other financial liabilities, current	802,841	—	—	802,841
Trade and others accounts payable, current	1,627,992	—	—	1,627,992
Accounts payable to related entities, current	12	—	—	12
Other financial liabilities, non-current	5,979,039	—	—	5,979,039
Accounts payable, non-current	326,284	—	—	326,284
Total	8,736,168	—	—	8,736,168

(*) The value presented as measured at amortized cost, mainly correspond to ThUS$ 340,008 of funds delivered as restricted advances (as described in Note 11) and guarantees delivered.

NOTE 8 - TRADE AND OTHER ACCOUNTS RECEIVABLE CURRENT, AND NON-CURRENT ACCOUNTS RECEIVABLE

	As of December 31, 2023	As of December 31, 2022
	ThUS$	ThUS$
Trade accounts receivable	1,185,792	952,625
Other accounts receivable	277,845	135,459
Total trade and other accounts receivable	1,463,637	1,088,084
Less: Expected credit loss	(64,778)	(67,232)
Total net trade and accounts receivable	1,398,859	1,020,852
Less: non-current portion – accounts receivable	(12,949)	(12,743)
Trade and other accounts receivable, current	1,385,910	1,008,109

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, 2023			As December 31, 2022		
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%	1,022,845	(12,672)	1%	745,334	(8,749)
From 1 to 90 days	3%	102,977	(2,989)	3%	142,780	(3,758)
From 91 to 180 days	25%	8,350	(2,048)	15%	8,622	(1,297)
From 181 to 360 days	44%	7,868	(3,491)	79%	8,269	(6,565)
Over 360 days	100%	43,752	(43,578)	98%	47,620	(46,863)
Total		1,185,792	(64,778)		952,625	(67,232)

(1) Corresponds to the consolidated expected rate of accounts receivable.
(2) The gross book value represents the maximum credit risk value of trade accounts receivables.

Currency balances composition of Trade and other accounts receivable and non-current accounts receivable are as follow:

Currency	As of December 31, 2023	As of December 31, 2022
	ThUS$	ThUS$
Argentine Peso	13,827	25,559
Brazilian Real	825,749	523,467
Chilean Peso	75,050	36,626
Colombian Peso	12,720	6,779
Euro	90,699	12,506
US Dollar	344,347	376,900
Australian Dollar	5,097	9,808
Japanese Yen	4,695	2,802
Pound Sterling	3,390	9,149
Korean Won	5,882	6,337
Other Currencies	17,403	10,919
Total	1,398,859	1,020,852

Movements of the expected credit losses of Trade accounts receivables are as follows:

Periods	Opening balance	Write-offs	(Increase) Decrease	Closing balance
	ThUS$	ThUS$	ThUS$	ThUS$
From January 1 to December 31, 2022	(81,004)	5,966	7,806	(67,232)
From January 1 to December 31, 2023	(67,232)	7,122	(4,668)	(64,778)

Once pre-judicial and judicial collection efforts are exhausted, the assets are written off against the allowance. The Company only uses the allowance method rather than direct write-off, to ensure control.

The historical and current renegotiations are not significant, and the policy is to analyze case by case to classify them according to the existence of risk, determining they need to be reclassified to pre-judicial collection accounts.

The maximum credit-risk exposure at the date of presentation of the information is the fair value of each one of the categories of accounts receivable indicated above.

	As of December 31, 2023			As of December 31, 2022		
	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	1,185,792	(64,778)	1,121,014	952,625	(67,232)	885,393
Other accounts receivable	277,845	-	277,845	135,459	-	135,459

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, 2023	As of December 31, 2022
					ThUS$	ThUS$
Foreign	Qatar Airways	Indirect shareholder	Qatar	US$	—	257
Foreign	Delta Air Lines, Inc.	Shareholder	U.S.A.	US$	—	19,228
76.335.600-0	Parque de Chile S.A.	Related director	Chile	CLP	2	2
96.989.370-3	Rio Dulce S.A. (*)	Related director	Chile	CLP	—	1
96.810.370-9	Inversiones Costa Verde Ltda. y CPA.	Related director	Chile	CLP	25	35
Foreign	Inversora Aeronáutica Argentina S.A.	Related director	Argentina	ARS	1	—
	Total current assets				28	19,523

(b) Current accounts payable

Tax No.	Related party	Relationship	Country of origin	Currency	Current liabilities As of December 31, 2023	Current liabilities As of December 31, 2022
					ThUS$	ThUS$
Foreign	Qatar Airways	Indirect shareholder	Qatar	US$	2,312	—
Foreign	Delta Air Lines, Inc.	Shareholder	U.S.A.	US$	5,132	—
Foreign	Inversora Aeronáutica Argentina S.A.	Related director	Argentina	US$	—	5
Foreign	Patagonia Seafarms INC (*)	Related director	U.S.A.	US$	—	7
	Total current and non current liabilities				7,444	12

(*) Related until November 2022.

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 2023 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, 2023	As of December 31, 2022
	ThUS$	ThUS$
Technical stock (*)	540,342	438,717
Non-technical stock (**)	52,538	39,072
Total	592,880	477,789

(*) Correspond to spare parts and materials that will be used in both own and third-party maintenance services.

(**) Consumption of on-board services, uniforms and other indirect materials

These are valued at their average acquisition cost net of their obsolescence provision according to the following detail:

	As of December 31, 2023	As of December 31, 2022
	ThUS$	ThUS$
Provision for obsolescence Technical stock	45,621	49,981
Provision for obsolescence Non-technical stock	5,228	5,823
Total	50,849	55,804

The resulting amounts do not exceed the respective net realization values.

As of December 31, 2023, the Company registered ThUS$296,423 (ThUS$148,790 for the year ended December 31, 2022), the income statements, mainly related to on-board consumption and maintenance, which is part of the Cost of sales.

NOTE 11 - OTHER FINANCIAL ASSETS

(a) The composition of other financial assets is as follows:

	Current Assets		Non-current assets		Total Assets	
	As of December 31, 2023	As of December 31, 2022	As of December 31, 2023	As of December 31, 2022	As of December 31, 2023	As of December 31, 2022
	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$
(1) Other financial assets						
Deposits in guarantee (aircraft)	31,624	22,340	9,736	1,273	41,360	23,613
Guarantees for margins of derivatives	12,829	7,460	—	—	12,829	7,460
Other investments	—	—	494	513	494	513
Guaranteed debt advances Chapter 11 (*)	—	340,008	—	—	—	340,008
Other guarantees given	108,230	112,106	24,255	13,731	132,485	125,837
Subtotal of other financial assets	152,683	481,914	34,485	15,517	187,168	497,431
(2) Hedging derivative asset						
Fair value of interest rate derivatives	—	8,816	—	—	—	8,816
Fair value of foreign currency derivatives	—	191	—	—	—	191
Fair value of fuel price derivatives	22,136	12,594	—	—	22,136	12,594
Subtotal of derivative assets	22,136	21,601	—	—	22,136	21,601
Total Other Financial Assets	174,819	503,515	34,485	15,517	209,304	519,032

(*) As of December 31, 2022, there were ThUS$340,008 of funds delivered to an agent as restricted advances, the purpose of which is to settle the claims pending resolution existing at the exit of the Chapter 11 process.

The different derivative hedging contracts maintained by the Company are described in Note 18.

(b) The balances composition by currencies of the Other financial assets are as follows:

Type of currency	As of December 31, 2023	As of December 31, 2022
	ThUS$	ThUS$
Brazilian real	18,767	19,589
Chilean peso	6,440	5,847
Colombian peso	1,461	1,716
Euro	7,974	6,791
U.S.A dollar	171,852	482,544
Other currencies	2,810	2,545
Total	209,304	519,032

NOTE 12 - OTHER NON-FINANCIAL ASSETS

The composition of other non-financial assets is as follows:

	Current assets		Non-current assets		Total Assets	
	As of December 31, 2023	As of December 31, 2022	As of December 31, 2023	As of December 31, 2022	As of December 31, 2023	As of December 31, 2022
	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$
(a) Advance payments						
Aircraft insurance and other	25,992	27,122	—	—	25,992	27,122
Others	3,740	13,039	5,740	1,773	9,480	14,812
Subtotal advance payments	29,732	40,161	5,740	1,773	35,472	41,934
(b) Contract assets (1)						
GDS costs	22,738	9,530	—	—	22,738	9,530
Credit card commissions	37,200	26,124	—	—	37,200	26,124
Travel agencies commissions	12,421	12,912	—	—	12,421	12,912
Subtotal advance payments	72,359	48,566	—	—	72,359	48,566
(c) Other assets						
Sales tax	81,785	100,665	13,753	27,962	95,538	128,627
Other taxes	1,130	1,688	—	—	1,130	1,688
Contributions to the International Aeronautical Telecommunications Society ("SITA")	258	258	739	739	997	997
Contributions to Aeronautical Service Companies	—	—	60	—	60	—
Judicial deposits	—	26	148,329	117,904	148,329	117,930
Subtotal other assets	83,173	102,637	162,881	146,605	246,054	249,242
Total Other Non - Financial Assets	185,264	191,364	168,621	148,378	353,885	339,742

(1) Movement of Contracts assets:

	Initial balance	Activation	Cumulative translation adjustment	Amortization	Final balance
	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$
From January 1 to December 31, 2022	25,080	302,290	(37,146)	(241,658)	48,566
From January 1 to December 31, 2023	48,566	242,717	2,033	(220,957)	72,359

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, 2023 and December 31, 2022, are detailed below:

	As of December 31, 2023	As of December 31, 2022
	ThUS$	ThUS$
Current assets		
Aircraft	100,658	64,483
Engines and rotables	2,012	21,552
Other assets	—	381
Total	102,670	86,416

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 exercise.

Assets reclassified from Property, plant and equipment to Non-current assets or groups of assets for disposal classified as held for sale.

During 2020, 11 Boeing 767 aircraft were transferred from the Property, plant and equipment, to Non-current assets item or groups of assets for disposal classified as held for sale. During 2021, the sale of 5 aircraft was completed. During the year 2022 the sale of 3 aircraft was finalized and during the year 2023 the sale of 1 aircraft was finalized.

During 2021, associated with the fleet restructuring plan, 3 engines of the Airbus A350 fleet were transferred from the Property, plant and equipment to Non-current assets or groups of assets for disposal classified as held for sale, of which during the same year the sale of 1 engine was finalized. Additionally, during the year 2022, the sale of 1 engine was finalized and some materials and spare parts of this same fleet were transferred to Non-current assets or groups of assets for disposal classified as held for sale. During the year 2023, the sale of 1 engine, some spare parts, and materials was finalized.

During 2022, 28 Airbus A319 family aircraft were transferred from Property, plant and equipment to Non-current assets or asset groups for disposal classified as held for sale. Additionally, adjustments for US$ 345 million of expenses were recognized within results as part of Other gains (losses) to record these assets at their net realizable value. During 2023, the engines associated with these aircraft were added, generating additional adjustments of US$39 million, which were recorded in the result as part of Other gains (losses), in order to register these assets at their net realizable value.

During 2022, 6 aircraft and 8 engines of the Airbus A320 family were transferred from Property, plant and equipment to Non-current assets or asset groups for disposal classified as held for sale, and as of December 31, 2022, the sale of 3 aircrafts were finalized and as of December 31, 2023, the sale of 2 aircraft and 8 engines were finalized. Additionally, for the year ended December 31, 2022, adjustments for US$ 25 million of expenses were recognized to record these assets at their net realizable value, and since the fleet restructuring process had already been completed, these adjustments were recorded in results as part of Other expenses by function. During the year 2023, 6 Airbus A320 aircraft were transferred from the Property, Plant, and Equipment category to the Non-current Assets or Asset Groups held for sale category. Additionally, during the year 2023, adjustments of US$9 million in expenses were recognized to record these assets at their net realizable value. These adjustments were recorded in the results as part of Other expenses by function.

During 2023, 1 Boeing 767 family aircraft was transferred from Property, plant and equipment to Non-current assets or asset groups for disposal classified as held for sale. Additionally, adjustments for US$ 3 million of expenses were recognized within results as part of Other expenses by function to record these assets at their net realizable value.

The detail of the fleet classified as non-current assets and disposal group classified as held for sale is as follows:

Aircraft	Model	As of December 31, 2023	As of December 31, 2022
Boeing 767	300F	3	3
Airbus A320	200	7	3
Airbus A319	100	28	28
Total		38	34

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, 2023	As of December 31, 2022
			%	%
Latam Airlines Perú S.A.	Peru	US$	99.81000	99.81000
Lan Cargo S.A.	Chile	US$	99.89810	99.89810
Línea Aérea Carguera de Colombia S.A.	Colombia	US$	90.46000	90.46000
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 S.A. Aires S.A.	Colombia	COP	99.23168	99.21764
TAM Linhas aéreas S.A.	Brazil	BRL	100.00000	99.99935
ABSA Aerolimhas Brasileiras S.A.	Brazil	US$	100.00000	100.00000
Transportes Aéreos del Mercosur S.A.	Paraguay	PYG	94.98000	94.98000

The consolidated subsidiaries do not have significant restrictions for transferring funds to the parent company.

Summary financial information of significant subsidiaries

Name of significant subsidiary	Statement of financial position as of December 31, 2023						Income for the year ended December 31, 2023	
	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.	334,481	312,628	21,853	285,645	281,208	4,437	1,404,061	(4,666)
Lan Cargo S.A.	391,430	122,877	268,553	189,019	157,003	32,016	403,051	22,677
Línea Aérea Carguera de Colombia S.A.	166,520	57,240	109,280	59,640	59,344	296	222,397	(5,331)
Transporte Aéreo S.A.	280,117	37,436	242,681	151,066	117,121	33,945	387,515	24,871
Latam Airlines Ecuador S.A.	152,676	149,155	3,521	131,488	120,917	10,571	260,426	1,242
Aerovías de Integración Regional S.A. Aires S.A.	191,878	186,612	5,266	185,799	182,923	2,876	516,410	(12,724)
TAM Linhas Aéreas S.A.	4,119,149	2,417,115	1,702,034	3,024,805	2,061,406	963,399	5,587,692	736,209
ABSA Aerolinhas Brasileiras S.A.	500,177	490,548	9,629	538,982	510,978	28,004	162,580	28
Transportes Aéreos del Mercosur S.A.	49,713	46,976	2,737	26,772	24,833	1,939	50,990	6,060

Name of significant subsidiary	Statement of financial position as of December 31, 2022						Income for the year ended December 31, 2022	
	Total Assets	Current Assets	Non-current Assets	Total Liabilities	Current Liabilities	Non-current Liabilities	Revenue	Net Income/(loss)
	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$
Latam Airlines Perú S.A.	335,773	305,288	30,485	281,178	276,875	4,303	1,257,865	(12,726)
Lan Cargo S.A.	394,378	144,854	249,524	212,094	165,297	46,797	333,054	(1,230)
Línea Aérea Carguera de Colombia S.A.	307,161	126,648	180,513	127,629	127,380	249	226,587	(5,727)
Transporte Aéreo S.A.	283,166	47,238	235,928	177,109	145,446	31,663	320,187	(36,190)
Latam Airlines Ecuador S.A.	110,821	107,313	3,508	93,975	82,687	11,288	134,622	1,519
Aerovías de Integración Regional S.A. Aires S.A.	112,501	109,076	3,425	213,941	211,679	2,262	394,430	(122,199)
TAM Linhas Aéreas S.A.	3,329,695	1,925,948	1,403,747	4,166,754	3,264,814	901,940	3,966,615	(65,190)
ABSA Aerolinhas Brasileiras S.A.	223,701	215,700	8,001	262,534	233,739	28,795	244,028	(7,853)
Transportes Aéreos del Mercosur S.A.	70,883	65,395	5,488	54,340	52,332	2,008	44,449	2,306

(b) Non-controlling interests

Equity	Tax No.	Country of origin	As of December 31, 2023	As of December 31, 2022	As of December 31, 2023	As of December 31, 2022
			%	%	ThUS$	ThUS$
Latam Airlines Perú S.A.	Foreign	Peru	0.19000	0.19000	93	(13,678)
Aerovías de Integración Regional S.A. Aires S.A.	Foreign	Colombia	0.77400	0.78236	(5,049)	(264)
Linea Aérea Carguera de Colombia S.A.	Foreign	Colombia	9.54000	9.54000	(8,421)	(973)
Transportes Aéreos del Mercosur S.A.	Foreign	Paraguay	5.02000	5.02000	1,152	885
Lan Cargo S.A. and Subsidiaries	93.383.000-4	Chile	0.10196	0.10196	198	2,475
Other companies					—	(2)
Total					(12,027)	(11,557)

Incomes	Tax No.	Country of origin	For the year ended At December 31, 2023	2022	For the year ended At December 31, 2023	2022
			%	%	ThUS$	ThUS$
Latam Airlines Perú S.A	Foreign	Peru	0.19000	0.19000	(9)	(643)
Aerovías de Integración Regional S.A. Aires S.A.	Foreign	Colombia	0.77400	0.78236	(101)	(956)
Linea Aérea Carguera de Colombia S.A.	Foreign	Colombia	9.54000	9.54000	(500)	(551)
Transportes Aéreos del Mercosur S.A.	Foreign	Paraguay	5.02000	5.02000	304	116
Lan Cargo S.A. and Subsidiaries	93.383.000-4	Chile	0.10196	0.10196	25	(26)
Other companies					—	(13)
Total					(281)	(2,073)

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, 2023	As of December 31, 2022	As of December 31, 2023	As of December 31, 2022
	ThUS$	ThUS$	ThUS$	ThUS$
Airport slots	658,949	625,368	658,949	625,368
Loyalty program	219,636	203,791	219,636	203,791
Computer software	156,337	143,550	597,164	518,971
Developing software	117,010	107,652	117,010	107,651
Other assets	54	25	1,369	1,315
Total	1,151,986	1,080,386	1,594,128	1,457,096

a) Movement in Intangible assets other than goodwill:

	Computer software and others Net	Developing software	Airport slots	Loyalty program (1)	Total
	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$
Opening balance as of January 1, 2022	136,262	104,874	587,214	190,542	1,018,892
Additions	47	66,820	—	—	66,867
Withdrawals	(2,947)	(245)	—	—	(3,192)
Transfer software and others	61,212	(63,658)	—	—	(2,446)
Foreign exchange	3,359	(139)	38,154	13,249	54,623
Amortization	(54,358)	—	—	—	(54,358)
Closing balance as of December 31, 2022	143,575	107,652	625,368	203,791	1,080,386
Opening balance as of January 1, 2023	143,575	107,652	625,368	203,791	1,080,386
Additions	298	78,846	—	—	79,144
Transfer software and others	69,210	(69,928)	—	—	(718)
Foreign exchange	2,612	440	33,581	15,845	52,478
Amortization	(59,304)	—	—	—	(59,304)
Closing balance as of December 31, 2023	156,391	117,010	658,949	219,636	1,151,986

The amortization of each period is recognized in the consolidated income statement within administrative expenses.

The cumulative amortization of computer software and others as of December 31, 2023 amounts to ThUS$442,142 (ThUS$414,614 as of December 31, 2022).

b) Impairment Test Intangible Assets with an indefinite useful life

As of December 31, 2023, 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, 2023, in accordance with the accounting policy, the Company performed the annual impairment test.

The recoverable amount of the CGU was determined based on calculations of the value in use. These calculations use projections of 5 years of cash flows after taxes from the financial budgets approved by management. Cash flows beyond the budgeted period are extrapolated using growth rates and estimated average volumes, which do not exceed long-term average growth rates.

Management’s cash flow projections included significant judgements and assumptions related to annual revenue growth rates, discount rate, inflation rates, the exchange rate and the price of fuel. The annual revenue growth rate is based on past performance and management’s expectations of market development in each of the countries in which it operates. The discount rates used for the CGU "Air transport" are determined in US dollars, after taxes, and reflect specific risks related to the relevant countries of each of the operations. Inflation rates and exchange rates are based on the data available from the countries and the information provided by the Central Banks of the various countries where it operates, and the price of fuel is determined based on estimated levels of production, the competitive environment of the market in which they operate and their commercial strategy.

The recoverable values were determined using the following assumptions:

		CGU Air transport
Annual growth rate (Terminal)	%	0.0 – 4.3
Exchange rate	R$/US$	5.28 – 5.57
Discount rate based on the Weighted Average Cost of Capital (WACC)	%	8.7 – 10.7
Fuel Price	US$/barrel	100

The result of the impairment test, which includes a sensitivity analysis of its main variables, showed that the recoverable amount exceeded the book value of the cash-generating unit, and therefore no impairment was identified.

The CGU is sensitive to annual growth rates, discounts and exchange rates and fuel price. The sensitivity analysis included the individual impact of changes in critical estimates in determining recoverable amounts, namely:

	Increase WACC Maximum	Decrease rate Terminal growth Minimal	Increase fuel price Maximum US$/barrel
	%	%	
Air Transportation CGU	10.7	0	100

In none of the above scenarios an impairment of the cash-generating unit was identified.

NOTE 16 - PROPERTY, PLANT AND EQUIPMENT

The composition by category of Property, plant and equipment is as follows:

	Gross Book Value		Accumulated depreciation		Net Book Value	
	As of December 31, 2023	As of December 31, 2022	As of December 31, 2023	As of December 31, 2022	As of December 31, 2023	As of December 31, 2022
	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$
a) Property, plant and equipment						
Construction in progress (1)	258,246	388,810	—	—	258,246	388,810
Land	44,244	44,349	—	—	44,244	44,349
Buildings	129,036	124,507	(61,478)	(55,511)	67,558	68,996
Plant and equipment	10,738,500	11,135,425	(4,508,356)	(4,836,926)	6,230,144	6,298,499
Own aircraft (3)	9,856,365	10,427,950	(4,259,729)	(4,619,279)	5,596,636	5,808,671
Other (2)	882,135	707,475	(248,627)	(217,647)	633,508	489,828
Machinery	29,092	27,090	(27,716)	(25,479)	1,376	1,611
Information technology equipment	163,382	153,355	(146,040)	(136,746)	17,342	16,609
Fixed installations and accessories	186,179	155,351	(131,769)	(118,279)	54,410	37,072
Motor vehicles	49,560	51,504	(44,385)	(46,343)	5,175	5,161
Leasehold improvements	266,631	202,753	(53,201)	(42,726)	213,430	160,027
Subtotal Properties, plant and equipment	11,864,870	12,283,144	(4,972,945)	(5,262,010)	6,891,925	7,021,134
b) Right of use						
Aircraft (3)	5,388,147	4,391,690	(3,243,065)	(3,064,869)	2,145,082	1,326,821
Other assets	248,614	246,078	(194,491)	(182,372)	54,123	63,706
Subtotal Right of use	5,636,761	4,637,768	(3,437,556)	(3,247,241)	2,199,205	1,390,527
Total	17,501,631	16,920,912	(8,410,501)	(8,509,251)	9,091,130	8,411,661

(1) As of December 31, 2023, includes advances paid to aircraft manufacturers for ThUS$ 242,069 (ThUS$ 357,979 as of December 31, 2022).
(2) Consider mainly rotables and tools.
(3) There were reclassified to Non-current assets or groups of assets for disposal as held for sale the following aircrafts: As of December 31, 2023, one Boeing B767 and six Airbus A320, as of December 31, 2022, six Airbus A320 and twenty-eight Airbus A319 (see Note 13). As of December 31, 2021, includes advances paid to aircraft manufacturers for ThUS$ 377,590.

(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, 2022	473,797	43,276	60,451	6,568,717	16,836	38,741	325	132,975	7,335,118
Additions	16,332	—	—	843,808	6,426	113	258	27,160	894,097
Disposals	—	—	—	(4,140)	—	(264)	(3)	—	(4,407)
Retirements	(75)	—	(2)	(42,055)	(24)	(836)	—	(313)	(43,305)
Depreciation expenses	—	—	(3,285)	(669,059)	(5,662)	(7,914)	(55)	(13,071)	(699,046)
Foreign exchange	(1,282)	1,073	918	11,527	(84)	2,365	(28)	7,593	22,082
Other increases (decreases) (*)	(99,962)	—	10,914	(403,950)	(883)	4,867	(74)	5,683	(483,405)
Changes, total	(84,987)	1,073	8,545	(263,869)	(227)	(1,669)	98	27,052	(313,984)
Closing balance as of December 31, 2022	388,810	44,349	68,996	6,304,848	16,609	37,072	423	160,027	7,021,134
Opening balance as of January 1, 2023	388,810	44,349	68,996	6,304,848	16,609	37,072	423	160,027	7,021,134
Additions	8,835	—	—	870,640	5,794	4,246	—	48,866	938,381
Disposals	—	—	—	(2,701)	(1)	—	(16)	—	(2,718)
Retirements	(83)	—	—	(87,652)	(12)	(2)	—	—	(87,749)
Depreciation expenses	—	—	(4,104)	(716,590)	(5,918)	(8,789)	(68)	(10,185)	(745,654)
Foreign exchange	726	1,445	1,505	23,845	536	1,276	12	11,497	40,842
Other increases (decreases) (*)	(140,042)	(1,550)	1,161	(156,046)	334	20,607	—	3,225	(272,311)
Changes, total	(130,564)	(105)	(1,438)	(68,504)	733	17,338	(72)	53,403	(129,209)
Closing balance as of December 31, 2023	258,246	44,244	67,558	6,236,344	17,342	54,410	351	213,430	6,891,925

(*) This Amount included the following aircrafts reclassified to Non-current assets or groups of assets for disposal as held for sale: As of December 31, 2023, one Boeing B767 ThUS$ (21,578) and six Airbus A320 ThUS$ (36,326)). As of December 31, 2022, six Airbus A320 ThUS$ (29,328) and twenty-eight Airbus A319 ThUS$ (373,410).

(b) Right of use assets:

	Aircraft	Others	Net right of use assets
	ThUS$	ThUS$	ThUS$
Opening balance as of January 1, 2022	2,101,742	53,007	2,154,749
Additions	372,571	13,087	385,658
Depreciation expense	(249,802)	(16,368)	(266,170)
Cumulative translate adjustment	919	1,392	2,311
Other increases (decreases) (***)	(898,609)	12,588	(886,021)
Total changes	(774,921)	10,699	(764,222)
Closing balance as of December 31, 2022	1,326,821	63,706	1,390,527
Opening balance as of January 1, 2023	1,326,821	63,706	1,390,527
Additions	1,013,314	2,988	1,016,302
Depreciation expense	(178,570)	(14,816)	(193,386)
Cumulative translate adjustment	56	3,351	3,407
Other increases (decreases)	(16,539)	(1,106)	(17,645)
Total changes	818,261	(9,583)	808,678
Closing balance as of December 31, 2023	2,145,082	54,123	2,199,205

(*) Considers the renegotiation of 115 aircraft (1 Airbus A319, 39 Airbus A320, 14 Airbus A320neo, 30 Airbus A321, 1 Boeing 767, 6 Boeing 777 and 24 Boeing 787 Dreamliner).

(c) Fleet composition

		Aircraft included in Property, plant and equipment		Aircraft included as Rights of use assets		Total fleet	
Aircraft	Model	As of December 31, 2023	As of December 31, 2022	As of December 31, 2023	As of December 31, 2022	As of December 31, 2023	As of December 31, 2022
Boeing 767	300ER	11 (3)	15	—	—	11	15
Boeing 767	300F	16 (2) (3)	13 (2)	1	1	17	14
Boeing 777	300ER	4	4	6	6	10	10
Boeing 787	8	4	4	6	6	10	10
Boeing 787	9	2	2	24	19	26	21
Airbus A319	100	11	12 (2)	1	1	12	13
Airbus A320	200	83 (2)	88 (2)	46	40 (1)	129	128
Airbus A320	NEO	1	1	23	15	24	16
Airbus A321	200	19	19	30	30	49	49
Airbus A321	NEO	—	—	7	—	7	—
Total		151	158	144	118	295	276

(1) Include one aircraft with a short-term lease, which was excluded from the right of use.
(2) Some aircraft of these fleets were reclassified to non-current assets or groups of assets for disposal as held for sale, (see Note 13).
(3) Considers the conversions from Boeing 767-300ER to Boeing 767-300F Aircraft.

(d) Method used for the depreciation of Property, plant and equipment:

	Depreciation method	Useful life (years) minimum	Useful life (years) maximum
Buildings	Straight line without residual value	20	50
Plant and equipment	Straight line with residual value of 20% in the short-haul fleet and 36% in the long-haul fleet. (*)	5	30
Information technology equipment	Straight line without residual value	5	10
Fixed installations and accessories	Straight line without residual value	10	10
Motor vehicle	Straight line without residual value	10	10
Leasehold improvements	Straight line without residual value	5	8
Assets for rights of use	Straight line without residual value	1	25

(*) Except in the case of Boeing 767-300ER, Airbus A320 Family and Boeing 767-300F fleets which consider a lower residual value, due to the extension of their useful life to 22, 25 and 30 years respectively. Additionally, certain technical components are depreciated based on cycles and hours flown.

(e) Additional information regarding Property, plant and equipment:

(i) Property, plant and equipment pledged as guarantee:

Description of Property, plant and equipment pledged as guarantee:

				As of December 31, 2023		As of December 31, 2022	
Guarantee agent (1)	Creditor company	Committed Assets	Fleet	Existing Debt	Book Value	Existing Debt	Book Value
				ThUS$	ThUS$	ThUS$	ThUS$
Wilmington Trust Company	MUFG	Aircraft and engines	Airbus A319	2,703	12,326	4,554	13,205
			Airbus A320	17,441	151,873	33,154	203,788
			Boeing 767	20,427	143,281	35,043	164,448
			Boeing 777	132,585	144,186	141,605	144,065
Credit Agricole	Credit Agricole	Aircraft and engines	Airbus A319	3,413	3,752	3,518	5,311
			Airbus A320	190,001	142,075	195,864	161,397
			Airbus A321	6,007	4,393	6,192	4,827
			Boeing 767	8,849	23,018	9,121	23,323
			Boeing 787	58,499	38,971	60,305	34,077
Bank Of Utah	BNP Paribas	Aircraft and engines	Boeing 787	171,704	208,601	184,199	221,311
Total direct guarantee				611,629	872,476	673,555	975,752

(1) For syndicated loans, given their own characteristics, the guarantee agent is the representative of the creditors.

The amounts of the current debts are presented at their nominal value. The net book values correspond to the assets granted as collateral.

Additionally, there are indirect guarantees associated with assets booked within Property, Plant and Equipment whose total debt as of December 31, 2023, amounts to ThUS$ 898,166 (ThUS$ 1,037,122 as of December 31, 2022). The book value of the assets with indirect guarantees as of December 31, 2023, amounts to ThUS$ 1,925,069 (ThUS$ 2,306,233 as of December 31, 2022).

As of December 31, 2023, the Company keeps valid letters of credit related to right of use assets according to the following detail:

Creditor Guarantee	Debtor	Type	Value ThUS$	Release date
GE Capital Aviation Services Ltd.	LATAM Airlines Group S.A.	Three letters of credit	5,544	Dec 6, 2024
Merlin Aviation Leasing (Ireland) 18 Limited	Tam Linhas Aéreas S.A.	Two letters of credit	3,852	Mar 11, 2024
RB Comercial Properties 49 Empreendimentos Imobiliarios LTDA	Tam Linhas Aéreas S.A.	One letter of credit	25,820	Apr 29, 2024
			35,216	

(ii) Commitments and others

Fully depreciated assets and commitments for future purchases are as follows:

	As of December 31, 2023	As of December 31, 2022
	ThUS$	ThUS$
Gross book value of fully depreciated property, plant and equipment still in use	288,454	266,896
Commitments for the acquisition of aircraft (*)	15,700,000	13,100,000

(*) According to the manufacturer's price list.

Aircraft purchase commitments:

	Year of delivery				
Manufacturer	2024	2025	2026	2027-2030	Total
Airbus S.A.S.					
A320neo Family	3	11	9	65	88
The Boeing Company					
Boeing 787-9	-	-	-	5	5
Total	3	11	9	70	93

As of December 31, 2023, as a result of the different aircraft purchase contracts signed with Airbus S.A.S., 88 Airbus aircraft of the A320 family remain to be received with deliveries between 2024 and 2030. The approximate amount, according to manufacturer list prices, is ThUS$13,800,000.

As of December 31, 2023, as a result of the different aircraft purchase contracts signed with The Boeing Company, 5 Boeing aircraft of the 787 Dreamliner remain to be received with deliveries between 2027 and 2028. The approximate amount, according to manufacturer list prices, is ThUS$1,900,000.

Aircraft operational lease commitments:

As of December 31, 2023, as a result of the different aircraft operating lease contracts signed with AerCap Holdings N.V., 4 Airbus aircraft of the Airbus A320neo family with delivery between 2024 and 4 Boeing 787 Dreamliner aircraft with delivery dates within 2025 remain to be received.

As of December 31, 2023, as a result of the different aircraft operating lease contracts signed with Aergo, 1 Boeing 787 Dreamliner aircraft, with delivery dates within 2024, remain to be received.

As of December 31, 2023, as a result of the different aircraft operating lease contracts signed with Air Lease Corporative , 1 Airbus aircraft of the A320neo family with delivery dates within 2024 remain to be received.

As of December 31, 2023, as a result of the different aircraft operating lease contracts signed with Avolon Aerospace Leasing Limited, 2 Airbus aircraft of the A320neo family with delivery date within 2024 remain to be received.

As of December 31, 2023, as a result of the different aircraft operating lease contracts signed with Air Lease Corporation, 5 Airbus A321XLR family aircraft with delivery dates between 2025 and 2026 remain to be received.

(iii) Capitalized interest costs with respect to Property, plant and equipment.

		For the year ended At December 31,	
		2023	2022
Average rate of capitalization of capitalized interest costs	%	10.66	7.12
Costs of capitalized interest	ThUS$	10,136	10,575

NOTE 17 - CURRENT AND DEFERRED TAXES

In the year ended December 31, 2023, the income tax provision was calculated and recorded, applying the semi-integrated tax system and a rate of 27%, based on the provisions of the Law. No. 21,210, published in the Official Gazette of the Republic of Chile, dated February 24, 2020, which updates the Tax Legislation.

The net result for deferred tax corresponds to the variation of the period, of the assets and liabilities for deferred taxes generated by temporary differences and tax losses.

For the permanent differences that give rise to a book value of assets and liabilities other than their tax value, no deferred tax has been recorded since they are caused by transactions that are recorded in the financial statements and that will have no effect on income tax expense.

(a) Current taxes

(a.1) The composition of the current tax assets is the following:

	Current assets		Non-current assets		Total assets	
	As of December 31, 2023	As of December 31, 2022	As of December 31, 2023	As of December 31, 2022	As of December 31, 2023	As of December 31, 2022
	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$
Provisional monthly payments (advances)	18,982	18,559	—	—	18,982	18,559
Other recoverable credits	28,048	14,474	—	—	28,048	14,474
Total current tax assets	47,030	33,033	—	—	47,030	33,033

(a.2) The composition of the current tax liabilities are as follows:

	Current liabilities		Non-current liabilities		Total liabilities	
	As of December 31, 2023	As of December 31, 2022	As of December 31, 2023	As of December 31, 2022	As of December 31, 2023	As of December 31, 2022
	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$
Income tax provision	2,371	1,026	—	—	2,371	1,026
Total current tax liabilities	2,371	1,026	—	—	2,371	1,026

(b) Deferred taxes

The balances of deferred tax are the following:

	Assets		Liabilities	
Concept	As of December 31, 2023	As of December 31, 2022	As of December 31, 2023	As of December 31, 2022
	ThUS$	ThUS$	ThUS$	ThUS$
Properties, Plants and equipment	(941,136)	(1,006,814)	70,745	81,326
Assets by right of use	(585,957)	(367,112)	54	70
Lease Liabilities	792,781	586,878	(74)	(115)
Amortization	(112,002)	(88,172)	10	10
Provisions	222,409	9,133	81,091	69,519
Revaluation of financial instruments	(889)	2,438	—	—
Tax losses	613,264	852,654	(86,320)	(94,005)
Intangibles	—	—	300,359	270,512
Other	16,312	16,910	16,494	17,308
Total	4,782	5,915	382,359	344,625

The balance of deferred tax assets and liabilities are composed primarily of temporary differences to be reversed in the long term.

Movements of Deferred tax assets and liabilities

(b.1) From January 1 to December 31, 2022

	Opening balance Assets/ (liabilities)	Recognized in consolidated income	Recognized in comprehensive income	Exchange rate variation	Ending balance Asset (liability)
	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$
Property, plant and equipment	(1,208,693)	120,553	—	—	(1,088,140)
Assets for right of use	(572,727)	205,545	—	—	(367,182)
Lease Liabilities	773,129	(186,136)	—	—	586,993
Amortization	(44,615)	(43,567)	—	—	(88,182)
Provisions	552,527	(613,480)	567	—	(60,386)
Revaluation of financial instruments	(16,575)	19,248	(235)	—	2,438
Tax losses (*)	445,662	500,997	—	—	946,659
Intangibles	(254,155)	2,114	—	(18,471)	(270,512)
Others	(274)	(124)	—	—	(398)
Total	(325,721)	5,150	332	(18,471)	(338,710)

(b.2) From January 1 to December 31, 2023

	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	(1,088,140)	76,259	—	—	(1,011,881)
Assets for right of use	(367,182)	(218,829)	—	—	(586,011)
Lease Liabilities	586,993	205,862	—	—	792,855
Amortization	(88,182)	(23,830)	—	—	(112,012)
Provisions	(60,386)	200,953	751	—	141,318
Revaluation of financial instruments	2,438	(6,931)	3,604	—	(889)
Tax losses (*)	946,659	(247,075)	—	—	699,584
Intangibles	(270,512)	(6,207)	—	(23,640)	(300,359)
Others	(398)	216	—	—	(182)
Total	(338,710)	(19,582)	4,355	(23,640)	(377,577)

(*) Unrecognized deferred tax assets:

Deferred tax assets are recognized to the extent that it is probable that sufficient taxable profits will be generated in the future. In total the Company has not recognized deferred tax assets for ThUS$ 3,572,528 at December 31, 2023 (ThUS$ 3,651,023 as of December 31, 2022) which include deferred tax assets related to negative tax results of ThUS$ 12,206,634 at December 31, 2023 (ThUS$ 14,930,487 at December 31, 2022).

As of December 31, 2022, the Management of the subsidiary Lan Cargo S.A., taking into account financial projections for future years, company derecognized DTA in the amount of ThUS$ 6.173 because it is not probable that future taxable profits would be generated in the future.

(Expenses) / Income from deferred taxes and income tax:

	For the year ended at December 31,	
	2023	2022
	ThUS$	ThUS$
Income tax (expense)/benefit		
Current tax (expense) benefit	(12,659)	(14,064)
Adjustments to the current tax of the previous year	(193)	—
Total current tax (expense) benefit	(12,852)	(14,064)
(Expense)/benefit for deferred tax recognition for tax losses (*)	17,492	—
Deferred income for relative taxes to the creation and reversal of temporary differences	(19,582)	5,150
Total deferred income tax	(2,090)	5,150
Income tax (expense)/benefit	(14,942)	(8,914)

Income tax (expense) / Income benefit:

	For the year ended at December 31,	
	2023	2022
	ThUS$	ThUS$
Current tax (expense) benefit, foreign	(10,410)	19,573
Current tax (expense) benefit, domestic	(2,442)	(33,637)
Total current tax (expense) benefit	(12,852)	(14,064)
Foreign Deferred tax (expense) benefit, for tax losses compensation (*)	17,492	—
Deferred tax (expense) benefit, foreign	(10,780)	(532)
Deferred tax (expense) benefit, domestic	(8,802)	5,682
Total deferred tax (expense)benefit	(2,090)	5,150
Income tax (expense)/benefit	(14,942)	(8,914)

(*) As a result of an agreement reached with the Brazilian tax authority TAM Linhas Aereas S.A. was authorized to use part of its available tax losses to pay some tax contingencies. As the company does not have recognized deferred tax asset for those tax losses, it was recognized as income to write off those tax contingencies.

Income before tax from the Chilean legal tax rate (27% as of December 31, 2023 and 2022)

	For the year ended At December 31,		For the year ended At December 31,	
	2023	2022	2023	2022
	ThUS$	ThUS$	%	%
Income tax benefit/(expense) using the legal tax rate	(161,053)	(363,434)	-27.00	-27.00
Tax effect by change in tax rate	—	9,016	—	0.67
Tax effect of rates in other jurisdictions	(50,042)	20,398	-8.39	1.52
Tax effect of non-taxable income	25,459	1,201,618	4.27	89.27
Tax effect of disallowable expenses	(23,272)	(33,855)	-3.90	-2.52
Other increases (decreases):				
Derecognition of deferred tax liabilities for early termination of aircraft financing	53,162	90,823	8.91	6.75
Derecognition of deferred tax assets not recoverable	—	(6,173)	—	-0.46
Deferred tax asset not recognized	157,089	(990,095)	26.34	-73.56
Other increases (decreases)	(16,285)	62,788	-2.73	4.66
Total adjustments to tax expense using the legal rate	146,111	354,520	24.50	26.33
Income tax benefit/(expense) using the effective rate	(14,942)	(8,914)	-2.50	-0.67

Deferred taxes related to items charged to equity:

	For the year ended At December 31,	
	2023	2022
	ThUS$	ThUS$
Aggregate deferred taxation of components of other comprehensive income	4,355	332

NOTE 18 - OTHER FINANCIAL LIABILITIES

The composition of other financial liabilities is as follows:

	As of December 31, 2023	As of December 31, 2022
	ThUS$	ThUS$
Current		
(a) Interest bearing loans	292,982	629,106
(b) Lease Liability	301,537	173,735
(c) Hedge derivatives	1,544	—
Total current	596,063	802,841
Non-current		
(a) Interest bearing loans	3,675,212	3,936,320
(b) Lease Liability	2,666,457	2,042,719
Total non-current	6,341,669	5,979,039

(a) Interest bearing loans

Obligations with credit institutions and debt instruments:

	As of December 31, 2023	As of December 31, 2022
	ThUS$	ThUS$
Current		
Bank loans (2)	53,141	353,284
Guaranteed obligations	28,697	17,887
Other guaranteed obligations (1)(2)	67,005	66,239
Subtotal bank loans	148,843	437,410
Obligation with the public (2)	34,731	33,383
Financial leases	109,304	156,285
Other loans	104	2,028
Total current	292,982	629,106
Non-current		
Bank loans (2)	976,293	1,032,711
Guaranteed obligations	275,225	307,174
Other guaranteed obligations (1)	363,345	408,065
Subtotal bank loans	1,614,863	1,747,950
Obligation with the public (2)	1,268,107	1,256,416
Financial leases	792,242	931,954
Total non-current	3,675,212	3,936,320
Total obligations with financial institutions	3,968,194	4,565,426

(1) The committed "Revolving Credit Facility (RCF)" is guaranteed by collateral composed of aircraft, engines and spare parts, which was fully drawn until November 3, 2022. Once emerged from Chapter 11, the line was fully paid and of December 31, 2023 and December 31, 2022, it is available to be used.

(2) On March 14, 2022, a new consolidated and modified text of the Existing DIP Credit Agreement (the “New Consolidated and Modified DIP Credit Agreement”) was submitted to the Court for its approval. The New Consolidated and Amended DIP Credit Agreement (i) fully refinanced and replaced the existing Tranches A, B and C in the Existing DIP Credit Agreement; (ii) contemplated a maturity date in accordance with the calendar that the Debtors anticipated to emerge from the Chapter 11 Procedure; and (iii) included certain reductions in fees and interest compared to the Existing DIP Credit Agreement and the Recast and Amended DIP Initial Financing Proposal. The obligations under the DIP were secured by assets owned by LATAM and certain of its affiliates, including, but not limited to, shares, certain engines and spare parts.

On April 8, 2022, a consolidated and modified text was signed (the “Recast and Modified DIP Credit Agreement”) of the Original DIP Credit Agreement, which modified and consolidated said agreement and repaid the obligations pending payment under it. (that is, under its Tranches A, B and C). The total amount of the Consolidated and Modified DIP Credit Agreement was MUS$3,700. The Consolidated and Amended DIP Credit Agreement (i) included certain reductions in fees and interest compared to the Existing DIP Credit Agreement; and (ii) contemplated an expiration date in accordance with the calendar that LATAM anticipated to emerge from the Chapter 11 Procedure. Regarding the latter, the scheduled expiration date of the Consolidated and Modified DIP Credit Agreement was August 8, 2022, subject to to possible extensions that, in certain cases, had a deadline of November 30, 2022.

Likewise, on April 8, 2022, the initial disbursement took place under the Consolidated and Modified DIP Credit Agreement for the amount of MUS$2,750. On April 28, 2022, an amendment to said contract was signed, extending the expiration date from August 8, 2022 to October 14, 2022.

On October 12, 2022, said Consolidated and Modified DIP Credit Agreement was repaid in its entirety with the DIP-to-Exit financing, which contemplated bridge financing for senior secured bonds maturing in 2027 for MUS$750, MUS$750 in other bridge financing for senior secured notes due 2029, a MUS$750 Term Financing, a financing called Junior DIP, for a total of MUS$1,146 , and, lastly, a US Revolving Credit Facility MUS$500, which is not drawn. The DIP-to-exit financing was collateralized by assets owned by LATAM and certain of its affiliates. Of these, the Junior DIP contemplated a subordinate priority to the rest of the credits.

On October 18, 2022, the Bridge Loans were partially repaid by: i) a bond issue exempt from registration under U.S. Securities Act of 1933, as amended (the “Securities Act”), pursuant to Rule 144A and Regulation S, both under the Securities Act, due 2027 (the “5-Year Bonds”), by a total principal amount of MUS$450 and ii) a bond issue exempt from registration under the Securities Law pursuant to Rule 144A and Regulation S, both under the Securities Law, due 2029 (the “Bonds to 7 Years”), for a total principal amount of MUS$700.

In the context of the exit of the Company from the Chapter 11 Procedure on November 3, 2022, the Bridge Loans were repaid with additional: MUS$350 corresponding to an incremental loan of Term Loan B.

On November 3, 2022, the company and all of its subsidiaries successfully emerged from Chapter 11.

Balances by currency of interest bearing loans are as follows:

	As of December 31, 2023	As of December 31, 2022
Currency	ThUS$	ThUS$
Brazilian real	—	314,322
Chilean peso (U.F.)	160,730	157,288
US Dollar	3,807,464	4,093,816
Total	3,968,194	4,565,426

Interest-bearing loans due in installments to December 31, 2023
Debtor: LATAM Airlines Group S.A. and Subsidiaries, Tax No. 89.862.200-2, Chile.

				Nominal values						Accounting values							Annual	
Tax No.	Creditor	Creditor country	Currency	Up to 90 days	More than 90 days to one year	More than one to three years	More than three to five years	More than five years	Total nominal value	Up to 90 days	More than 90 days to one year	More than one to three years	More than three to five years	More than five years	Total accounting value	Amortization	Effective rate	Nominal rate
				ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$		%	%
Bank loans																		
0-E	GOLDMAN SACHS	U.S.A.	US$	2,750	8,250	22,000	1,056,000	—	1,089,000	44,891	8,250	22,000	954,293	—	1,029,434	Quarterly	20.31	15.04
Obligations with the public																		
97.036.000-K	SANTANDER	Chile	UF	—	—	—	—	160,214	160,214	—	516	—	—	160,214	160,730	At Expiration	2.00	2.00
97.036.000-K	SANTANDER	Chile	US$	—	—	—	—	3	3	—	—	—	—	3	3	At Expiration	1.00	1.00
0-E	WILMINGTON TRUST COMPANY	U.S.A.	US$	—	—	—	450,000	700,000	1,150,000	—	34,215	—	434,204	673,686	1,142,105	At Expiration	15.00	13.38
Guaranteed obligations																		
0-E	BNP PARIBAS	U.S.A.	US$	2,912	9,168	26,772	28,945	103,907	171,704	3,936	9,168	26,121	28,553	103,541	171,319	Quarterly	6.98	6.98
0-E	WILMINGTON TRUST COMPANY	U.S.A.	US$	3,854	11,693	32,356	34,083	50,599	132,585	3,900	11,693	32,356	34,083	50,571	132,603	Quarterly/Monthly	8.76	8.76
Other guaranteed obligations																		
0-E	CITIBANK	U.S.A.	US$	—	—	—	—	—	—	33	—	—	—	—	33	Quarterly	1.00	1.00
0-E	JP MORGAN CHASE	U.S.A.	US$	—	—	—	—	—	—	17	—	—	—	—	17	Quarterly	0.63	0.63
0-E	CREDIT AGRICOLE	France	US$	—	14,667	29,333	222,768	—	266,768	4,241	14,667	26,154	221,708	—	266,770	At Expiration	9.43	9.43
0-E	MUFG	U.S.A.	US$	11,768	35,960	16,374	—	—	64,102	11,805	35,960	16,374	—	—	64,139	Quarterly	7.11	7.11
0-E	EXIM BANK	U.S.A.	US$	—	—	40,662	42,122	16,325	99,109	282	—	40,662	42,122	16,325	99,391	Quarterly	2.29	2.05
Financial leases																		
0-E	NATIXIS	France	US$	6,516	19,779	54,443	56,972	77,647	215,357	8,559	19,779	54,117	56,754	77,555	216,764	Quarterly	7.58	7.58
0-E	US BANK	U.S.A.	US$	17,374	49,311	17,492	—	—	84,177	17,905	49,311	15,731	—	—	82,947	Quarterly	4.41	3.16
0-E	EXIM BANK	U.S.A.	US$	—	—	197,499	141,169	74,404	413,072	1,933	—	195,741	141,169	74,404	413,247	Quarterly	4.13	3.31
0-E	BANK OF UTAH	U.S.A.	US$	2,575	7,202	23,637	37,304	101,864	172,582	2,575	7,202	23,637	37,304	101,864	172,582	Monthly	10.71	10.71
Others loans																		
0-E	Various (*)		US$	104	—	—	—	—	104	104	—	—	—	—	104	At Expiration	—	—
	Total			47,853	156,030	460,568	2,069,363	1,284,963	4,018,777	100,181	190,761	452,893	1,950,190	1,258,163	3,952,188			

(*) Obligation to creditors for executed letters of credit.

Interest-bearing loans due in installments to December 31, 2023

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$		%	%
Financial lease																		
0-E	NATIXIS	France	US$	510	1,530	4,080	9,886	—	16,006	510	1,530	4,080	9,886	—	16,006	Quarterly	—	—
	Total			510	1,530	4,080	9,886	—	16,006	510	1,530	4,080	9,886	—	16,006			
	Total consolidated			48,363	157,560	464,648	2,079,249	1,284,963	4,034,783	100,691	192,291	456,973	1,960,076	1,258,163	3,968,194			

Interest-bearing loans due in installments to December 31, 2022

Debtor: LATAM Airlines Group S.A. and Subsidiaries, Tax No. 89.862.200-2, Chile.

				Nominal values						Accounting values							Annual	
Tax No.	Creditor	Creditor country	Currency	Up to 90 days	More than 90 days to one year	More than one to three years	More than three to five years	More than five years	Total nominal value	Up to 90 days	More than 90 days to one year	More than one to three years	More than three to five years	More than five years	Total accounting value	Amortization	Effective rate	Nominal rate
				ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$		%	%
Bank loans																		
0-E	SANTANDER	Spain	US$	—	—	70,951	—	—	70,951	173	—	70,951	—	—	71,124	Quarterly	7.26	7.26
0-E	GOLDMANS ACHS	U.S.A.	US$	2,750	8,250	22,000	1,067,000	—	1,100,000	30,539	8,250	22,000	939,760	—	1,000,549	Quarterly	18.46	13.38
Obligations with the public																		
97.036.000- K	SANTANDER	Chile	UF	—	—	—	—	156,783	156,783	505	—	—	—	156,783	157,288	At Expiration	2.00	2.00
97.036.000- K	SANTANDER	Chile	US$	—	—	—	—	3	3	—	—	—	—	3	3	At Expiration	1.00	1.00
0-E	WILMINGTO N TRUST COMPANY	U.S.A.	US$	—	—	—	450,000	700,000	1,150,000	—	32,878	—	430,290	669,340	1,132,508	At Expiration	15.00	13.38
Guaranteed obligations																		
0-E	BNP PARIBAS	U.S.A.	US$	1,761	6,907	22,890	26,035	126,605	184,198	2,637	6,907	22,212	25,627	126,048	183,431	Quarterly	5.76	5.76
0-E	WILMINGTO N TRUST COMPANY	U.S.A.	US$	2,208	6,110	32,620	33,210	67,457	141,605	2,233	6,110	32,620	33,210	67,457	141,630	Quarterly/ Monthly	8.20	8.20
Other guaranteed obligations																		
0-E	CREDIT AGRICOLE	France	US$	—	14,667	29,333	231,000	—	275,000	3,837	14,667	26,153	228,880	—	273,537	Quarterly	8.24	8.24
0-E	MUFG	U.S.A.	US$	11,345	34,624	66,419	—	—	112,388	11,404	34,624	66,419	—	—	112,447	Quarterly	6.23	6.23
0-E	CITIBANK	U.S.A.	US$	—	—	—	—	—	—	1,470	—	—	—	—	1,470	At Expiration	1.00	1.00
0-E	EXIM BANK	U.S.A.	US$	—	—	17,737	36,431	32,444	86,612	237	—	17,738	36,431	32,444	86,850	Quarterly	2.01	1.78
Financial leases																		
0-E	CITIBANK	U.S.A.	US$	6,825	5,689	—	—	—	12,514	6,888	5,689	—	—	—	12,577	Quarterly	6.19	5.47
0-E	BNP PARIBAS	U.S.A.	US$	6,596	20,048	1,521	—	—	28,165	6,776	20,048	1,516	—	—	28,340	Quarterly	5.99	5.39
0-E	NATIXIS	France	US$	6,419	19,341	53,207	55,696	104,475	239,138	8,545	19,341	52,881	55,478	103,905	240,150	Quarterly	6.44	6.44
0-E	US BANK	U.S.A.	US$	16,984	51,532	84,177	—	—	152,693	17,831	51,532	79,805	—	—	149,168	Quarterly	4.06	2.85
0-E	PK AIRFINANCE	U.S.A.	US$	1,533	4,664	6,393	—	—	12,590	1,579	4,664	6,393	—	—	12,636	Quarterly	5.97	5.97
0-E	EXIM BANK	U.S.A.	US$	—	—	113,668	180,260	152,581	446,509	1,923	—	112,666	178,672	151,236	444,497	Quarterly	3.58	2.79
0-E	BANK OF UTAH	U.S.A.	US$	2,321	6,568	20,990	30,557	121,801	182,237	2,321	6,568	20,990	30,557	121,801	182,237	Monthly	10.45	10.45
Other loan																		
0-E	Various (*)		US$	2,028	—	—	—	—	2,028	2,028	—	—	—	—	2,028	At Expiration	—	—
	Total			60,770	178,400	541,906	2,110,189	1,462,149	4,353,414	100,926	211,278	532,344	1,958,905	1,429,017	4,232,470			

Interest-bearing loans due in installments to December 31, 2022
Debtor: TAM S.A. and Subsidiaries, Tax No. 02.012.862/0001-60, Brazil

				Nominal values						Accounting values							Annual	
	Tax No.	Creditor Country	Currency	Up to 90 days	More than 90 days to one year	More than one to three years	More than three to five years	More than five years	Total nominal value	Up to 90 days	More than 90 days to one year	More than one to three years	More than three to five years	More than five years	Total accounting value	Amortization	Effective rate	Nominal rate
				ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$		%	%
Bank loans																		
0-E	Merril Lynch Credit Products LLC	Brazil	BRL	304,549	—	—	—	—	304,549	314,322	—	—	—	—	314,322	Monthly	3.95	3.95
Financial lease																		
0-E	NATIXIS	France	US$	510	1,530	4,080	4,080	7,846	18,046	1,050	1,530	4,080	4,080	7,894	18,634	Semiannual/ Quarterly	7.23	7.23
	Total			305,059	1,530	4,080	4,080	7,846	322,595	315,372	1,530	4,080	4,080	7,894	332,956			
	Total consolidated			365,829	179,930	545,986	2,114,269	1,469,995	4,676,009	416,298	212,808	536,424	1,962,985	1,436,911	4,565,426			

(b) Lease Liability:

The movement of the lease liabilities corresponding to the period reported are as follow:

	Aircraft	Others	Lease Liability Total
	ThUS$	ThUS$	ThUS$
Opening balance as of January 1, 2022	2,883,661	76,977	2,960,638
New contracts	354,924	13,019	367,943
Lease termination	(19,606)	—	(19,606)
Renegotiations	(76,233)	(4,198)	(80,431)
Exit effect of chapter 11 (*)	(995,888)	—	(995,888)
Payments	(154,823)	(26,172)	(180,995)
Accrued interest	142,939	9,194	152,133
Exchange differences	—	2,279	2,279
Cumulative translation adjustment	(2)	7,463	7,461
Other increases (decreases)	—	2,920	2,920
Changes	(748,689)	4,505	(744,184)
Closing balance as of December 31, 2022	2,134,972	81,482	2,216,454
Opening balance as of January 1, 2023	2,134,972	81,482	2,216,454
New contracts	943,178	2,976	946,154
Lease termination	(13,258)	(1,812)	(15,070)
Renegotiations	(7,194)	2,219	(4,975)
Payments	(376,006)	(23,277)	(399,283)
Accrued interest	212,500	9,633	222,133
Exchange differences	—	2,278	2,278
Subsidiaries conversion difference	6	297	303
Changes	759,226	(7,686)	751,540
Closing balance as of December 31, 2023	2,894,198	73,796	2,967,994

(*) Corresponds to the effect of emergence from Chapter 11 ThUS$679,273,000 associated with claim settlement (Derecognition of assets for right of use for ThUS$639,728,000 (See Note 24 letter g (4)) and conversion of Notes for ThUS$39,545,000) and ThUS$316,615,000 due to IBR rate change.

The Company recognizes interest payments related to lease liabilities in the consolidated result under Finance costs (See Note 26(c)). The Average discount rates for calculation of lease liability are as follows.

	Discount rate December 2023	Discount rate December 2022
Aircraft	9.10%	8.80%
Others	13.00%	10.70%

(c) Hedge derivatives

	Current liabilities		Non-current liabilities		Total hedge derivatives	
	As of December 31, 2023	As of December 31, 2022	As of December 31, 2023	As of December 31, 2022	As of December 31, 2023	As of December 31, 2022
	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$
Fair value of foreign currency derivatives	1,544	—	—	—	1,544	—
Total hedge derivatives	1,544	—	—	—	1,544	—

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, 2023	As of December 31, 2022
	ThUS$	ThUS$
Interest rate option (1)	—	8,816
Fuel options (2)	22,136	12,594
Foreign currency derivative R$/BRL$ (3)	(1,544)	191

(1) They cover significant variations in cash flows associated with the market risk implicit in increases in the SOFR interest rate for long-term loans originating from the acquisition of aircraft and bank loans. These contracts are recorded as cash flow hedge contracts.

(2) Hedge significant variations in cash flows associated with market risk implicit in the changes in the price of future fuel purchases. These contracts are recorded as cash flow hedges.

(3) Hedge significant variations in expected cash flows associated with the market risk implicit in changes in exchange rates, particularly the US$/BRL. These contracts are recorded as cash flow hedge contracts.

The Company only maintains cash flow hedges. In the case of fuel and currency hedges, the cash flows subject to said hedges will occur and will impact results in the next 12 months from the date of the consolidated statement of financial position. In the case of interest rate derivatives, the settlements will occur in the next 6 months and will remain in the balance until the date of arrival of the associated aircraft, date on which it will be part of the right-of-use asset and will begin to impact results on a monthly basis until the expiration of the respective lease

All hedging operations have been performed for highly probable transactions, except for fuel hedge. See Note 3.

See Note 24 (f) for reclassification to profit or loss for each hedging operation and Note 17 (b) for deferred taxes related.

NOTE 19 - TRADE AND OTHER ACCOUNTS PAYABLES

The composition of Trade and other accounts payables is as follows:

	As of December 31, 2023	As of December 31, 2022
	ThUS$	ThUS$
Current		
(a) Trade and other accounts payables	1,408,201	1,271,590
(b) Accrued liabilities	357,078	356,402
Total trade and other accounts payables	1,765,279	1,627,992

(a) Trade and other accounts payable:

	As of December 31, 2023	As of December 31, 2022
	ThUS$	ThUS$
Trade creditors	1,176,985	904,964
Other accounts payable	231,216	366,626
Total	1,408,201	1,271,590

The details of Trade and other accounts payables are as follows:

	As of December 31, 2023	As of December 31, 2022
	ThUS$	ThUS$
Boarding Fees	249,291	208,783
Maintenance	167,466	100,823
Airport charges and overflight	138,901	89,966
Handling and ground handling	133,114	130,482
Suppliers technical purchases	126,302	123,743
Leases, maintenance and IT services	100,842	83,751
Other personnel expenses	96,351	116,244
Aircraft Fuel	94,878	44,153
Professional services and advisory	63,756	134,191
Services on board	58,365	42,545
Marketing	51,035	37,928
Air companies	26,371	8,182
Crew	25,936	11,511
Agencies sales commissions	16,899	9,852
Aircraft Insurance	12,256	7,241
Others	46,438	122,195
Total trade and other accounts payables	1,408,201	1,271,590

(b) Liabilities accrued:

	As of December 31, 2023	As of December 31, 2022
	ThUS$	ThUS$
Aircraft and engine maintenance	129,473	184,753
Accrued personnel expenses	97,733	81,857
Accounts payable to personnel (1)	114,769	81,508
Others accrued liabilities	15,103	8,284
Total accrued liabilities	357,078	356,402

(1) Participation in profits and bonuses (Note 22 letter b).

NOTE 20 - OTHER PROVISIONS

	Current liabilities		Non-current liabilities		Total Liabilities	
	As of December 31, 2023	As of December 31, 2022	As of December 31, 2023	As of December 31, 2022	As of December 31, 2023	As of December 31, 2022
	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$
Provision for contingencies (1)						
Tax contingencies	7,003	8,733	614,882	617,692	621,885	626,425
Civil contingencies	7,702	5,490	142,305	119,483	150,007	124,973
Labor contingencies	367	350	155,501	175,212	155,868	175,562
Other	—	—	11,571	13,180	11,571	13,180
Provision for European						
Commission investigation (2)	—	—	2,477	2,397	2,477	2,397
Total other provisions (3)	15,072	14,573	926,736	927,964	941,808	942,537

(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.

Provisions are recognized in the consolidated income statement in administrative expenses or tax expenses, as appropriate.

The Company maintains other judicial processes, individually and cumulatively , do not have a significant impact on these financial statements

(2) Provision made for proceedings brought by the European Commission for possible breaches of free competition in the freight market.

(3) Total other provision as of December 31, 2023, and December 31, 2022, include the fair value of the contingencies arising at the time of the business combination with TAM S.A and subsidiaries,with a probability of loss under 50%, which are not recognized in the normal course of IFRS Accounting

Standards application and which only in the context of a business combination should be recognized under IFRS Accounting Standards.

Movement of provisions:

	Legal claims (1)	European Commission Investigation (1)	Total
	ThUS$	ThUS$	ThUS$
Opening balance as of January 1, 2022	731,153	9,300	740,453
Increase in provisions	687,558	—	687,558
Provision used	(63,087)	—	(63,087)
Difference by subsidiaries conversion	28,655	—	28,655
Reversal of provision	(427,979)	(6,630)	(434,609)
Exchange difference	(16,160)	(273)	(16,433)
Closing balance as of December 31, 2022	940,140	2,397	942,537
Opening balance as of January 1, 2023	940,140	2,397	942,537
Increase in provisions	449,406	—	449,406
Provision used	(70,844)	—	(70,844)
Difference by subsidiaries conversion	(69,563)	—	(69,563)
Reversal of provision	(310,118)	—	(310,118)
Exchange difference	310	80	390
Closing balance as of December 31, 2023	939,331	2,477	941,808

(1) See details of litigation and government investigations with a material impact in Note 30.

NOTE 21 - OTHER NON-FINANCIAL LIABILITIES

	Current liabilities		Non-current liabilities		Total Liabilities	
	As of December 31, 2023	As of December 31, 2022	As of December 31, 2023	As of December 31, 2022	As of December 31, 2023	As of December 31, 2022
	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$
Deferred revenue (1)(2)	3,044,664	2,533,081	348,936	420,208	3,393,600	2,953,289
Sales tax	17,801	7,194	—	—	17,801	7,194
Retentions	48,649	40,810	—	—	48,649	40,810
Other taxes	6,892	12,045	—	—	6,892	12,045
Dividends payable	174,549	—	—	—	174,549	—
Other sundry liabilities	9,351	49,121	—	—	9,351	49,121
Total other non-financial liabilities	3,301,906	2,642,251	348,936	420,208	3,650,842	3,062,459

Deferred Revenue Movement

		Deferred revenue						
	Initial balance	(1) Recognition	Use	Loyalty program (Award and redeem)	Expiration of tickets	Translation Difference	Others provisions	Final balance
	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$
From January 1 to December 31, 2022	2,785,193	9,772,469	(9,077,188)	(241,201)	(314,027)	4,585	23,458	2,953,289
From January 1 to December 31, 2023	2,953,289	14,238,959	(13,505,496)	17,680	(391,998)	84,988	(3,822)	3,393,600

(1) The balance includes mainly, deferred revenue for services not provided as of December 31, 2023 and December 31, 2022 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 points LATAM Pass every time they fly in LATAM and other airlines associated with the program, as well as by buying in stores or use the services of a vast network of companies that have agreements with the program around the world.

(2) As of December 31, 2023, Deferred Income includes Th US$40,500 related to the compensation from Delta Air Lines, Inc., which is recognized in the income statement based on the estimation of income differentials until the implementation of the strategic alliance.

NOTE 22 - EMPLOYEE BENEFITS

	As of December 31, 2023	As of December 31, 2022
	ThUS$	ThUS$
Retirements payments	57,785	45,076
Resignation payments	11,537	6,365
Other obligations	53,296	42,047
Total liability for employee benefits	122,618	93,488

(a) The movement in retirements, resignations and other obligations:

	Opening balance	Increase (decrease) current service provision	Benefits paid	Actuarial (gains) losses	Currency translation	Closing balance
	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$
From January 1 to December 31, 2022	56,233	53,254	(4,375)	(9,935)	(1,689)	93,488
From January 1 to December 31, 2023	93,488	58,436	(6,701)	(21,198)	(1,407)	122,618

The main assumptions used in the calculation of the provision in Chile are presented below:

Assumptions	For the year ended At December 31, 2023	2022
Discount rate	5.40 %	5.37 %
Expected rate of salary increase	3.00 %	5.23 %
Rate of turnover	5.02 %	5.14 %
Mortality rate	RV-2020	RV-2014
Inflation rate	2.99 %	3.61 %
Retirement age of women	60	60
Retirement age of men	65	65

The discount rate is based on the bonds issued by the Central Bank of Chile with a maturity of 20 years. The RV-2020 and RV-2014 mortality tables correspond to those established by the Commission for the Financial Market of Chile. The inflation rates are based on the yield curves of the long term nominal and inflation adjusted bonds based on BCU and BCPs issued by the Central Bank of Chile.

The calculation of the present value of the defined benefit obligation is sensitive to the variation of some actuarial assumptions such as discount rate, salary increase, rotation and inflation.

The sensitivity analysis for these variables is presented below:

	Effect on the liability As of December 31, 2023 ThUS$	As of December 31, 2022 ThUS$
Discount rate		
Change in the accrued liability an closing for increase in 100 b.p.	(3,913)	(3,308)
Change in the accrued liability an closing for decrease of 100 b.p.	4,369	3,724
Rate of wage growth		
Change in the accrued liability an closing for increase in 100 b.p.	4,133	3,520
Change in the accrued liability an closing for decrease of 100 b.p.	(3,811)	(3,216)

(b) The liability for short-term:

	As of December 31, 2023 ThUS$	As of December 31, 2022 ThUS$
Profit-sharing and bonuses (*)	114,769	81,508

(*) Accounts payables to employees (Note 19 letter b)

The participation in profits and bonuses related to an annual incentive plan for achievement of certain objectives.

(c) CIP (Corporate Incentive Plan)

With the aim of incentivizing the retention of talent among the executives of the Company and in response to the exit of the Chapter 11 Procedure, it was agreed to grant an extraordinary and exceptional incentive called Corporate Incentive Plan (hereinafter also "CIP"), which will be enforceable and paid subject to compliance with the terms, clauses and conditions approved at the Board meeting dated April 25, 2023. In summary, the CIP contemplates three categories oriented to three different groups or categories of employees, whether they are hired by the Company directly, or in other companies of the LATAM group. These categories are as follows: Non-Executive Employees; Executives Not part of the Global Executive Meeting o “GEM”; and GEM Executives. Employees in each of these groups are only eligible for the CIP that corresponds to their respective category. The terms of each of these CIP categories were communicated to the respective employees between the months of January to December 2023.

Below are more background on each of the different categories of the CIP. Additionally, in Note 33 describes in more detail the main terms and conditions of the last two categories of the CIP (i.e., Non-GEM Executives; and GEM Executives):

i) Non-Executive Employees: The first subprogram was aimed at non-executive employees who, while hired in LATAM as of December 31, 2020, were still in their position as of April 30, 2023, which includes a fixed and guaranteed payment in cash on certain dates, depending on the country where the employee is hired.

This subprogram is available to those employees who were unable to qualify for one of the two categories below, or who were able to do so, chose not to participate in them.

ii) Executives Not part of the GEM: The second subprogram applies to senior executives not part of the GEM (Global Executive Meeting – Senior Managers, Managers, Assistant Managers). This program contemplates the creation of remuneration synthetic Units (hereinafter, simply "Units") that, by reference, are considered as equivalent to the price of one share of LATAM Airlines Group S.A., and consequently, in case they become effective, they grant the worker the right to receive the payment in cash that results from multiplying the number of Units that become effective by the value per share of LATAM Airlines Group S.A. that should be considered in accordance with CIP.

In this context, this program contemplates two different bonuses: (1) a withholding bonus, consisting of the amount in cash resulting from Units that are assigned to the respective employee, these Units being paid at 20% at month 15 and 80% at month 24, in each case, counted from the exit date of Chapter 11 Procedure (i.e., November 3, 2022) (the "Exit Date"). This is consequently a guaranteed payment for these employees; and (2) a bonus associated with the certain financial indicators of LATAM Airlines Group S.A. and its subsidiaries, which is reflected in Note 19 (b), becoming effective 20% at month 15 and 80% at month 24, in each case, from the Exit Date. Consequently, this is an eventual payment that is only made if these indicators are reached.

iii) GEM Executives: The third subprogram applies to the Company´s GEM executives (Global Executive Meeting) (CEO and employees whose job description is "vice presidents" or "directors"). This program, in essence, contemplates the creation of remuneration synthetic Units that, by referential means, are considered as equivalent to the price of one share of LATAM Airlines Group S.A. and consequently, in case they become effective, they grant the worker the right to receive the payment in cash that results from multiplying the number of Units that become effective by the value per share of LATAM Airlines Group S.A. that must be considered according to the CIP.

These Units are divided into:

(1) Units associated with the employee's permanence in the Company ("RSUs" – Retention Shares Units); and (2) Units associated with both the employee's permanence in the Company and the performance of LATAM Airlines Group S.A. ("PSUs" – Performance Shares Units). This performance

is ultimately measured according to the share price of LATAM Airlines Group S.A. in the terms and conditions of the CIP.

Both the RSUs and the PSUs are consequently associated with the passage of time, becoming effective by partialities according to the calendar contemplated by the CIP. For the case of RSUs, having a vesting guaranteed by partialities as explained in more detail in Note 33. On the other hand, the PSUs also consider the market value of the share of LATAM Airlines Group S.A. considering a liquid market. However, as long as there is no such liquid market, the share price will be determined on the basis of representative transactions. As explained in more detail in Note 33, PSUs constitute a contingent and non-guaranteed payment.

In addition, some GEM Executives will also be entitled to receive a fixed and guaranteed cash payment ("MPP" – Management Protection Plan) on certain dates according to the CIP. Those employees who are eligible for this MPP will also be eligible for a limited number of additional MSUs ("MPP Based RSUs").

In all cases, the respective employees must have remained as such in the Company at the corresponding accrual date to qualify for these benefits.

During the year of 2023 until the month of December, the amount accrued related to this CIP was MUS$ 66.8, which is recorded in the "Administrative expenses" line of the Consolidated Statement of Income by Function. As of December 31, 2023, the amount of this plan recorded in the consolidated statement of financial position is MUS$ 118.9.

(d) Employment expenses are detailed below:

	For the year ended at December 31,	
	2023	2022
	ThUS$	ThUS$
Salaries and wages	1,268,343	1,024,304
Short-term employee benefits	181,565	121,882
Other personnel expenses	133,429	120,150
Total	1,583,337	1,266,336

NOTE 23 - ACCOUNTS PAYABLE, NON-CURRENT

	As of December 31, 2023	As of December 31, 2022
	ThUS$	ThUS$
Aircraft and engine maintenance	348,578	249,710
Fleet (JOL)	40,000	40,000
Airport and Overflight Taxes	11,337	19,866
Provision for vacations and bonuses	18,518	16,539
Other sundry liabilities	154	169
Total accounts payable, non-current	418,587	326,284

NOTE 24 - EQUITY

(a) Capital

The Company's objective is to maintain an appropriate level of capitalization that enables it to ensure access to the financial markets for carrying out its medium and long-term objectives, optimizing the return for its shareholders and maintaining a solid financial position.

The paid capital of the Company at December 31, 2023, amounts to ThUS$ 5,003,534 divided into 604,437,877,587 common stock of a same series (ThUS$ 13,298,486 divided into 604,437,584,048 shares as of December 31, 2022), a single series nominative, ordinary character with no par value. The total number of authorized shares of the Company as of December 31, 2023, corresponds to 604,441,789,335 shares. There are no special series of shares and no privileges. The form of its stock certificates and their issuance, exchange, disablement, loss, replacement and other similar circumstances, as well as the transfer of the shares, is governed by the provisions of the Corporate Law and its regulations.

At the Company's Extraordinary Shareholders' Meeting held on July 5, 2022, it was agreed to increase the Company's capital by ThUS$ 10,293,270 through the issuance of 73,809,875,794 paid shares and 531,991,409,513 backup shares, all ordinary, of the same and single series, without par value, of which: (a) ThUS$ 9,493,270 represented by 531,991,409,513 new shares, to be used to respond to the conversion of the Convertible Notes, according to this term is defined below (the "Support Shares"); and (b) ThUS$800,000 represented by 73,809,875,794 new paid shares (the "New Paid Shares"), to be offered preferentially to shareholders. On September 13, 2022, the preferential placement of the convertible notes and, in turn, of the new paid shares began, ending on the following dates, as explained below:

1. On October 12, 2022 expired the 30-day preemptive rights offering period (the "POP") of (i) the 73,809,875,794 new paid shares, issued and registered in the Securities Registry of the Comisión para el Mercado Financiero ("CMF") (the "ERO"); and (ii) 1,257,002,540 notes convertible into shares Serie G, 1,372,839,695 notes convertible into shares Serie H, and the 6,863,427,289 notes convertible into shares Serie I, all registered in the Securities Registry of the CMF (jointly, the "Convertible Notes").

2. On October 13, 2022, the second round (the "Second Round") of subscription of the ERO has taken place, in which had the right to participate, the shareholders (or their assignees) that subscribed ERO in the POP and expressed to LATAM, at the time of the subscription, their intention to participate in the Second Round.

3. As previously reported, the Remainder will be placed, in compliance with the applicable laws and regulations, according to the rules governing the offering of the ERO and the Convertible Notes, as provided in Article 10 of the Regulations of the Corporations Law. Such placement includes, among other things, the placement of a portion of the Remainder with (i) a group of unsecured creditors of LATAM represented by Evercore and certain holders of Chilean notes issued by LATAM (collectively, the "Backstop Creditors"); and (ii) Delta Air Lines, Inc., Qatar Airways Investments (UK) Ltd. and the Cueto group (collectively, the "Backstop Shareholders";and them jointly with the Backstop Creditors, the "Backstop Parties") according to the rules of their respective backstop commitment agreements (the "Backstop Agreements").

4. For purposes of the above, the Company will exercise its rights under the Backstop Agreements and will therefore require the Backstop Parties to subscribe and pay their respective portion of the Remainder, as provided in such agreements. Given the funding period contemplated in the Backstop Agreements, the Company managed to exit the Chapter 11 on November 3, 2022. Consequently, on this same date the Company, together with its various subsidiaries that were part of the Chapter 11 Procedure, have emerged from bankruptcy.

5. As part of the implementation of its Reorganization Plan within the framework of the exit from Chapter 11, LATAM issued MUS$800 in new paid shares and ThUS$9,493,270 through the issue of three classes of notes convertible into Company shares, backed by 531,991,409,513 shares totaling of 605,801,285,307 shares. As of December 31, 2023, of the aforementioned capital increase, 603,831,469,894 shares were subscribed and paid (603,831,176,355 shares as of December 31, 2022), equivalent to ThUS$10,169,622 as of December 31, 2023 (ThUS$10,152,221 as of December 31,

2022) and as of December 31, 2022 costs of issuance and placement of shares and convertible bonds were generated for ThUS$ 810,279, which are presented as part of the Other reserves and was reclassified to "paid-in capital" according to the Extraordinary Shareholders' Meeting held on April 20, 2023, as explained below

6. At the Company's Extraordinary Shareholders' Meeting held on April 20, 2023, it was agreed to:

6.i) A decrease in the Company's capital for an amount of ThUS$ 7,501,896, without altering the number and characteristics of the shares into which it is divided, by absorbing the Company's accumulated losses as of December 31, 2022 for the same amount;

6.ii) Others decrease of the Company's capital for an amount of ThUS$ 178, without altering the number and characteristics of the shares into which it is divided, through the absorption of the equity account of "Treasury Shares" as of December 31, 2022 for the same amount, produced on the occasion of the January 2013 reduction of capital stock by operation of law that took place in accordance with the provisions of Article 27 of the Corporations Law.

6.iii) Deduction of the Company´s capital the account "Costs of issuing shares and new convertible notes, for an amount of ThUS$ 810,279.

On September 6, 2023, by public deed granted at the Notary of Santiago of Mr. Eduardo Diez Morello, under repertoire number 15,327-2023 entitled "Declaración de Colocación y Vencimiento Plazo de Colocación Bonos Convertibles "Series G", "Series H" and "Series I" and Reducción de Capital de Pleno Derecho", it was realized that on September 5, 2023 the maturity of the placement term (the "Placement Term") of Convertible Notes. Consequently, in accordance with the mentioned in number Four of Clause Six of the respective notes issuance contract (the "Issuance Agreement"), as of that date the amount placed against it remained unchanged, and consequently the Convertible Notes not placed on that date were null and void. For the sake of completeness, it was declared that upon maturity of the Placement Term, 123,605,720 Series G Convertible Notes and 37 Series I Convertible Notes (collectively, the "Unplaced Convertible Notes") remained unplaced, for an amount of US$ 123,605,720 and US$37, respectively (hereinafter, together, the "Unplaced Amount"). The conversion option of the Unplaced Convertible Notes was backed by 1,965,903,665 shares as equity.

Likewise, in the aforementioned deed it was realized that since all the Unplaced Convertible Bonds have been terminated, since they have been null and void, they cannot be converted into shares of the issuer, consequently reducing the Company's Capital Share by an amount equal to the Unplaced Amount.

Therefore, as of September 6, 2023, the amount of the Share Capital has been reduced by law in the amount of ThUS$ 123,606, equivalent to 1,965,903,665 shares. As a result of the foregoing, as of December 31, 2023, the total statutory share capital of the Company was reduced by law from the amount of ThUS$ 5,127,182, divided into 606,407,693,000 shares, of the same and unique series, without par value, to the amount of ThUS$ 5,003,576, divided into 604,441,789,335 shares, of which MUS$ 5,003,534, equivalent to 604,437,877,587 shares, are fully paid. To date, the balance of MUS$ 42, equivalent to 3,911,748 shares, are pending of subscription and payment and are intended exclusively to respond to the conversion of 42,398 Series H Convertible Notes.

(b) Movement of authorized shares

The following table shows the movement of the authorized, fully paid shares and back-up shares to be delivered in the event that the respective conversion option is exercised under the convertible notes currently issued by the Company:

	As of December 31, 2023				As of December 31, 2022			
	N° of authorized shares	N° of Subscribed of shares and paid or delivered pursuant to the exercise of the conversion option	N° of convertible notes back-up shares pending to place	N° of shares to subscribe or not used	N° of authorized shares	N° of Subscribed of shares and paid or delivered pursuant to the exercise of the conversion option	N° of convertible notes back-up shares pending to place	N° of shares to subscribe or not used
Opening Balance	606,407,693,000	604,437,584,048	4,205,287	1,965,903,665	606,407,693	606,407,693	—	—
New shares issued	—	—	—	—	73,809,875,794	73,809,875,794	—	—
Convertible Notes G	—	—	—	—	19,992,142,087	18,026,240,520	—	1,965,901,567
Convertible Notes H	—	293,539	(293,539)	—	126,661,409,136	126,657,203,849	4,205,287	—
Convertible Notes I	—	—	—	—	385,337,858,290	385,337,856,192	—	2,098
Reduction of full right (*)	(1,965,903,665)	—	—	(1,965,903,665)	—	—	—	—
Subtotal	(1,965,903,665)	293,539	(293,539)	(1,965,903,665)	605,801,285,307	603,831,176,355	4,205,287	1,965,903,665
Closing Balance	604,441,789,335	604,437,877,587	3,911,748	—	606,407,693,000	604,437,584,048	4,205,287	1,965,903,665

(*) See letter (a) above, in the same Note.

(c) Share capital

The following table shows the movement of share capital:

	Paid- in Capital
	ThUS$
Initial balance as of January 1, 2022	3,146,265
New shares issued (ERO)	800,000
Conversion options of convertible notes exercised during the year - Convertible Notes G (1)	1,115,996
Conversion options of convertible notes exercised during the year - Convertible Notes H	1,372,798
Conversion options of convertible notes exercised during the year - Convertible Notes I (2)	6,863,427
Subtotal	10,152,221
Ending balance as of December 31, 2022	13,298,486
Initial balance as of January 1, 2023	13,298,486
Placement during the conversion options period - Convertible Notes G	17,401
Absorption of Accumulated Losses as of December 31, 2022 (3)	(7,501,896)
Absorption of treasury shares (3)	(178)
Deduction of issuance and placement costs of shares and bonds convertible into shares (3)	(810,279)
Subtotal	(8,294,952)
Ending balance as of December 31, 2023	5,003,534

(1) It only includes Convertible Notes bonds delivered as payment of debts recognized in Chapter 11.
(2) Part of the Convertible Notes were to extinguish through exchange credits that were recognized in Chapter 11.

(3) As explained in letter a) of this Note, at the Company's Extraordinary Shareholders' Meeting held on April 20, 2023, it was agreed to absorb retained losses and reduce the Company's capital.

(d) Treasury stock

At December 31, 2023, 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. As explained in letter a) of this same Note, at the Company's Extraordinary Shareholders' Meeting held on April 20, 2023, an absorption of the Company's capital was agreed for an amount of ThUS$ 178.

(e) Other equity- Value of conversion right - Convertible Notes

(e.1) Notes subscription

The Convertible Notes were issued to be place in exchange for a cash contribution, in exchange for settlement of Chapter 11 Proceeding or a combination of both. Convertible Notes issued in exchange for cash were valued at fair value (the cash received). Notes issued in exchange for settlement of Chapter 11 claims were valued considering the discount that each group of liabilities settled on at the emergence date. The table below shows the 3 Convertible Notes at their nominal values, the adjustment, if any, to arrive at their fair values and the amount of transaction costs. The conversion option classified as equity is determined by deducting the amount of the liability component from the fair value of the compound instrument as a whole. The equity portion is recognized under Other equity at the time the Convertible Notes are issued.

	As of December 31, 2022			
Concepts	Convertible Notes G	Convertible Notes H	Convertible Notes I	Total Convertible Notes
	ThUS$	ThUS$	ThUS$	ThUS$
Face Value	1,115,996	1,372,837	6,863,427	9,352,260
Adjustment to fair value Convertible Notes at the date of issue	(923,616)	—	(2,686,854)	(3,610,470)
Issuance cost	—	(24,812)	(705,467)	(730,279)
Subtotal	(923,616)	(24,812)	(3,392,321)	(4,340,749)
Fair Value of Notes	192,380	1,348,025	3,471,106	5,011,511
Debt component at the date of issue	—	(102,031)	—	(102,031)
Equity component at the date of issue	192,380	1,245,994	3,471,106	4,909,480

	As of December 31, 2023			
Concepts	Convertible Notes G	Convertible Notes H	Convertible Notes I	Total Convertible Notes
	ThUS$	ThUS$	ThUS$	ThUS$
Face Value	17,401	—	—	17,401
Adjustment to fair value Convertible Notes at the date of issue	(14,401)	—	—	(14,401)
Subtotal	(14,401)	—	—	(14,401)
Fair Value of Notes	3,000	—	—	3,000
Equity component at the date of issue	3,000	—	—	3,000

(e.2) Conversion of notes into shares

As of December 31, 2023 and December 31, 2022, the following notes have been converted into shares:

	As of December 31, 2023			
Concepts	Convertible Notes G	Convertible Notes H	Convertible Notes I	Total Convertible Notes
	ThUS$	ThUS$	ThUS$	ThUS$
Conversion percentage	100.000%	99.997%	100.000%	
Conversion option of convertible notes exercised	1,133,397	1,372,798	6,863,427	9,369,622
Total Converted Notes	1,133,397	1,372,798	6,863,427	9,369,622

	As of December 31, 2022			
Concepts	Convertible Notes G	Convertible Notes H	Convertible Notes I	Total Convertible Notes
	ThUS$	ThUS$	ThUS$	ThUS$
Conversion percentage	88.782%	99.997%	100.000%	
Conversion option of convertible notes exercised	1,115,996	1,270,767	6,863,427	9,250,190
Converted debt component	—	102,031	—	102,031
Total Converted Notes	1,115,996	1,372,798	6,863,427	9,352,221

The conversion option from the issuance of convertible notes classified as equity is determined by deducting the amount of the liability component from the fair value of the compound instrument (i.e. convertible notes) as a whole. This is recognized and included in equity, net of income tax effects, and is not subsequently remeasured. In addition, the conversion option classified as equity will remain in equity until the conversion option is exercised, in which case, the balance recognized in equity will be transferred to share capital. To the date of issuance of these financial statements, the portion not converted into equity corresponds to ThUS$39.

(e.3) The Convertible Notes

The contractual conditions of the G, H and I Convertible Notes consider the delivery of a fixed number of shares of LATAM Airlines Group S.A. at the time of settlement of the conversion option of each of them. The foregoing determined the classification of convertible notes as equity instruments, with the exception of Bond H, which considers, in addition to the delivery of a fixed number of shares, the payment of 1% annual interest with certain conditions for its payment and its accrual from 60 days after the exit Date. The payment of this interest gives rise to the recognition of a liability component for the class H convertible notes.

At the date of issue, the fair value of the liability component in the amount of ThUS$ 102,031 was estimated using the prevailing market interest rate for similar non-convertible instruments.

Transaction costs relating to the liability component are included in the carrying amount of the liability portion and amortized over the period of the convertible notes using the effective interest method.

(f) Reserve of share- based payments

Movement of Reserves of share- based payments:

Periods	Opening balance	Stock option plan	Closing balance
	ThUS$	ThUS$	ThUS$
From January 1 to December 31, 2022	37,235	—	37,235
From January 1 to December 31, 2023	37,235	—	37,235

These reserves are related to share based payment plans that expired during the first quarter of 2023. No equity instruments were issued and no amounts were paid associated with these plans.

(g) Other sundry reserves

Movement of Other sundry reserves:

Periods	Opening balance	Transactions with non-controlling interest	Legal reserves	Other sundry reserves	Others increases (Decreases) (5)	Closing balance
	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$
From January 1 to December 31, 2022	2,448,098	—	—	(4,420,749)	—	(1,972,651)
From January 1 to December 31, 2023	(1,972,651)	16,648		(14,401)	800,388	(1,170,016)

Balance of Other sundry reserves comprise the following:

	As of December 31, 2023	As of December 31, 2022
	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)	(211,582)	(216,656)
Adjustment to the fair value of the New Convertible Notes (4)	(3,624,871)	(3,610,470)
Cost of issuing shares and New Convertible Notes (5)	—	(810,279)
Others	(1,875)	(3,558)
Total	(1,170,016)	(1,972,651)

(1) Corresponds to the difference between the value of the shares of TAM S.A., acquired by Sister Holdco S.A. (under the Subscriptions) and by Holdco II S.A. (by virtue of the Exchange Offer), which is recorded in the declaration of completion of the merger by absorption, and the fair value of the shares exchanged by LATAM Airlines Group S.A. as of June 22, 2012.

(2) Corresponds to the technical revaluation of the fixed assets authorized by the Commission for the Financial Market in the year 1979, in Circular No. 1529. The revaluation was optional and could be made only once; the originated reserve is not distributable and can only be capitalized.

(3) The balance as of December 31, 2022 corresponds to the loss generated by: Lan Pax Group S.A. e Inversiones Lan S.A. in the acquisition of shares of Aerovías de Integración Regional S.A. 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 Aerovías de Integración Regional S.A. Aires 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). The movements during 2023 was the following: (5) acquisition of the non-controlling interest of Aerovías de Integración Regional S.A. Aires S.A. for an amount of ThUS$(23) and (6) amendment of articles in the legal statutes of association related to premiums for the issuance of shares in the subsidiaries Aerovías de Integración Regional S.A. Aires S.A. for a total amount of ThUS$ 5.097.

(4) The adjustment to the fair value of the Convertible Notes delivered in exchange for settlement of Chapter 11 claims was valued considering the discount that each group of liabilities settled on at the emergence date. These relate to: gain on the haircut for the accounts payable and other accounts payable for Th US$2,564,707 (ThUS$ 2,550,306 as of December 31, 2022), gain on the haircut for the financial liabilities for ThUS$ 420,436 and gain on the haircut of lease liabilities which is booked against the right of use asset for ThUS$ 639,728 as of December 31, 2023 and December 31, 2022.

(5) Corresponds to 20% of the sum of the commitment of new funds of the Backstop Parties under the Series I Convertible Bonds and the New Paid Shares, plus additional costs for extension of the Backstop agreement. At the Company's Extraordinary Shareholders' Meeting held on April 20, 2023, it was agreed to deduct from the paid-in capital of the Company the account "Costs of issuance and placement of shares and bonds convertible into shares", for the sum of ThUS$810,279.

(h) Reserves with effect in other comprehensive income.

Movement of Reserves with effect in other comprehensive income:

	Currency translation reserve	Cash flow hedging reserve	Gains (Losses) on change on value of time value of options	Actuarial gain or loss on defined benefit plans reserve	Total
	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$
Opening balance as of January 1, 2022	(3,772,159)	(38,390)	(17,563)	(18,750)	(3,846,862)
Change in fair value of hedging instrument recognized in OCI	—	51,323	(23,845)	—	27,478
Add: Costs of hedging deferred and recognized in OCI	—	—	—	—	—
Reclassified from OCI to profit or loss	—	31,293	19,946	—	51,239
Reclassified from OCI to the value of the hedged asset	—	(8,143)	—	—	(8,143)
Deferred tax	—	(235)	—	—	(235)
Actuarial reserves by employee benefit plans	—	—	—	(9,933)	(9,933)
Deferred tax actuarial IAS by employee benefit plans	—	—	—	566	566
Translation difference subsidiaries	(33,401)	694	(160)	—	(32,867)
Closing balance as of December 31, 2022	(3,805,560)	36,542	(21,622)	(28,117)	(3,818,757)
Opening balance as of January 1, 2023	(3,805,560)	36,542	(21,622)	(28,117)	(3,818,757)
Change in fair value of hedging instrument recognized in OCI	—	(32,858)	25,734	—	(7,124)
Reclassified from OCI to profit or loss	—	(26,568)	28,818	—	2,250
Reclassified from OCI to the value of the hedged asset	—	(11,112)	—	—	(11,112)
Deferred tax	—	3,604	—	—	3,604
Actuarial reserves by employee benefit plans	—		—	(21,192)	(21,192)
Deferred tax actuarial IAS by employee benefit plans	—		—	750	750
Translation difference subsidiaries	(25,051)	(8,286)	17	—	(33,320)
Closing balance as of December 31, 2023	(3,830,611)	(38,678)	32,947	(48,559)	(3,884,901)

(h.1) Cumulative translate difference

These are originated from exchange differences arising from the translation of any investment in foreign entities (or Chilean investments with a functional currency different to that of the parent), and from loans and other instruments in foreign currency designated as hedges for such investments. When the investment (all or part) is sold or disposed and a loss of control occurs, these reserves are shown in the consolidated statement of income as part of the loss or gain on the sale or disposal. If the sale does not involve loss of control, these reserves are transferred to non-controlling interests.

(h.2) Cash flow hedging reserve

These are originated from the fair value valuation at the end of each period of the outstanding derivative contracts that have been defined as cash flow hedges. When these contracts expire, these reserves should be adjusted, and the corresponding results recognized.

(h.3) Reserves of actuarial gains or losses on defined benefit plans

Correspond to the increase or decrease in the present value obligation for defined benefit plans due to changes in actuarial assumptions, and experience adjustments, which are the effects of differences between the previous actuarial assumptions and the actual events that have occurred.

(i) Retained earnings/(losses)

Movement of Retained earnings/(losses):

Periods	Opening balance	Result for the period	Dividends	Others increase (decreases) (1)	Closing balance
	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$
From January 1 to December 31, 2022	(8,841,106)	1,339,210	—	—	(7,501,896)
From January 1 to December 31, 2023	(7,501,896)	581,831	(174,549)	7,559,025	464,411

(1) The detail of Other increases (decreases) is as follows:

	ThUS$
Absorption accumulated losses (*)	7,501,896
Out of Period Adjustment (**)	57,129
Total	7,559,025

(*) See letter a) under this same Note.

(**) Out of Period Adjustment

On April 30, 2020, LATAM's Shareholders approved the distribution of a dividend in the amount of ThUS$ 57,129 to be paid on May 28, 2020. On May 26, 2020, LATAM entered Chapter 11 proceedings which granted an automatic stay prohibiting the Company from making dividend payments. At that time it was not clear when this dividend would be paid. On November 3, 2022, upon emergence from Chapter 11 it was clear this dividend would not be paid, however, it was not derecognized from liabilities and transferred to retained earnings at that time. During the three months ended March 31, 2023, the Company corrected this matter and recorded an out of period adjustment to derecognized the dividend payable resulting in an increase of ThUS$ 57,129 to retained earnings and a decrease in Trade and other accounts payable in the same amount.

Management has evaluated the impact of this out-of-period adjustment and concluded that it is not material to the financial statements for the year ended December 31, 2023, or to any previously reported quarter, semester or annual financial statements.

(j) Dividends per share

Description of dividend	Minimum mandatory dividend 2023	Minimum mandatory dividend 2022
Amount of the dividend (ThUS$)(*)	174,549	—
Number of shares among which the dividend is distributed	604,437,877,587	604,437,584,048
Dividend per share (US$)	0.0003	0.0000

(*) It Corresponds to mandatory minimum dividend provision charged to the net income for the year 2023, As of the date of issuance of these financial statements, the Board of Directors has not yet approved a proposal for payment.

NOTE 25 - REVENUE

The detail of revenues is as follows:

	For the year ended at December 31, 2023	2022
	ThUS$	ThUS$
Passengers	10,215,148	7,636,429
Cargo	1,425,393	1,726,092
Total	11,640,541	9,362,521

NOTE 26 - COSTS AND EXPENSES BY NATURE

(a) Costs and operating expenses

The main operating costs and administrative expenses are detailed below:

	For the year ended at December 31, 2023	2022
	ThUS$	ThUS$
Aircraft fuel	(3,947,220)	(3,882,505)
Other rentals and landing fees	(1,322,795)	(1,036,158)
Aircraft maintenance	(601,804)	(582,848)
Aircraft rental (*)	(91,876)	(202,845)
Commissions	(244,160)	(167,035)
Passenger services	(271,838)	(184,357)
Other operating expenses	(1,351,571)	(1,136,490)
Total	(7,831,264)	(7,192,238)

(*) Aircraft Lease Contracts include lease payments based on Power by the Hour (PBH) at the beginning of the contract and fixed-rent payments later on. For these contracts that contain an initial period based on PBH and then a fixed amount, a right of use asset and a lease liability was recognized at the date of modification of the contract. These amounts continue to be amortized over the contract term on a straight-line basis starting from the modification date of the contract. Therefore, as a result of the application of the lease accounting policy, the expenses for the year include both the lease expense for variable payments (Aircraft Rentals) as well as the expenses resulting from the amortization of the right of use assets (included in the Depreciation line included in b) below) and interest from the lease liability (included in Lease Liabilities letter c) below)

	For the year ended at December 31,	
	2023	2022
	ThUS$	ThUS$
Payments for leases of low-value assets	(16,632)	(17,959)
Total	(16,632)	(17,959)

(b) Depreciation and amortization

Depreciation and amortization are detailed below:

	For the year ended at December 31,	
	2023	2022
	ThUS$	ThUS$
Depreciation (*)	(1,151,015)	(1,125,154)
Amortization	(54,358)	(54,358)
Total	(1,205,373)	(1,179,512)

(*) Included within this amount is the depreciation of the Property, plant and equipment (See Note 16 (a)) and the maintenance of the aircraft recognized as right of use assets. The maintenance cost amount included in the depreciation line for the period ended December 31, 2023 is ThUS$ 565,384 (ThUS$ 463.306 for the same period in 2022).

(c) Financial costs

The detail of financial costs is as follows:

	For the year ended at December 31,	
	2023	2022
	ThUS$	ThUS$
Bank loan interests	(400,052)	(714,310)
Financial leases	(58,011)	(45,384)
Lease liabilities	(224,824)	(152,132)
Other financial instruments	(15,344)	(30,577)
Total	(698,231)	(942,403)

Costs and expenses by nature presented in this note plus the Employee expenses disclosed in Note 22, are equivalent to the sum of cost of sales, distribution costs, administrative expenses, other expenses and financing costs presented in the consolidated statement of income by function.

(d) Gains (losses) from restructuring activities

Gains (losses) restructuring activities are detailed below:

	For the year ended at December 31,
	2022
	ThUS$
Renegotiation of fleet contracts	(483,068)
Legal advice	(323,204)
Employee restructuring plan	(80,407)
Rejection of IT contracts	(2,586)
Gains resulting from the settlement of Chapter 11 claims (*)	2,550,306
Others	18,893
Total	1,679,934

The Company did not recorded gains/(losses) restructuring activities during 2023.

(e) Financial income

Financial income is detailed below:

	For the year ended At December 31,	
	2023	2022
	ThUS$	ThUS$
Financial claims (*)	—	491,326
Gains resulting from the settlement of Chapter 11 claims (**)	—	420,436
Finance lease rate change effect	—	49,824
Other miscellaneous income	125,356	90,709
Total	125,356	1,052,295

(*) See Note 34 (a.4.)
(**) See Note 24 (g)

(f) Other gains (losses)

Other gains (losses) are detailed below:

	For the year ended At December 31,	
	2023	2022
	ThUS$	ThUS$
Adjustment net realizable value fleet available for sale	(39,163)	(345,410)
Other	(51,880)	(1,667)
Total	(91,043)	(347,077)

NOTE 27 - OTHER INCOME, BY FUNCTION

Other income, by function is as follows:

	For the year ended at December 31,	
	2023	2022
	ThUS$	ThUS$
Tours	36,297	24,068
Aircraft leasing	—	18,164
Customs and warehousing	27,553	30,323
Maintenance	7,784	7,995
Income from non-airlines products LATAM Pass	15,148	23,954
Other miscellaneous income (*)	61,859	49,782
Total	148,641	154,286

(•) Included within this amount ThUS$30,408 as of December 31, 2022 related to the compensation of Delta Air Lines Inc. for the JBA signed during 2019.

NOTE 28 - FOREIGN CURRENCY AND EXCHANGE RATE DIFFERENCES

The functional currency of LATAM Airlines Group S.A. is the US dollar, LATAM has subsidiaries whose functional currency is different to the US dollar, such as the chilean peso, argentine peso, colombian peso, brazilian real and guaraní.

The functional currency is defined as the currency of the primary economic environment in which an entity operates. For each entity and all other currencies are defined as a foreign currency.

Considering the above, the balances by currency mentioned in this note correspond to the sum of foreign currency of each of the entities that are part of the LATAM Airlines Group S.A. and Subsidiaries.

Following are the current exchange rates for the US dollar, on the dates indicated:

	As of December 31,	As of December 31,	
		2022	2021
Argentine peso	807.98	177.12	102.75
Brazilian real	4.85	5.29	5.57
Chilean peso	877.12	855.86	844.69
Colombian peso	3,872.49	4,845.35	4,002.52
Euro	0.90	0.93	0.88
Australian dollar	1.46	1.47	1.38
Boliviano	6.86	6.86	6.86
Mexican peso	16.91	19.50	20.53
New Zealand dollar	1.58	1.58	1.46
Peruvian Sol	3.70	3.81	3.98
Paraguayan Guarani	7,270.6	7,332.2	6,866.40
Uruguayan peso	38.81	39.71	44.43

Foreign currency

The foreign currency detail of balances of monetary items in current and non-current assets is as follows:

Current assets	As of December 31, 2023	As of December 31, 2022
	ThUS$	ThUS$
Cash and cash equivalents	386,216	265,371
Argentine peso	1,808	6,712
Brazilian real	7,108	3,355
Chilean peso	47,907	17,591
Colombian peso	8,968	8,415
Euro	25,329	19,361
U.S. dollar	237,251	168,139
Other currency	57,845	41,798
Other financial assets, current	14,659	331,617
Chilean peso	4,367	5,778
Euro	3,722	2,483
U.S. dollar	5,971	322,796
Other currency	599	560
Other non - financial assets, current	36,654	19,425
Brazilian real	719	2,303
Chilean peso	12,354	3,341
Euro	5,310	622
U.S. dollar	10,735	4,369
Other currency	7,536	8,790

Trade and other accounts receivable, current	279,586	143,631
Argentine peso	12,831	25,035
Brazilian real	620	10,669
Chilean peso	69,588	31,258
Colombian peso	1,453	176
Euro	90,699	12,506
U.S. dollar	68,893	25,549
Other currency	35,502	38,438
Accounts receivable from related entities, current	27	138
Chilean peso	27	31
U.S. dollar	—	107
Tax current assets	17,258	15,623
Chilean peso	2,202	1,569
Colombian peso	6,084	1,921
Peruvian sun	7,108	10,300
Other currency	1,864	1,833
Total current assets	734,400	775,805
Argentine peso	14,639	31,747
Brazilian real	8,447	16,327
Chilean peso	136,445	59,568
Colombian peso	16,505	10,512
Euro	125,060	34,972
U.S. Dollar	322,850	520,960
Other currency	110,454	101,719

	As of December 31, 2023	As of December 31, 2022
	ThUS$	ThUS$
Non-current assets		
Other financial assets, non-current	15,375	13,366
Brazilian real	3,807	3,495
Chilean peso	2,073	69
Colombian peso	841	1,344
Euro	4,252	4,308
U.S. dollar	2,071	2,050
Other currency	2,331	2,100
Other non - financial assets, non-current	9,856	11,909
Argentine peso	1	12
Brazilian real	9,789	8,082
U.S. dollar	15	3,815
Other currency	51	—
Accounts receivable, non-current	4,732	4,526
Chilean peso	4,732	4,526
Deferred tax assets	1,048	2,948
Colombian peso	859	2,567
U.S. dollar	144	20
Other currency	45	361
Total non-current assets	31,011	32,749
Argentine peso	1	12
Brazilian real	13,596	11,577
Chilean peso	6,805	4,595
Colombian peso	1,700	3,911
Euro	4,252	4,308
U.S. dollar	2,230	5,885
Other currency	2,427	2,461

The foreign currency detail of balances of monetary items in current liabilities and non-current is as follows:

	Up to 90 days		91 days to 1 year	
	As of December 31, 2023	As of December 31, 2022	As of December 31, 2023	As of December 31, 2022
	ThUS$	ThUS$	ThUS$	ThUS$
Current liabilities				
Other financial liabilities, current	4,331	17,062	1,010	602
Chilean peso	1,364	10,697	702	602
U.S. dollar	2,510	5,558	—	—
Other currency	457	807	308	—
Trade and other accounts payables, current	616,032	720,688	9,583	20,995
Argentine peso	2,074	45,345	132	3,446
Brazilian real	13,401	48,511	922	651
Chilean peso	128,838	146,395	1,560	1,231
Colombian peso	197	2,330	—	31
Euro	54,744	29,502	7	11
U.S. dollar	350,635	328,540	1,797	2,883
Peruvian sol	42,347	7,426	4,994	10,886
Mexican peso	2,019	12,969	—	75
Pound sterling	17,379	37,788	11	19
Uruguayan peso	706	1,199	39	1,110
Other currency	3,692	60,683	121	652
Accounts payable to related entities, current	5,154	6	—	—
Chilean peso	—	6	—	—
U.S. dollar	5,154	—	—	—
Other provisions, current	16	29	12,429	11,655
Chilean peso	—	—	4	29
Other currency	16	29	12,425	11,626
Current liabilities				
Other non-financial liabilities, current	15,634	16,315	6,099	9,071
Argentine peso	836	87	445	6,563
Chilean peso	4,338	1,568	4,026	178
Colombian peso	1,456	294	1,066	798
U.S. dollar	7,305	12,975	416	1,063
Other currency	1,699	1,391	146	469
Total current liabilities	641,167	754,100	29,121	42,323
Argentine peso	2,910	45,432	577	10,009
Brazilian real	13,401	48,511	922	651
Chilean peso	134,540	158,666	6,292	2,040
Colombian peso	1,653	2,624	1,066	829
Euro	54,744	29,502	7	11
U.S. dollar	365,604	347,073	2,213	3,946
Other currency	68,315	122,292	18,044	24,837

	More than 1 to 3 years		More than 3 to 5 years		More than 5 years	
	As of December 31, 2023	As of December 31, 2022	As of December 31, 2023	As of December 31, 2022	As of December 31, 2023	As of December 31, 2022
	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$
Non-current liabilities						
Other financial liabilities, non-current	32,867	32,036	2,871	774	165,511	170,437
Chilean peso	17,020	11,544	2,500	774	164,942	170,437
Brazilian real	552	16	—	—	—	—
Euro	412	1,409	371	—	569	—
U.S. dollar	14,110	18,354	—	—	—	
Other currency	773	713	—	—	—	—
Accounts payable, non-current	72,783	58,449	—	—	—	—
Chilean peso	16,774	17,259	—	—	—	
U.S. dollar	54,441	39,717	—	—	—	—
Other currency	1,568	1,473	—	—	—	—
Other provisions, non-current	49,427	43,301	—	—	—	—
Argentine peso	3,570	1,917	—	—	—	—
Brazilian real	42,244	37,982	—	—	—	—
Chilean peso	—	—	—	—	—	—
Colombian peso	395	202	—	—	—	—
Euro	3,053	2,944	—	—	—	—
U.S. dollar	165	256	—	—	—	—
Provisions for employees benefits, non-current	79,749	55,454	—	—	—	—
Chilean peso	76,247	55,454	—	—	—	—
U.S. dollar	3,502	—	—	—	—	—
Total non-current liabilities	234,826	189,240	2,871	774	165,511	170,437
Argentine peso	3,570	1,917	—	—	—	—
Brazilian real	42,796	37,998	—	—	—	—
Chilean peso	110,041	84,257	2,500	774	164,942	170,437
Colombian peso	395	202	—	—	—	—
Euro	3,465	4,353	371	—	569	—
U.S. dollar	72,218	58,327	—	—	—	—
Other currency	2,341	2,186	—	—	—	—

	As of December 31, 2023	As of December 31, 2022
	ThUS$	ThUS$
General summary of foreign currency:		
Total assets	765,411	808,554
Argentine peso	14,640	31,759
Brazilian real	22,043	27,904
Chilean peso	143,250	64,163
Colombian peso	18,205	14,423
Euro	129,312	39,280
U.S. dollar	325,080	526,845
Other currency	112,881	104,180
Total liabilities	1,073,496	1,156,874
Argentine peso	7,057	57,358
Brazilian real	57,119	87,160
Chilean peso	418,315	416,174
Colombian peso	3,114	3,655
Euro	59,156	33,866
U.S. dollar	440,035	409,346
Other currency	88,700	149,315
Net position		
Argentine peso	7,583	(25,599)
Brazilian real	(35,076)	(59,256)
Chilean peso	(275,065)	(352,011)
Colombian peso	15,091	10,768
Euro	70,156	5,414
U.S. dollar	(114,955)	117,499
Other currency	24,181	(45,135)

NOTE 29 – EARNINGS (LOSS) PER SHARE

	For the year ended at December 31,			
	2023		2022	
Basic earnings (loss) per share				
Income (Loss) attributable to owners of the parent (ThUS$)	581,831		1,339,210	
Weighted average number of shares, basic	604,437,869,545	(*)	96,614,464,231	(*)
Basic earnings (loss) per share (US$)	0.000963		0.013861	

	For the year ended at December 31,			
	2023		2022	
Diluted earnings (loss) per share				
Income (Loss) attributable to owners of the parent (ThUS$)	581,831		1,339,210	(***)
Weighted average number of shares, diluted	604,441,789,335	(**)	98,530,451,071	(**)
Diluted earnings (loss) per share (US$)	0.000963		0.013592	

(*) As of December 31, 2023, the weighted average number of shares considers 604,437,584,048 shares outstanding from January 1, 2023 to December 31, 2023. From January 10, 2023 to December 31, 2023, the number of shares outstanding increased due to the partial conversion of the Convertible Note H (See movement of shares in Note 24).As of December 31, 2022, the weighted average number of shares considers 606,407,693 shares outstanding from January 1, 2022 until November 2, 2022. From November 3, 2022 until December 31, 2022 the number of shares outstanding increases due to the equity rights offering and then increases daily as the holders of the convertible notes convert them into shares (See movement of shares in Note 24).

(**) As of December 31, 2023, the number of weighted diluted shares considers 604,437,584,048 shares from January 1, 2023 to December 31, 2023. From January 10, 2023 to December 31, 2023, the number of shares outstanding increased due to the partial conversion of the Convertibles Notes (See movement of shares in Note 24) and 3,911,748 shares outstanding from January 1, 2023 until December 31, 2023, assuming the full conversion of the Convertibles Notes that were issued on the date of exit from Chapter 11 (See movement of shares in Note 24). As of December 31, 2022, the weighted average number of fully diluted shares considers 606,407,693 shares outstanding from January 1, 2022 until November 2, 2022, and 605,801,285,307 shares outstanding from November 3, 2022 until December 31, 2022 which includes the equity rights offering and assumes the conversion of all Convertibles Notes that were issued upon emergence from Chapter 11 (See movement of shares in Note 24).

(***) Income (Loss) attributable to owners of equity instruments of the parent company is unchanged when calculating diluted EPS because only Convertible Note H accrued interest. However, this Note was converted into shares immediately after issuance and therefore did not accrue interest during the year.

NOTE 30 – CONTINGENCIES

I. Lawsuits

1) Lawsuits filed by LATAM Airlines Group S.A. and Subsidiaries

Company	Court	Case Number	Origin	Stage of trial	Amounts Committed (*)
					ThUS$
LATAM Finance Limited	Grand Court of the Cayman Islands	-	Request for a provisional bankruptcy process.	On May 26, 2020, LATAM Finance Limited submitted a request for a provisional liquidation in the Grand Court of the Cayman Islands, covered in the reorganization proceeding filed before the Bankruptcy Court of the United States of America, which was accepted on May 27, 2020 by the Grand Court of the Cayman Islands. On September 28, 2020, LATAM Finance Limited filed a petition to suspend the liquidation. On October 9, 2020, the Grand Court of Cayman Islands accepted the petition and extended the status of temporary liquidation for a period of 6 months. 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. On December 1, 2021, LATAM Finance Limited filed a petition to suspend the liquidation, which was accepted by the Grand Court of Cayman Islands. This extended the status of the provisional liquidation through April 9, 2022. On August 22, 2022, LATAM Finance Limited petitioned for a suspension of the liquidation, which was granted by the Grand Court of the Cayman Islands. The provisional liquidation was extended to October 9, 2022 and the process continues in effect. That petition was sustained by the Grand Court of the Cayman Islands on October 4, 2022. On September 30, 2022, LATAM Finance Limited filed an application for validation of security obligations arising in connection with the DIP to Exit and new DIP facilities. On October 04, 2022, the Grand Court made an Order validating such application. Currently the proceeding remains open.	-0-

Company	Court	Case Number	Origin	Stage of trial	Amounts Committed (*)
					ThUS$
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 in Grand Court of the Cayman Islands, covered in the reorganization proceeding filed before the Bankruptcy Court of the United States of America, which was accepted on May 27, 2020 by the Grand Court of the Cayman Islands. On September 28, 2020, Peuco Finance Limited filed a petition to suspend the liquidation. On October 9, 2020, the Grand Court of Cayman Islands accepted the petition and extended the status of temporary liquidation for a period of 6 months. The lawsuit continues to be active. On May 13, 2021, Peuco Finance Limited filed a petition to suspend the liquidation. On May 18, 2021, the Grand Court of Cayman Islands accepted the petition and extended the status of temporary liquidation until October 9, 2021. On December 1, 2021, Peuco Finance Limited filed a petition to suspend the liquidation, which was accepted by the Grand Court of Cayman Islands. This extended the status of the provisional liquidation through April 9, 2022. On August 22, 2022, Peuco Finance Limited petitioned for a suspension of the liquidation, which was granted by the Grand Court of the Cayman Islands. The provisional liquidation was extended to October 9, 2022 and the process continues in effect. That petition was sustained by the Grand Court of the Cayman Islands on October 4, 2022. On September 30, 2022, Peuco Finance Limited filed an application for validation of security obligations arising in connection with the DIP to Exit and new DIP facilities. On October 04, 2022, the Grand Court made an Order validating such application. Currently the proceeding remains open.	-0-

Company	Court	Case Number	Origin	Stage of trial	Amounts Committed (*)
					ThUS$
Piquero Leasing Limited	Grand Court of the Cayman Islands	-	Request for a provisional bankruptcy process.	On July 08, 2020, Piquero Leasing Limited submitted a request for a provisional liquidation in Grand Court of the Cayman Islands, covered in the reorganization proceeding filed before the Bankruptcy Court of the United States of America, which was accepted on July 10, 2020, by the Grand Court of the Cayman Islands. Piquero Leasing Limited entered a motion to suspend the liquidation on September 28, 2020. On October 9, 2020 the Grand Court of the Cayman Islands granted the motion and extended the provisional liquidation status for 6 months. 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. On December 1, 2021, Piquero Leasing Limited filed a petition to suspend the liquidation, which was accepted by the Grand Court of Cayman Islands. This extended the status of the provisional liquidation through April 9, 2022. On August 22, 2022, Piquero Leasing Limited petitioned for a suspension of the liquidation, which was granted by the Grand Court of the Cayman Islands. The provisional liquidation was extended to October 9, 2022 and the process continues in effect. Currently the proceeding remains open.	-0-

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.	Comisión Europea	—	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$9,133 (€8.220.000 Euros) This fine is being appealed by Lan Cargo S.A. and LATAM Airlines Group S.A. On December 16, 2015, the European Court of Justice revoked the Commission's decision because of discrepancies. The European Commission did not appeal the decision, but presented a new one on March 17, 2017 reiterating the imposition of the same fine on the eleven original airlines. The fine totals €776,465,000 Euros. It imposed the same fine as before on Lan Cargo and its parent, LATAM Airlines Group S.A., totaling €8.2 million Euros. On May 31, 2017 Lan Cargo S.A. and LATAM Airlines Group S.A. filed a petition with the General Court of the European Union seeking vacation of this decision. We presented our defense in December 2017. On July 12, 2019, we attended a hearing before the European Court of Justice to confirm our petition for vacation of judgment or otherwise, a reduction in the amount of the fine. On March 30, 2022, the European Court issued its ruling and lowered the amount of our fine from KUS$9,133 (€8,220,000 Euros) to KUS$2,477 (€2,240,000 Euros). This ruling was appealed by LAN Cargo S.A. and LATAM on June 9, 2022. The other eleven airlines also appealed the ruling affecting them. The European Commission responded to our appeal of September 7, 2022. Lan Cargo S.A. and LATAM answered the Commission's arguments on November 11, 2022. Finally, the European Commission replied to our defense in January 2023. On February 13, 2023, LAN Cargo, S.A. and LATAM requested the European Court to hold an oral hearing to ensure the Court's full understanding of some points of the discussion. The European Court set the hearing date as April 10, 2024.	2,477

Company	Court	Case Number	Origin	Stage of trial	Amounts Committed (*)
					ThUS$
Lan Cargo S.A. y LATAM Airlines Group S.A.	In the Ovre Romerike Disrtict Court (Noruega) y Directie Juridische Zaken Afdeling Ceveil Recht (Países Bajos)	—	Lawsuits filed against European airlines by users of freight services in private lawsuits as a result of the investigation into alleged breaches of competition of cargo airlines, especially fuel surcharge. Lan Cargo S.A. and LATAM Airlines Group S.A., have been sued in court proceedings directly and/or in third party, based in England, Norway, the Netherlands and Germany, these claims were filed in England, Norway, the Netherlands and Germany, but are only ongoing in Norway and the Netherlands.	The two cases still pending, in Norway and the Netherlands, are in the evidence confirmation stage. The Norway case has been inactive since January 2014, but there has been judicial activity in the Netherlands case. In the Netherlands, most of the airlines involved in this case have been forced to withdraw their claim against LATAM and Lan Cargo after their previous claims in the Chapter 11 proceedings before the New York Court were dismissed. So, Lufthansa, Lufthansa Cargo, British Airways, Air France, KLM, Martinair and Singapore have withdrawn their claims and now only the Thai Airways claim is still ongoing against LATAM and Lan Cargo.	-0-
Aerolinhas Brasileiras S.A.	Justicia Federal.	0008285-53.2015.403.6105	An action seeking to quash a decision and petitioning for early protection in order to obtain 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	11,106

Company	Court	Case Number	Origin	Stage of trial	Amounts Committed (*)
					ThUS$
Aerolinhas Brasileiras S.A.	Justicia Federal.	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	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: ThUS$3,929 – R$ 19,059,073.03-probable). We must await a decision on the Treasury appeal.	12,767
Tam Linhas Aéreas S.A.	Tribunal Regional Federal da 2a Região.	2001.51.01.012530-0 (vinculado a este proceso los Pas 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$84,078 (R$407,778,562.13). 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. A ruling is currently pending on the company's appeal.	84,078
Tam Linhas Aéreas S.A.	Secretaria da Receita Federal do Brasil.	10880.725950/2011-05	Ordinary judicial action brought for the purpose of declaring the nonexistence of legal relationship obligating the company to collect the Air Fund.	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 company has received the results of the due diligence and presented a claim. We must wait for an administrative decision.	37,173

Company	Court	Case Number	Origin	Stage of trial	Amounts Committed (*)
					ThUS$
Tam Linhas Aéreas S.A.	Secretaria da Receita Federal do Brasil.	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 objection was filed administratively on September 17, 2014. The lower court rendered a partially favorable ruling on June 1, 2016 that reversed the previous separate fine. A voluntary remedy was filed on June 30, 2015 on which a judgment by the Board of Tax Appeals is pending. The case was sent to the Second Panel of the Fourth Room of the Third Judgment Section of the Board of Tax Appeals (abbreviated as CARF in Portuguese). The CARF judges partially sustained the company's appeal to pay part of the debt (we did not appeal the other part). The Ministry of Finance of Brazil filed a special remedy. The CARF dismissed the Ministry's remedy in September 2019, but it filed a complaint that was denied by the CARF. The final calculations by the Federal Internal Revenue Service are pending.	11,567

Company	Court	Case Number	Origin	Stage of trial	Amounts Committed (*)
					ThUS$
LATAM Airlines Group S.A.	22° Juzgado Civil de 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. On August 11, 2021 Inversiones Ranco Tres S.A. requested the suspension of the hearing of the Appeal, after the recognition by the 2nd Civil Court of Santiago of the foreign reorganization procedure in accordance with Law No. 20,720, for the entire period that said procedure lasts, a request that was accepted by the Supreme Court. In December 2022 LATAM requested the end of the suspension, which was granted on February 17, 2023. Arguments were presented to the Supreme Court on April 27, 2023. On August 4, 2023, the Supreme Court dismissed the remedies of vacation of judgment based on substance and form filed by Inversiones Ranco Tres S.A. The resolution rejecting the claim remains firm and enforceable. The assessment of personal and procedural costs in favor of LATAM was carried out by both the Court of Appeals and the Court of First Instance.	-0-
TAM Linhas Aéreas S.A.	10 ª Vara das Execuções Fiscais Federais de São Paulo	0061196-68.2016.4.03.6182	Tax Enforcement Lien No. 0020869-47.2017.4.03.6182 on Profit-Based Social Contributions from 2004 to 2007.	This tax enforcement was referred to the 10th Federal Jurisdiction on February 16, 2017. A petition reporting our request to submit collateral was recorded on April 18, 2017. At this time, the period is pending for the plaintiff to respond to our petition. The bond was replaced. The evidentiary stage has begun.	35,300

Company	Court	Case Number	Origin	Stage of trial	Amounts Committed (*)
					ThUS$
TAM Linhas Aéreas S.A.	Secretaría de Receita Federal	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. 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.	10,292
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	There is no predictable decision date because it depends on the court of the government agency. On June 29, 2023, the company decided to propose a composition to the National Treasurer on payment of the debt, but with the legal deductions stipulated in Law 246/2022. We are awaiting a response from the authority.	15,253
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.	30,800
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. On January 30th, 2024, SNEA obtained a favorable court decision from the 2nd Instance (TRF1), regarding its appeal. The SNEA awaits the publication of the decision to assess the viability of possible appeals.	101,721

Company	Court	Case Number	Origin	Stage of trial	Amounts Committed (*)
					ThUS$
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.	Receita Federal do Brasil	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.	124,507
TAM Linhas Aéreas S.A.	Receita Federal de Brasil	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.	22,475
TAM Linhas Aéreas S.A.	Receita Federal de Brasil	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.	16,669

Company	Court	Case Number	Origin	Stage of trial	Amounts Committed (*)
					ThUS$
TAM Linhas Aéreas S.A.	Receita Federal de Brasil	10880.938 837/2013-4 1	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.	21,737
TAM Linhas Aéreas S.A.	Receita Federal de Brasil	10880.938 838/2013-9 6	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.	13,987
LATAM Airlines Group Argentina, Brasil, Perú, Ecuador, y TAM Mercosur.	Juzgado de 1° Instancia en lo Civil y Comercial Federal N° 11 de la ciudad de 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 2 years of arguments on jurisdiction and competence, the claim was assigned to this court and an answer was filed on March 19, 2019. The Court ruled in favor of the defendants on March 26, 2021, denying the precautionary measure petitioned by the plaintiff. The plaintiff requested on several occasions the opening of the trial, which was rejected by the Court due to the lack of notification of previous resolutions. The evidentiary stage has not yet begun in this case.	-0-
TAM Linhas Aéreas S.A.	Receita Federal de Brasil	10.880.938 842/2013-5 4	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.	16,076

Company	Court	Case Number	Origin	Stage of trial	Amounts Committed (*)
					ThUS$
TAM Linhas Aéreas S.A.	Receita Federal de Brasil	10.880.938 844/2013-4 3	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.	14,721
TAM Linhas Aéreas S.A.	Receita Federal de Brasil	10880.938 841/2013-1 8	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.	14,509
TAM Linhas Aéreas S.A.	Receita Federal de Brasil	10840.727 719/2019-7 1	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.	43,256
Latam-Airlines Ecuador S.A.	Tribunal Distrital de lo Fiscal	17509-201 4-0088	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. As of this date, the Sala Especializada de lo Contencioso Tributario de la Corte Nacional de Justicia has decided by ruling not to accept the appeal, so the Company is analyzing whether to take additional actions or close the process.	12,505
TAM Linhas Aéreas S.A.	Receita Federal de Brasil	10880.910 559/2017-9 1	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.	12,623

Company	Court	Case Number	Origin	Stage of trial	Amounts Committed (*)
					ThUS$
TAM Linhas Aéreas S.A.	Receita Federal de Brasil	10880.910 547/2017-6 7	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.	14,579
TAM Linhas Aéreas S.A.	Receita Federal de Brasil	10880.910 553/2017-1 4	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.	14,063
TAM Linhas Aéreas S.A.	Receita Federal de Brasil	10880.910 555/2017-1 1	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.	14,815
TAM Linhas Aéreas S.A.	Receita Federal de Brasil	10880.910 560/2017-1 6	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.	12,953
TAM Linhas Aéreas S.A.	Receita Federal de Brasil	10880.910 550/2017-8 1	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.	15,001
TAM Linhas Aéreas S.A.	Receita Federal de Brasil	10880.910 549/2017-56	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.	12,552
TAM Linhas Aéreas S.A.	Receita Federal de Brasil	10880.910 557/2017-01	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.	11,892
TAM Linhas Aéreas S.A	Receita Federal do Brasil	10840.722 712/2020-05	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.	34,537
TAM Linhas Aéreas S.A.	Receita Federal do Brasil	10880.978 948/2019-86	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.	19,178

Company	Court	Case Number	Origin	Stage of trial	Amounts Committed (*)
					ThUS$
TAM Linhas Aéreas S.A.	Receita Federal do Brasil	10880.978 946/2019-97	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.	11,607
TAM Linhas Aereas S.A.	Receita Federal do Brasil	10880.978 944/2019-06	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.	12,299
Latam Airlines Group S.A	23° Juzgado Civil de Santiago	C-8498-2020	Class Action Lawsuit filed by the National Corporation of Consumers and Users (CONADECUS) against LATAM Airlines Group S.A. for alleged breaches of the Law on Protection of Consumer Rights due to flight cancellations caused by the COVID-19 Pandemic, requesting the nullity of possible abusive clauses, the imposition of fines and compensation for damages in defense of the collective interest of consumers. LATAM has hired specialist lawyers to undertake its defense.	On 06/25/2020 we were notified of the lawsuit. On 04/07/2020 we filed a motion for reversal against the ruling that declared the action filed by CONADECUS admissible, the decision is pending to date. On 07/11/2020 we requested the Court to comply with the suspension of this case, ruled by the 2nd Civil Court of Santiago, in recognition of the foreign reorganization procedure pursuant to Law No. 20,720, for the entire period that said proceeding lasts, a request that was accepted by the Court. CONADECUS filed a remedy of reconsideration and an appeal against this resolution should the remedy of reconsideration be dismissed. The Court dismissed the reconsideration on August 3, 2020, but admitted the appeal. On March 1, 2023, the Court of Appeals resolved to omit the hearing of the case and pronouncement regarding the appeal, in view of the fact that in January 2023 LATAM's request the end of the suspension of the process that was decreed by resolution of July 17, 2020 in case file C-8498-2020 of the 23rd Civil Court of Santiago, for which the file was sent to the first instance to continue processing. On November 24, 2023, the Court dismissed LATAM’S motion for reversal against the ruling that declared the action filed by CONADECUS admissible. Accordingly, on December 4, 2023, LATAM filed the statement of defense. The amount at the moment is undetermined.	-0-

Company	Court	Case Number	Origin	Stage of trial	Amounts Committed (*)
					ThUS$
Latam Airlines Group S.A.	25° Juzgado Civil de Santiago	C-8903-2020	Class Action Lawsuit filed by AGRECU against LATAM Airlines Group S.A. for alleged breaches of the Law on Protection of Consumer Rights due to flight cancellations caused by the COVID-19 Pandemic, requesting the nullity of possible abusive clauses, the imposition of fines and compensation for damages in defense of the collective interest of consumers. LATAM has hired specialist lawyers to undertake its defense.	On July 7, 2020 we were notified of the lawsuit. We filed our answer to the claim on August 21, 2020. A settlement was reached with AGRECU at that hearing that was approved by the Court on October 5, 2020. On October 7, 2020, the 25th Civil Court confirmed that the decision approving the settlement was final and binding. CONADECUS filed a brief on October 4, 2020 to become a party and oppose the agreement, which was dismissed on October 5, 2020. It petitioned for an official correction on October 8, 2020 and the annulment of all proceedings on October 22, 2020, which were dismissed, costs payable by CONADECUS, on November 16, 2020 and November 20, 2020, respectively. LATAM presented reports on the implementation of the agreement on May 19, 2021, November 19, 2021 and May 19, 2022, which concluded its obligation to report on that implementation. On December 28, 2022 the Civil Court ordered the filing of the file. The National Consumer and User Association (CONADECUS) filed appeals against these decisions with the Santiago Appellate Court that were joined under Case #14,213-2020. Arguments were made on March 8, 2023. In a decision on August 8, 2023, the Appellate Court dismissed the appeals by CONADECUS, costs included. On August 26, 2023, CONADECUS filed a petition based on technicalities and substance against the Appellate Court ruling in order to have it reversed by the Supreme Court. LATAM petitioned that such appeals be declared inadmissible in a brief filed September 13, 2023. On November 30, 2023, the Supreme Court declared CONADECUS' petition inadmissible. On December 7, 2023, LATAM requested the Appellate Court to determine the costs of the procedure which must be borne by CONADECUS. CONADECUS currently has no petitions against the settlement reached between LATAM and AGRECU. 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	19,762
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	73,962

Company	Court	Case Number	Origin	Stage of trial	Amounts Committed (*)
					ThUS$
TAM Linhas Aéreas S.A.	Tribunal del Trabajo de Brasília/ DF	0000038-25.2021.5.10.0017	This civil suit was filed by the National Pilots Union seeking that the company be ordered to pay for meals daily when pilots are on alert status.	The hearing is scheduled for April 15, 2024.	13,923
TAM Linhas Aéreas S.A.	UNIÃO FEDERAL	0052711-85.1998.4.01.0000	An indemnity claim to collect a differentiated price from the Federal Union because of the disruption of the economic equilibrium in the concession agreements between 1988 and 1992. The indemnity, should the action prosper, cannot be estimated (Price Freeze).	The lawsuit began in 1993. In 1998, there was a decision favorable to TAM. The process reached the Court, and in 2019, the decision was against TAM. The company has appealed and a decision is pending.	-0-
TAM Linhas Aéreas S.A	Tribunal do Trabajo de São Paulo	1000115-90.2022.5.02.0312	A class action whereby the Air Transport Union is petitioning for payment of additional hazardous and unhealthy work retroactively and in the future for maintenance/ CML employees.	The instruction hearing is pending in this case, scheduled for 12:02 p.m. on April 25, 2024	15,747
TAM Linhas Aéreas S.A	Receita Federal	15746.728063/2022-00	This is an administrative claim regarding alleged irregularities in the payment of Technical Assistance (SAT) in 2018.	The administrative defense has been presented and a decision is pending.	18,974
TAM Linhas Aéreas S.A	União Federal	1003320-78.2023.4.06.3800	Legal action to discuss the debit of the administrative process 10611.720630/2017-16 (fine for violation of incorrect registration in DI- import declaration)	Distributed on January 19, 2023. The company obtained a precautionary measure suspending the collection without the need for a guarantee. Process awaiting response from the National Treasury	21,553

Company	Court	Case Number	Origin	Stage of trial	Amounts Committed (*)
					ThUS$
TAM Linhas Aéreas S.A	União Federal	12585.720 017/2012-84	This is a petition to recover a credit (proportional) in the 3rd quarter of 2010 under the Social Security Financing Contribution program (abbreviated as COFINS in Portuguese).	An administrative defense was presented but was dismissed. The company filed a voluntary remedy before CARF that was also dismissed. A decision on the special remedy is now pending.	10,542
TAM Linhas Aéreas S.A	União Federal	10880-982 .487/2020-80	This is a petition to recover a credit (proportional) in the 4rd quarter of 2016 under the Social Security Financing Contribution program (abbreviated as COFINS in Portuguese)	An administrative defense was presented but was dismissed. The company filed a voluntary remedy before CARF. A decision on the special remedy is now pending.	10,322
TAM Linhas Aéreas S.A	União Federal	10880-967 .530/2022-49	This is a petition to recover a credit (proportional) in the 1rd quarter of 2018 under the Social Security Financing Contribution program (abbreviated as COFINS in Portuguese).	An administrative defense was presented. A decision is pending.	10,671
TAM Linhas Aéreas S.A	União Federal	10880-967 .532/2022-38	This is a petition to recover a credit (proportional) in the 2rd quarter of 2018 under the Social Security Financing Contribution program (abbreviated as COFINS in Portuguese).	An administrative defense was presented and a decision is pending.	11,447
TAM Linhas Aéreas S.A	União Federal	10880-967 .533/2022-82	This is a petition to recover a credit (proportional) in the 4rd quarter of 2018 under the Social Security Financing Contribution program (abbreviated as COFINS in Portuguese).	An administrative defense was presented and a decision is pending.	20,154

Company	Court	Case Number	Origin	Stage of trial	Amounts Committed (*)
					ThUS$
TAM Linhas Aéreas S.A	União Federal	19613.725 650/2023-86	A Notice of Violation prepared in the petition by the Social Integration Program (abbreviated as PIS in Portuguese) and by COFINS on taxable events allegedly occurring between May 2018 and December 2018.	An administrative defense was presented and a decision is pending.	14,174
LATAM Airlines Group S.A.	Tribunal de Defensa de la Libre Competencia	445-2022	On May 21, 2022, Agunsa filed a petition to TDLC for a preliminary preparatory measure of exhibition of documents in respect of Aerosan, Depocargo, Sociedad Concesionaria Nuevo Pudahuel and Fast Air in which Agunsa claimed that it was impacted by alleged anti-competition practices on the import cargo warehousing market at the Arturo Merino Benitez International Airport.	Fast Air was served on June 9, 2022 and on June 13, 2022, it lodged opposition against this petition, which was partially sustained by the Antitrust Court (TDLC) on July 19, 2022, in which the new exhibition date was set as August 22nd (the original date set by the court was July 1, 2022). On July 25, 2022, Fast Air requested a reconsideration of this latter court decision and petitioned that the temporary scope of the exhibition be reduced. Fast Air's petition was sustained and the scope of the documents to be revealed was limited even further. On August 12th, Fast Air petitioned that a new date and time be set for the exhibition hearing. The court granted this latter request on August 17th and set the exhibition date as August 31st. Fast Air appeared with 368 files and asked for confidentiality and/or secrecy of all of the information presented. The public versions have already been added to the case file as final versions. Aerosan began a separate, but related, non-contentious inquiry on April 20, 2023 before the Anti-Trust Court (abbreviated as TDLC in Spanish) petitioning that the TDLC decide whether the enforcement of Exempt Resolution #152 of the National Customs Bureau would violate Decree Law 211. Said Resolution #152 granted Agunsa permission to operate as a cargo warehouse at the North Warehouse facility. On January 10, 2024, the Public Hearing of the case was held, which was in state of agreement. For the time being, the amount is indeterminate.	-0-

Company	Court	Case Number	Origin	Stage of trial	Amounts Committed (*)
					ThUS$
LATAM Airlines Group S.A.	Tribunal de Defensa de la Libre Competencia	489-2023	A preliminary precautionary measure was filed by the Tourism Companies Trade Association of Chile seeking that LATAM's NDC system cease to be implemented or, alternatively, that collection of the Distribution Cost Recovery Fee be suspended and that LATAM be forbidden to limit the inventory of tickets available through the indirect distribution channel.	On May 24, 2023 the preliminary measure was initially rejected. However, after accepting an appeal for reinstatement of ACHET, said resolution was annulled on June 8, 2023, providing instead that partially accepts the precautionary measure only in terms of suspending the Distribution Cost Recovery Fee and prohibiting any unjustified limitation of the inventory of tickets available for the indirect distribution channel. Currently awaiting a final ruling from the Court. The preliminary measure cannot be implemented until such a decision is rendered. For the time being, the amount is indeterminate.	-0-
LATAM Airlines Group S.A.	23° Juzgado Civil de Santiago	C-8156-2022	A class action filed by CONADECUS against LATAM Airlines Group S.A. for alleged violations of the Consumer Protection Law because of the cancellation of tickets for international flights purchased through travel agencies. It petitioned for fines and damage indemnities to be imposed in defense of the collective and/or diffuse interest of consumers. LATAM has retained specialized legal counsel to defend it.	We were served the claim on September 21, 2023. On September 30, 2023, we filed a remedy of reconsideration against the decision that declared the lawsuit filed by CONADECUS admissible, which was dismissed by the Court on November 11, 2023. A decision on that appeal is pending at this time. On November 18, 2023, LATAM filed the statement of defense. For the time being, the amount is undetermined.	-0-

Company	Court	Case Number	Origin	Stage of trial	Amounts Committed (*)
					ThUS$
TAM Linhas Aéreas S.A	União Federal	10880.967587/2022-48	This is about the unaccredited compensation/ reimbursement and redress regarding the improper payment of the monthly federal social assistance contribution (Cofins, as abbreviated in Portuguese) made in the third quarter of 2018.	The administrative defense has been presented and a decision is pending.	11,518

Company	Court	Case Number	Origin	Stage of trial	Amounts Committed (*)
					ThUS$
LATAM Airlines Group S.A.	Tribunal de Defensa de la Libre Competencia	NC-388-2011	On August 11, 2012, the Civil Aviation Administration ("JAC," as abbreviated in Spanish) filed a petition for clarification with the Anti-Trust Court ("TDLC," as abbreviated in Spanish) regarding Condition VIII.4 of Decision #37/2011 ("Condition VII.4"). The petition seeks to impose a temporary 5 years limitation on 23 frequencies assigned by the JAC to LATAM after Decision #37 was issued.	LATAM filed a brief with the TDLC on August 27, 2023, petitioning that the JAC petition for clarification be dismissed because it was an improper request to change Condition VIII.4. The TDLC dismissed the JAC's petition for clarification on September 13, 2023. The JAC filed an appeal against the TDLC's ruling dismissing its petition for clarification on September 23, 2023. LATAM petitioned that said appeal by the JAC be declared inadmissible on September 30, 2023. The TDLC declared it admissible (it admitted the appeal for processing) on October 2, 2023, and LATAM filed a remedy of reconsideration against that decision on October 7, 2023, accompanied by a legal opinion. The TDLC accepted LATAM's remedy of reconsideration on October 17, 2023 and amended its previous ruling and dismissed the JAC's petition for clarification. On October 23, 2023, the JAC presented an appeal to the Supreme Court requesting that the TDLC resolution be annulled and petitioned declared admissible the remedy of reconsideration. On November 3, 2023, LATAM became part of the de facto appeal and requested its rejection. On December 20, 2023, the TDLC sent a report to the Supreme Court. On January 6, 2024, the JAC presented a note in relation to the TDLC report. On January 9, 2024, LATAM presented a document in response to the JAC presentation in which it analyzed the TDLC report. In a separate but related process, JetSmart filed a non-contentious inquiry on September 26, 2023, in relation to the terms of the future public tender of aviation frequencies on the Santiago-Lima route. JetSmart requested an injunction to suspend the tender and maintain the aviation frequency assignments as currently held until the inquiry has finalized. The TDLC declared the inquiry admissible on October 2, 2023, but only to begin a procedure to determine whether the rules in the terms of the public aviation frequency tender violate Decree Law 211, and dismissed the request for provisional measures. On October 4, 2023, JetSmart filed two motions for reconsideration against the TDLC's decision. The JAC became a party to such motions on October 6, 2023 and LATAM became a party to the process on October 10, 2023, and it requested that the motions filed by JetSmart be dismissed. On October 16, 2023, the TDLC took into account the considerations presented by LATAM and rejected the two motions for reconsideration filed by JetSmart. On October 19, 2023 CONADECUS requested to become part of this process and requested the same injuction previously rejected twice by the TDLC. On October 23, 2023 LATAM submitted a brief to the TDLC requesting the rejection of saidinjuction now requested by CONADECUS. On October 23, 2023, a public auction was held by JAC for thirteen international frequencies for the Santiago - Lima route, LATAM won ten of thirteen of these routes. On October 24, 2023, JetSmart once again requested that an injunction be issued regarding the public tender of aviation frequencies on the Santiago-Lima route. On November 2, 2023, the TDLC rejected the request for injunctions submitted by JetSmart and CONADECUS. On December 5, 2023, JetSmart complied with TDLC procedural order and published in the Chilean official newspaper a notice calling interested parties and stakeholders to submit information and opinions regarding JetSmart's inquiry . On December 21, 2023 the FNE requested to be an intervening party in the process and requested to extend the deadline to provide background information. The TDLC accepted the postponement, leaving the deadline for providing information as February 5, 2024. On February 1, 2024, LATAM submitted a brief to TDLC advocating for its position and providing background information regarding JetSmart's inquiry.	-0-

Company	Court	Case Number	Origin	Stage of trial	Amounts Committed (*)
					ThUS$
TAM Linhas Aéreas S.A.	União Federal	10880.967 612/2022-9 3	This is a petition to recover a credit Cofins in the 1rd quarter of 2019 (proportional)	The administrative defense has been presented and a decision is pending.	11,416
TAM Linhas Aéreas S.A.	Superior Tribunal de Justiça (STJ)	0042711-6 1.2007.8.0 5.0001 (1449899)	Trial involving a commercial representation contract signed directly with the company Gm Serviços Auxiliares de Transporte Aéreo Ltda. alleging the irregular closing of the contract, requesting payment of compensation.	The procedure before the Court of Appeal is pending	11,231

Company	Court	Case Number	Origin	Stage of trial	Amounts Committed (*)
					ThUS$
LATAM Airlines Group S.A Sucursal Perú	Tribunal Fiscal	12511-2022	Appeal for $34MM, presented on October 11, 2022, against the Intendencia resolution No. 4070140000100, which declared unfounded the claim filed by the Company on September, 20, 2022, against the Determination Resolutions for alleged omissions of the Income Tax corresponding to the period 2014 and associated fines for the violation typified in numeral 1 of article 178 of the Tax Code. The main objections relate to SUNAT's lack of knowledge of the application of article 8 of the CDI between Peru and Chile regarding: i) Income obtained from the exclusivity contract of the Latam Pass program with the Banco de Crédito del Perú, ii) Income from sale of miles to non-airline partners and associated cost (sale of miles from the Latam Pass program to legal companies).	The resolution is pending.	34,000
TAM Linhas Aéreas S.A	UNIÃO FEDERAL	1012674-80.2018.4.01.3400	Legal actions for members to have the right to collect contributions in the payroll collectible on the basis of gross sales.	This claim was filed in 2018. In January 2020, a decision favorable to the Company was rendered so that contributions would be collected on the basis of gross income. The company recently learned that the Superior Courts are rendering decisions unfavorable to contributors. They have ruled against the contributor in a recent decision. In December/2023 the position was withdrawn.	-0-

Company	Court	Case Number	Origin	Stage of trial	Amounts Committed (*)
					ThUS$
LATAM Airlines Perú S.A.	Tribunal Fiscal	Expediente de Apelación N° 2545-2023	Appeal against the resolution of the Intendencia No. 4070140000253 that declared the claim against Determination Resolutions No. 0120030126112 to 0120030126123 and RM No. 0120020037412 to 0120020037423 partially founded. The objections contested through the values indicated above correspond to the taxable base of the IGV for the national interline (domestic national sale).	On September 16, 2022, an appeal was filed against the determination and fine resolutions issued by SUNAT; being that, through Resolution of the Intendencia No. 4070140000253, the claim filed by the company was partially founded and, in addition, (i) it rectified Annexes No. 01, 04, 05 and 06 of RD No. 0120030126112 to No. 0120030126123. , (ii) the Annex to RM N° 0120020037412 to N° 0120020037423, (iii) the balance in favor of the IGV for the tax periods of January and July 2016 contained in RD N° 0120030126112 and 0120030126118; and, (iv) rectified and continued the collection of the tax debt contained in RD No. 0120030126113 to 0120030126117 and 0120030126119 to 0120030126123 and RM No. 0120020037412 to 0120020037423. On January 11, 2023, an appeal was filed against the aforementioned resolution, which was admitted for processing and elevated to room 9 of the Tax Court. Currently the file is pending resolution.	45,162
LATAM Airlines Perú S.A.	Superintendencia Nacional de Administración Tributaria (SUNAT)	Expediente de Reclamación N° 4070340000412.	Claim against Determination Resolution No. 0120030130232, Fine Resolution No. 0120020038314, notified on 12.22.2022 and Determination Resolution No. 0120030130245 for indirect disposal of income not susceptible to subsequent tax control linked to the objections made to determination of third category net income for fiscal year 2015	On January 26, 2023, the Company filed an appeal against the determination and fine resolutions issued by SUNAT. Through Resolution of the Intendencia No. 4070340000928 dated December 19, 2023, SUNAT declared the appeal filed by the Company founded and, consequently, Determination Resolutions No. 012-003-0130232, No. 012-003- 0130245 and Fine Resolution No. 012-002-0038314 are void. Currently, the Gerencia de Fiscalización I and the Gerencia de Fiscalización Internacional y de Precios de Transferencia de la Intendencia de Principales Contribuyentes Nacionales of the SUNAT are pending to issue the inspection requirements necessary to correct the invalidity defects declared by the Intendencia Nacional de Impugnaciones.	185,987

In order to deal with any financial obligations arising from legal proceedings in effect at December 31, 2023, whether civil, tax, or labor, LATAM Airlines Group S.A. and Subsidiaries, has made provisions, which are included in Other non-current provisions that are disclosed in Note 20.

The Company has not disclosed the individual probability of success for each contingency in order to not negatively affect its outcome.

(*) The Company has reported the amounts involved only for the lawsuits for which a reliable estimation can be made of the financial impacts and of the possibility of any recovery, pursuant to Paragraph 86 of IAS 37 Provisions, Contingent Liabilities and Contingent Assets.

II. Governmental Investigations.

1) On April 6, 2019, LATAM Airlines Group S.A. received the resolution issued by the National Economic Prosecutor's Office (FNE), which begins an investigation Role No. 2530-19 into the LATAM Pass frequent passenger program. The last activity in this investigation corresponds to request for information received in May 2019.

2) On July 26, 2019, the National Consumer Service of Chile (SERNAC) issued the Ordinary Resolution No. 12,711 which proposed to initiate a collective voluntary mediation procedure on effectively informing passengers of their rights in cases of cancellation of flights or no show to boarding, as well as the obligation to return the respective boarding fees as provided by art. 133 C of the Aeronautical Code. The Company has voluntarily decided to participate in this proceeding, in which an agreement was reached on March 18, 2020, which implies the return of shipping fees from September 1, 2021, with an initial amount of ThUS$ 5,165, plus ThUS$ 565, as well as information to each passenger who has not flown since March 18, 2020, that their boarding fees are available. On January 18, 2021, the 14th Civil Court of Santiago approved the aforesaid agreement. LATAM published an abstract of the decision in nationwide newspapers in compliance with the law. LATAM began performance of the agreement on September 3, 2021. In April and October 2022, and in April and November 2023 the external auditors presented preliminary reports agreed upon with the National Consumer Service (SERNAC). The implementation of a voluntary class procedure concluded on September 3, 2023.

3) 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 Air Lines, Inc (“Delta”). On August 13, 2021 FNE, Delta and LATAM reached an out-of-court agreement that put an end to this investigation. On October 28, 2021, the Tribunal de Defensa de la Libre Competencia approved the out-of-court agreement reached by LATAM and Delta with the FNE.

4) LATAM Airlines Group S.A. received a resolution by the National Economic Prosecutor (FNE) on February 1, 2018 beginning Investigation 2484-18 on air cargo carriage. On August 29, 2023, the Office of the National Economic Prosecutor (FNE) decided to separate part of the information from such investigation and created a new Case #2729-23 relative to cargo carriage on charter flights from Santiago to Easter Island during the pandemic. The latest activity in the investigation of Case 2484-18 is an Official Ordinary Letter issued August 28, 2023 in which it requested additional information from LATAM. That letter was answered on September 27, 2023.

5) 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 from TDLC related to restrictions as to certain codeshare agreements. On October 2, 2023, the FNE decided to separate part of the information in such investigation. Case #2737-23 will be about the code share agreements between LATAM and Delta that LATAM petitioned be amended; and Case #2669-21 will be about the remaining code share agreements. In relation to the investigation with Role No. 2737-23, dated November 06, 2023, the FNE and LATAM reached an extrajudicial agreement in order to allow certain codeshare agreements between LATAM and Delta to be modified. On December, 7, 2023, TDLC approved the extrajudicial agreement reached by LATAM and the FNE.

6) The competition authority sent an inquiry [or request] to TAM Linhas Aéreas S.A. (LATAM Airlines Brasil) with the objective of obtaining information regarding certain pricing issues, which was received by the company on November 27, 2023. LATAM Airlines Brasil is cooperating with the authority and remains committed to transparency and compliance with all applicable rules and regulations.

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NOTE 31 - COMMITMENTS

(a) Commitments arising from loans

In relation to certain contracts committed by the Company for the financing of the Boeing 777 aircraft, which are guaranteed by the Export – Import Bank of the United States of America, limits have been established for some financial indicators of LATAM Airlines Group S.A. on a consolidated basis. Under no circumstance does non-compliance with these limits generate loan acceleration.

The Company and its subsidiaries do not have credit agreements that impose limits on financial indicators of the Company or its subsidiaries, with the exception of those detailed below:

On October 12, 2022, LATAM Airlines Group S.A., acting through its Florida branch, closed a new four year revolving credit facility (“Exit RCF”) of US$ 500 million with a consortium of five banks led by JP Morgan Chase Bank, N.A. As of December 31, 2023, this credit facility is undrawn and fully available. In addition, LATAM Airlines Group S.A., together with Professional Airline Services, Inc., a Florida corporation and a wholly owned subsidiary of LATAM Airlines Group S.A., issued (i) on October 12, 2022, as modified on November 3, 2022, a five-year term loan facility (“Term Loan B Facility”) of US$ 1,100 million (US$ 1,089 million outstanding as of December 31, 2023), (ii) on October 18, 2022, a 13.375% senior secured notes due 2027 (“2027 Notes”) for an aggregate principal amount of US$ 450 million and (iii) on October 18, 2022, a 13.375% senior secured notes due 2029 (“2029 Notes”, together with the 2027 Notes, the “Notes”) for and aggregate principal amount of MUS$ 700. The Exit RCF, the Term Loan B Facility and the Notes (together, the “Exit Financing”) share the same intangible collateral composed mainly of the FFP (LATAM Pass loyalty program) business receivables, Cargo business receivables, certain slots, gates and routes and LATAM’s intellectual property and brands. The Exit Financing contains certain covenants limiting us and our restricted subsidiaries’ ability to, among other things, make certain types of restricted payments, incur debt or liens, merge or consolidate with others, dispose of assets, enter into certain transactions with affiliates, engage in certain business activities or make certain investments. In addition, the agreements include a minimum liquidity restriction, requiring us to maintain a minimum liquidity, measured at the consolidated Company (LATAM Airlines Group S.A.) level, of US$ 750 million.

On November 3, 2022, LATAM Airlines Group S.A., acting through its Florida branch, amended and extended the 2016 revolving credit facility (“RCF”) with a consortium of thirteen financial institutions led by Citibank, N.A., guaranteed by aircraft, engines and spare parts for a total committed amount of US$ 600 million. The RCF includes restrictions of minimum liquidity measured at the consolidated Company level (with a minimum level of US$ 750 million) and measured individually for LATAM Airlines Group S.A. and TAM Linhas Aéreas S.A. (with a minimum level of US$ 400 million). Compliance with these restrictions is a prerequisite for drawing under the line; if the line is used, compliance with said restrictions must be reported periodically, and non-compliance with these restrictions may trigger an acceleration of the loan. As of December 31, 2023, this line of credit is undrawn and fully available.

On November 3, 2022, LATAM Airlines Group S.A., acting through its Florida branch, executed a five year credit facility (“Spare Engine Facility”) with, among others, Crédit Agricole Corporate and Investment Bank, acting through its New York branch, as facility agent and arranger and guaranteed by spare engines for a principal amount of US$ 275 million. As of December 31, 2023, the outstanding amount under the Spare Engine Facility is US$ 266.8 million. The facility includes restrictions of minimum liquidity measured at the consolidated Company level (with a minimum level of US$ 750 million) and measured individually for LATAM Airlines Group S.A. and TAM Linhas Aéreas S.A. (with a minimum level of US$ 400 million jointly).

As of December 31, 2023, the Company complies with the aforementioned minimum liquidity covenants.

b) Other commitments

As of December 31, 2023, the Company maintains valid letters of credit, guarantee notes and guarantee insurance policies, according to the following detail:

Creditor Guarantee	Debtor	Quantity	Type	Value ThUS$	Release Date
SUPERINTENDENCIA NACIONAL DE ADUANAS Y DE ADMINISTRACION TRIBUTARIA	LATAM Airlines Perú S.A.	49	Letter of Credit	202,583	Jan 11, 2024
SÉTIMA TURMA DO TRIBUNAL REGIONAL FEDERAL DA 1ª REGIÃO - PROCEDIMENTO COMUM CÍVEL - DECEA - 0012177-54.2016.4.01.3400	TAM Linhas Aereas S.A.	1	Guarantee Insurance	57,554	Apr 20, 2025
ISOCELES	LATAM Airlines Group S.A.	1	Letter of Credit	41,000	Aug 1, 2026
UNIÃO FEDERAL (FAZENDA NACIONAL)	TAM Linhas Aereas S.A.	1	Guarantee Insurance	33,045	Jul 30, 2024
UNIÃO FEDERAL - PGFN	ABSA Aerolinhas Brasileiras S.A.	2	Guarantee Insurance	21,538	Feb 22, 2025
UNIÃO FEDERAL - PGFN	TAM Linhas Aereas S.A.	4	Guarantee Insurance	21,131	Sep 28, 2024
UNIÃO FEDERAL - FAZENDA NACIONAL	ABSA Aerolinhas Brasileiras S.A.	2	Guarantee Insurance	17,838	Apr 14, 2025
UNIÃO FEDERAL	TAM Linhas Aereas S.A.	5	Guarantee Insurance	11,226	Feb 4, 2025
FUNDACAO DE PROTECAO E DEFESA DO CONSUMIDOR PROCON	TAM Linhas Aereas S.A.	7	Guarantee Insurance	10,844	Apr 2, 2024
VARA DAS EXECUÇÕES FISCAIS ESTADUAIS DE SÃO PAULO - FORO DAS EXECUÇÕES FISCAIS DE SÃO PAULO	TAM Linhas Aereas S.A.	1	Guarantee Insurance	9,752	Mar 4, 2025
AMERICAN ALTERNATIVE INS. CO. C/O ROANOKE INS. GROUP INC	LATAM Airlines Group S.A.	19	Letter of Credit	6,305	Feb 1, 2024
TRIBUNAL DE JUSTIÇA DO ESTADO DE SÃO PAULO	ABSA Aerolinhas Brasileiras S.A.	2	Guarantee Insurance	6,263	Dec 31, 2099
BBVA	LATAM Airlines Group S.A.	1	Letter of Credit	3,800	Jan 23, 2025
1° VARA DE EXECUÇÕES FISCAIS E DE CRIMES CONTRA A ORDEM TRIB DA COM DE FORTALEZA	TAM Linhas Aereas S.A.	1	Guarantee Insurance	2,962	Dec 31, 2099
FUNDAÇÃO DE PROTEÇÃO E DEFESA DO CONSUMIDOR DE SÃO PAULO - PROCON	TAM Linhas Aereas S.A.	1	Guarantee Insurance	5,016	Mar 7, 2025
BOND SAFEGUARD INSURANCE COMPANY	TAM Linhas Aereas S.A.	1	Guarantee Insurance	2,700	Jul 20, 2024
COMISÓN EUROPEA	LATAM Airlines Group S.A.	1	Letter of Credit	2,598	Mar 29, 2024
UNIAO FEDERAL (FAZENDA NACIONAL)	TAM Linhas Aereas S.A.	1	Guarantee Insurance	2,457	Nov 16, 2025
17ª VARA CÍVEL DA COMARCA DA CAPITAL DE JOÃO PESSOA/PB	TAM Linhas Aereas S.A.	1	Guarantee Insurance	2,527	Jun 25, 2028
PROCON - FUNDACAO DE PROTECAO E DEFESA DO CONSUMIDOR	TAM Linhas Aereas S.A.	2	Guarantee Insurance	4,178	Nov 17, 2025
JFK INTERNATIONAL AIR TERMINAL LLC	LATAM Airlines Group S.A.	1	Letter of Credit	2,300	Jan 27, 2024
METROPOLITAN DADE CONTY (MIAMI - DADE AVIATION DEPARTMENT)	LATAM Airlines Group S.A.	6	Letter of Credit	2,462	Mar 13, 2024
SÉTIMA TURMA DO TRIBUNAL REGIONAL FEDERAL DA 1ª REGIÃO - PROCEDIMENTO COMUM CÍVEL - DECEA - 0012177-54.2016.4.01.3400	ABSA Aerolinhas Brasileiras S.A.	1	Guarantee Insurance	2,245	May 7, 2025
SERVICIO NACIONAL DE ADUANA DEL ECUADOR	LATAM-Airlines Ecuador S.A.	4	Letter of Credit	2,130	May 8, 2024
VARA DE EXECUÇÕES FISCAIS ESTADUAIS DA COMARCA DE SÃO PAULO/SP - EXECUÇÃO FISCAL N.º 1507367-03.2016.8.26.0014	TAM Linhas Aereas S.A.	1	Guarantee Insurance	2,025	Apr 24, 2025
SOCIEDAD CONCESIONARIA NUEVO PUDAHUEL S.A.	LATAM Airlines Group S.A.	18	Letter of Credit	1,551	Mar 29, 2024
DO TRIBUNAL REGIONAL FEDERAL DA 1ª REGIÃO - ANULATÓRIA N.º 0007263-25.2008.4.01.3400	TAM Linhas Aereas S.A.	1	Guarantee Insurance	1,867	May 29, 2025
PROCURADORIA SECCIONAL DA FAZENDA NACIONAL EM CAMPINAS	ABSA Aerolinhas Brasileiras S.A.	1	Guarantee Insurance	1,931	Nov 30, 2025
FIANÇA TAM LINHAS AÉREAS X JUIZ FEDERAL DE UMA DAS VARAS DA SEÇÃO JUDICIÁRIA DE BRASÍLIA/	TAM Linhas Aereas S.A.	1	Guarantee Insurance	1,810	Dec 31, 2099
LIMA AIRPORT PARTNERS S.R.L.	LATAM Airlines Group S.A.	32	Letter of Credit	1,628	Dec 31, 2023
TRIBUNAL DE JUSTIÇA DO ESTADO DE SÃO PAULO	TAM Linhas Aereas S.A.	1	Guarantee Insurance	964	Dec 31, 2099
UNIDAD ADMINISTRATIVA BOGOTÁ	LATAM Airlines Group S.A.	4	Letter of Credit	1,432	Apr 17, 2024
PUBLICA ESTADUAL DA COMARCA DA CAPITAL DO ESTADO DO RIO DE JANEIRO	TAM Linhas Aereas S.A.	1	Guarantee Insurance	1,435	Dec 31, 2099
JFK INTERNATIONAL AIR TERMINAL LLC	TAM Linhas Aereas S.A.	1	Guarantee Insurance	1,300	Jan 25, 2024
MUNICIPIO DO RIO DE JANEIRO	TAM Linhas Aereas S.A.	1	Guarantee Insurance	1,239	Dec 31, 2099
AENA AEROPUERTOS S.A	LATAM Airlines Group S.A.	2	Letter of Credit	2,370	Nov 15, 2024
CITY OF LOS ANGELES, DEPARTMENT OF AIRPORTS	LATAM Airlines Group S.A.	5	Letter of Credit	1,074	Jan 2, 2024
FUNDAÇÃO DE PROTEÇÃO E DEFESA DO CONSUMIDOR DO ESTADO DE SÃO PAULO	TAM Linhas Aereas S.A.	1	Guarantee Insurance	1,152	Dec 31, 2099
PARQUE DE MAETERIAL AERONAUTICO DO GALEAO - PAMA GL	TAM Linhas Aereas S.A.	1	Guarantee Insurance	1,053	Jun 18, 2024
				497,285	

Letters of credit related to right-of-use assets are included in Note 16 Property, plant and equipment letter (d) Additional information Property, plant and equipment, in numeral (i) Property, plant and equipment delivered as collateral.

NOTE 32 - TRANSACTIONS WITH RELATED PARTIES

(a) Details of transactions with related parties as follows:

Tax No.	Related party	Nature of relationship with related parties	Country of origin	Nature of related parties transactions	Currency	For the year ended At December 31, 2023	2022
						ThUS$	ThUS$
96.810.370-9	Inversiones Costa Verde Ltda. y CPA.	Related director	Chile	Tickets sales	CLP	124	87
81.062.300-4	Costa Verde Aeronautica S.A.	Common shareholder	Chile	Loans received (*)	US$	—	(231,714)
				Interest received (*)	US$	—	(21,329)
				Capital contribution	US$	—	170,962
87.752.000-5	Granja Marina Tornagaleones S.A.	Common shareholder	Chile	Services provided	CLP	—	36
96.989.370-3	Rio Dulce S.A. (**)	Related director	Chile	Tickets sales	CLP	—	2
Foreign	Inversora Aeronáutica Argentina S.A.	Related director	Argentina	Real estate leases received	ARS	(59)	(63)
				Expense recovery	ARS	3	—
Foreign	TAM Aviação Executiva e Taxi Aéreo S.A.	Common shareholder	Brazil	Services provided of passenger transport	BRL	—	4
Foreign	Qatar Airways	Indirect shareholder	Qatar	Interlineal received	US$	(22,107)	(23,110)
				Interlineal provided service	US$	31,020	37,855
				Services received of handling	US$	(252)	—
				Services provided of handling	US$	—	692
				Services received miles	US$	(4,657)	(4,974)
				Services provided miles	US$	1,683	894
				Services provided / received others	US$	1,424	(1,238)
Foreign	Delta Air Lines, Inc.	Shareholder	U.S.A	Interlineal received service	US$	(144,239)	(111,706)
				Interlineal provided service	US$	127,145	102,580
				Services received miles	US$	(11,069)	(3,992)
				Services provided miles	US$	7,328	2,410
				Loans received (*)	US$	—	(233,026)
				Interest received (*)	US$	—	(10,374)
				Capital contribution	US$	—	163,979
				Services provided of handling	US$	(3,657)	(4,340)
				Engine sale	US$	—	19,405
				Joint venture	US$	(10,000)	—
				Real estates leases provided	US$	86	—
				Services provided / received others	US$	982	(311)
Foreign	QA Investments Ltd	Common shareholder	U.K.	Loans received (*)	US$	—	(240,440)
				Interest received (*)	US$	—	(26,153)
				Capital contribution	US$	—	163,979
Foreign	QA Investments 2 Ltd	Common shareholder	U.K.	Loans received (*)	US$	—	(7,414)
				Interest received (*)	US$	—	(15,780)
Foreign	Lozuy S.A.	Common shareholder	Uruguay	Loans received (*)	US$	—	(57,928)
				Interest received (*)	US$	—	(5,332)

(*) Operations corresponding to DIP loans tranche C.
The balances corresponding to Accounts receivable and accounts payable to related entities are disclosed in Note 9.
Transactions between related parties have been carried out under market conditions and duly informed.
(**) Related companies until November 2022

(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 at December 31, 2023	2022
	ThUS$	ThUS$
Remuneration	12,815	10,651
Board compensation	1,429	1,109
Non-monetary benefits	606	565
Short-term benefits	13,604	11,814
Termination benefits (*)	59	1,157
Total	28,513	25,296

In accordance with current legislation, the Ordinary Shareholders' Meeting held on April 20, 2023, determined the amount of the annual remuneration for the Board for the period from that date until the next Ordinary Shareholders' Meeting scheduled to take place within the first quarter of 2024. In this context, in addition to the base remuneration, an additional remuneration was approved for each Board member, with an incremental amount based on the following criteria:

(a) During the first year following their appointment, until November 15, 2023, provided that the Director serves continuously in their position, each Director will be entitled to receive an additional amount to the base remuneration, equivalent to 9,226,234 units of remuneration or "URAs."

(b) For the second year following their appointment, covering the period from the end of the first anniversary since their designation until November 15, 2024, under the same condition mentioned previously and approved by the Ordinary Shareholders' Meeting in the first quarter of 2024, each Director will be entitled to receive another additional amount equivalent to 9,226,234 URAs.

(c) Likewise, each Director who becomes part of the Board Committee will also receive, as additional compensation, a variable amount equivalent to an additional one-third (1/3) calculated on the incremental remuneration that the respective Committee member is entitled to as a Director, in accordance with the resolution of the Ordinary Shareholders' Meeting.

For payment purposes, the value of each URA will be considered as referentially equivalent to the price of a company's share. Consequently, URAs will be paid at the weighted average price of stock market transactions of the company's shares during the 10 business days preceding the effective date ("Weighted Average Price"). For the calculation of the Weighted Average Price, transactions on national stock exchanges, as well as those on foreign exchanges recognized at the national level where LATAM's American Depositary Shares may eventually be listed again, will be taken into account.

The amounts paid during the 2023 fiscal year for this concept, in accordance with the above, are:

	Paid during the year 2023
	ThUS$
URAs Directors	481
URAs Board Committee	53
Total	534

NOTE 33 - SHARE-BASED PAYMENTS

(a) LP3 compensation plans (2020-2023)

The Company implemented a program for a group of executives, which existed until March 2023, with a demand period between October 2020 and March 2023, where the collection percentage was annual and cumulative. The methodology is an estimate of the number of units, where a goal of the value of the action is set.

The benefit is vested if the target of the share price defined in each year is met. In case the benefit accumulates up to the last year the total benefit is doubled (in case the share price is achieved).

This Compensation Plan was finally not executed because the share price required for its collection is below the initial target.

(b) CIP (Corporate Incentive Plan)

As indicated in Note 22, in the context of the exit from Chapter 11 Proceedings, the Company implemented a talent retention program for the Company's employees, which is divided into three categories. The first one (i.e., Non-Executive Employees) simply contemplates guaranteed payments in cash to the respective employees on certain dates depending on the country where the employee is hired. On the other hand, the remaining two categories (i.e., Non-GEM Executives and GEM Executives) contemplated the granting of synthetic units of remuneration (the "Units") that, by reference, are considered as equivalent to the price of one share of LATAM Airlines Group S.A. and consequently, in case they become effective, grant the worker the right to receive the payment in cash that results from multiplying the number of Units that are pay for the value per share of LATAM Airlines Group S.A. that must be considered in accordance with the CIP.

Below are more details of these two categories.

Non-GEM Executives

The first subprogram applies to senior executives not part of the GEM (Global Executive Meeting - Senior Managers, Managers, Deputy Managers). In this context, this program contemplates two different bonuses: (1) a retention bonus, consisting of the amount in money resulting from Units that are assigned to the respective employee and these Units being paid 20% on month 15 and 80% at month 24, in each case, counted from Exit date from the Chapter 11 Procedure (i.e., November 3, 2022) (the "Exit Date"). This is consequently, a guaranteed payment for these employees; and (2) a bonus associated to the performance defined on based on the compliance of certain financial indicators of LATAM Airlines Group S.A. and its subsidiaries, which is reflected in Note 19(b), becoming effective 20% at month 15 and 80% at month 24, in each case, from the Exit Date. Consequently, this is a temporary payment that is only made if these indicators are met.

GEM Executives

Applies to senior executives of the Company who are part of the GEM (CEO and employees whose job description is "vice presidents" or "directors"). Employees that participating in this program are eligible to receive cash payments for Units. These Units are as follows:

1. "RSUs" (Retention Shares Units): That is, Units associated with the employee's permanence in the Company, and consequently, are associated with the passage of time. In its totality, the CIP contemplates up to 3,107,603,293 RSUs which are made effective by partialities in the terms indicated below.

As a general rule, RSUs will be eligible to become effective at the rate of one third on each of the following dates: month 24, month 36 and month 42, in each case, counted from the Exit Date. The mentioned above, subject to the occurrence of a trigger event related to the volume of transactions of securities issued by LATAM Airlines Group S.A. in the terms contemplated in the CIP (hereinafter, a "VTE" – Volume Triggering Event). The number of RSUs actually paid will be determined based on the net resources accumulated as a result of a VTE on the respective determination date (hereinafter, this adjustment will be referred to as the "Pro Rata Factor").

Notwithstanding the mentioned above, the CIP also contemplates a "Minimum Guaranteed Vesting" according to which, the percentage of RSUs indicated below will be effective on each date indicated, even if a VTE has not occurred. The foregoing, net of the RSUs that may eventually have become effective previously.

Minimum Guaranteed Vesting of RSUs

	Percentage of Units that become effective
Month 30 from Exit Date	20%
Month 42 from Exit Date	30%
Month 60 from Exit Date	50%

2. "PSUs" (Performance Shares Units): That is, Units associated with both the employee's permanence in the Company and the performance of LATAM Airlines Group S.A. measured according to the share price. Consequently, like RSUs, these Units are associated with the passage of time. However, PSUs also consider the market value of the share of LATAM Airlines Group S.A. considering a liquid market. However, as long as there is no such liquid market, the share price will be determined on the basis of representative transactions. In its totality, the CIP contemplates up to 4,251,780,158 PSUs which are made effective by partialities in the terms indicated below.

As a general rule, PSUs will be eligible to become effective at the rate of one third on each of the following dates: month 24, month 36 and month 42, in each case, counted from the Exit Date. The foregoing, subject to (i) a VTE having occurred; and (ii) that the quotient (hereinafter, the "Net Price/ERO (Equity Rights offering) Quotient") between the net price of sales originating in a VTE, divided by the price of share at which the shares issued were placed under the capital increase agreed at the extraordinary shareholders' meeting of LATAM Airlines Group S.A. dated July 5, 2022 (that is, US$ 0.01083865799), is greater than 150%. The number of PSUs that actually becomes effective will be determined according to the Factor Pro Rata and the Quotient Net Price/ERO Price).

From the above it flows that the PSUs constitute an eventual and not guaranteed payment.

In addition, some of the GEM Executives will also be entitled to receive a fixed and guaranteed payment in cash ("MPP" – Management Protection Plan) on certain dates under the Plan, at the rate of 33% in the month 18, 34% in the month 24 and 33% in the 30th month, all from the Exit Date. On the other hand, those employees who are eligible for this MPP will also be eligible for a limited number of additional RSUs ("MPP Based RSUs"). In its totality, the CIP includes 1,438,926,658 MPP based RSUs. As a general rule, MPP Based RSUs will be eligible to become effective on the same terms and conditions as RSUs; however, that they will be eligible to become effective at a rate of one third on each of the following dates: month 18, month 24 and month 30, in each case, from the Exit Date. The valuation of these Units will be equivalent to the value of the Company's share less the ERO Price at the time they become effective.

In all cases, the respective employees must have remained as such in the Company at the corresponding accrual date to qualify for these benefits.

Given the characteristics of this program, it has been recorded in accordance with the provisions of IFRS 2 "Share-based payments" and has been considered as a "cash settlement award" and, therefore, recorded at fair value as a liability that is part of the items Trade and other accounts payables and Provisions for employee benefits, non-current, which is updated at the closing date of each financial statement with effect on profit or loss for the period and classified in the line "Administrative expenses" of the interim Consolidated Statement of Income by function.

The fair value has been determined on the basis of the current share price and the best estimate of the future value of the Company's share, multiplied by the number of underlying units granted. This estimate was made based on the Company's Business Plan and its main indicators such as EBITDAR, adjusted net debt.

The movement of units as of December 31, 2023, is as follows:

	Opening balance as of 01.01.2023	Granted during the period	Vested	Exercised during the period	Forfeited during the period	Closing balance as of 12.31.2023
RSU - Retention	—	3,107,603,293	—	—	(121,146,360)	2,986,456,933
PSU - Performance	—	4,251,780,158	—	—	(242,192,091)	4,009,588,067
MPPBASEDRSU - Protection	—	1,438,926,658	—	—	(192,047,245)	1,246,879,413
Total	—	8,798,310,109	—	—	(555,385,696)	8,242,924,413

NOTE 34 - STATEMENT OF CASH FLOWS

(a) The Company has carried out the following transactions with non-monetary impact:

a.1) Proceeds from the issuance of shares as of December 31, 2022:

Detail	ThUS$
Issuance of shares	800,000
Issuance costs	(80,000)
DIP Junior offset	(170,962)
Total cash flow	549,038

From the total capital increase for ThUS$ 800,000, ThUS$ 549,038 were cash Inflows presented in Financing Activities. ThUS$ 170,962 were offset against a portion of the Junior DIP maintained with the shareholder Inversiones Costa Verde Ltda. y CPA Additionally, there were ThUS$ 80,000 deducted related to equity issuance cost, that are presented within Other sundry reserves of equity.

a.2.) Amount from the issuance of other equity instruments as of December 31, 2022 :

Detail	Convertible Notes H	Convertible Notes I	Total
	ThUS$	ThUS$	ThUS$
Fair Value (see note 24)	1,372,837	4,097,788	5,470,625
Use for settlement of claim	—	(828,581)	(828,581)
Issuance costs	(24,812)	(705,467)	(730,279)
DIP Junior offset	(327,957)	(381,018)	(708,975)
Cash inflow	1,020,068	2,182,722	3,202,790

The payment of DIP Junior offset is related to payment of the Junior Dip through the issues of the Convertible Notes subscribed for the shareholders Delta Air Lines, Inc and QA Investment Ltd. for ThUS$ 327,957 and of the other creditor for ThU$ 381.018.

a.3.) As a result of the exit from Chapter 11, in relation to trade accounts payable and other accounts payable, the conversion into shares for Notes G and I was carried out, for a total of ThUS$3,610,470 and a decrease in said item with effect in result which is included in Earning (Loss) from restructuring activities for ThUS$2,550,306 (see note 26d) and with effect in results in financial income for ThUS$420,436 (see note 26e).

a.4.) As a result of the exit from Chapter 11, the Other financial liabilities item decreased its balance by ThUS$2,673,256, which is detailed in letter, d). The break down of this decrease corresponds mainly to ThUS$491,326 (see note 26e), ThUS$354,249 (decrease with effect in Property, plant and equipment, mainly related to the effect of rate change), ThUS$381,018 related to the compensation of the debt with the effect of increasing Capital, ThUS$1,443,066 associated with the conversion of debt into shares and other minor effects of ThUS$3,596.

a.5.) The Company has also carried out non-monetary transactions related to Right of use assets, Lease liabilities and Financial leases.

(b) Other inflows (outflows) of cash:

	For the year ended At December 31, 2023	For the year ended At December 31, 2022
	ThUS$	ThUS$
Restricted Advances	20,572	(26,918)
Bank commissions, taxes paid and other	(2,173)	(5,441)
Taxes on financial transactions	(6,803)	(2,134)
Guarantees	4,406	(47,384)
Payment for hedging instruments	30,413	35,857
Court deposits	(16,349)	(20,661)
Derivative margin guarantees	(2,559)	(40,207)
Payment for derivatives premiums	(47,853)	(23,372)
Total Other inflows (outflows) Operation activities	(20,346)	(130,260)
Guarantee deposit received from the sale of aircraft	48,258	6,300
Insurance recovery	11,000	—
Total Other inflows (outflows) Investment activities	59,258	6,300
Interest rate derivatives	15,934	—
Funds delivered as restricted advances	—	(313,090)
Payments of claims associated with the debt	—	(21,924)
Debt Issuance Cost - Stamp Tax	—	(33,259)
Taxes on financial transactions	(4,529)	—
Debt-related legal advice	—	(87,993)
RCF guarantee placement	—	(7,500)
Total Other inflows (outflows) Financing activities	11,405	(463,766)

(c) Dividends:

As of December 31, 2023 and 2022, there were no disbursements associated with this concept.

(d) Reconciliation of liabilities arising from financing activities:

Obligations with financial institutions	As of December 31, 2022	Cash flows: Obtainment Capital (*)	Cash flows: Payment Capital (**)	Cash flows: Payment Interests	Non cash-Flow Movements: Interest accrued and others	Non cash-Flow Movements: Reclassifications (***)	As of December 31, 2023
	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$
Bank loans	1,385,995	—	(81,952)	(153,791)	189,272	(310,090)	1,029,434
Guaranteed obligations	325,061	—	(19,726)	(20,309)	20,686	(1,790)	303,922
Other guaranteed obligations	474,304	—	(56,519)	(42,283)	43,037	11,811	430,350
Obligation with the public	1,289,799	—	—	(155,655)	168,694	—	1,302,838
Financial leases	1,088,239	—	(183,374)	(48,272)	58,076	(13,123)	901,546
Other loans	2,028	—	(434)	—	(70)	(1,420)	104
Lease liability	2,216,454	—	(225,358)	(173,924)	1,150,822	—	2,967,994
Total Obligations with financial institutions	6,781,880	—	(567,363)	(594,234)	1,630,517	(314,612)	6,936,188

Obligations with financial institutions	As of December 31, 2021	Cash flows: Obtainment Capital (*)	Cash flows: Payment Capital (**)	Cash flows: Payment Interests	Cash flows: Payment Legal advices related to debt	Non cash-Flow Movements: Extinguishment of debt under Chapter 11	Non cash-Flow Movements: Interest accrued and others	Non cash-Flow Movements: Reclassifications	As of December 31, 2022
	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$
Loans to exporters	159,161	—	—	—	—	(161,975)	2,814	—	—
Bank loans	521,838	982,425	(36,466)	(10,420)	—	(196,619)	128,077	(2,840)	1,385,995
Guaranteed obligations	510,535	—	(18,136)	(13,253)	(25)	—	13,882	(167,942)	325,061
Other guaranteed obligations	2,725,422	3,658,690	(5,408,540)	(391,639)	(91,247)	(381,018)	339,475	23,161	474,304
Obligation with the public	2,253,198	1,109,750	(1,501,739)	(17,499)	—	(843,950)	148,703	141,336	1,289,799
Financial leases	1,189,182	—	(270,734)	(34,201)	—	(37,630)	37,211	204,411	1,088,239
Other loans	76,508	1,467,035	(1,523,798)	(5,628)	3,281	(56,176)	40,806	—	2,028
Lease liability	2,960,638	—	(131,917)	(49,076)	(2)	(995,888)	492,592	(59,893)	2,216,454
Total Obligations with financial institutions	10,396,482	7,217,900	(8,891,330)	(521,716)	(87,993)	(2,673,256)	1,203,560	138,233	6,781,880

(*) During the year 2023 , the Company did not obtain financing. During the year 2022, the Company obtained ThUS$ 2,361,875 amounts from long-term loans and ThUS$ 4,856,025 amounts from short-term loans, totaling ThUS$ 7,217,900.

(**) As of December 31, 2023, loan repayments ThUS$ 342,005 and payments of lease liabilities ThUS$ 225,358, disclosed in flows from financing activities and as of December 31, 2022, loan repayments ThUS$ 8,759,413 and liability payments for leases ThUS$ 131,917 disclosed in flows from financing activities.

(***) As a result of the exit from Chapter 11, Bank Loans decreased mainly by ThUS$ 297,161, related to the cancellation of the claim of TAM Linhas Aéreas S.A., which was pending resolution upon exit from the Chapter 11 process and which was compensated during 2023 with a fund delivered to an agent as restricted advances made in November 2022.

Below are the details obtained (payments) of flows related to financing:

	For the years ended December 31					
	2023			2022		
		Payments			Payments	
Flow of	Capital raising	Capital	Interest	Capital raising	Capital	Interest
	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$
Aircraft financing	—	(251,388)	(76,497)	—	(331,292)	(52,088)
Lease liability	—	(225,358)	(173,924)	—	(131,917)	(49,076)
Non-aircraft financing	—	(90,617)	(343,813)	7,217,900	(8,428,121)	(420,553)
Total obligations with Financial institutions	—	(567,363)	(594,234)	7,217,900	(8,891,330)	(521,717)

(e) Advances of aircraft

Corresponds to the cash flows associated with aircraft purchases, which are included in the statement of consolidated cash flows, within Purchases of property, plant and equipment.

	For the year ended At December 31,	
	2023	2022
	ThUS$	ThUS$
Increases (payments)	(142,782)	(23,118)
Recoveries	215,362	3,037
Total cash flows	72,580	(20,081)

(f) Additions of property, plant and equipment and Intangibles

	For the year ended At December 31,	
	2023	2022
	ThUS$	ThUS$
Net cash flows from		
Purchases of property, plant and equipment	795,787	780,538
Additions associated with maintenance	337,126	486,231
Other additions	458,661	294,307
Purchases of intangible assets	68,052	50,116
Other additions	68,052	50,116

(g) The net effect of the application of hyperinflation in the consolidated cash flow statement corresponds to:

	For the year ended At December 31,	
	2023	2022
	ThUS$	ThUS$
Net cash flows from (used in) operating activities	(47,569)	(36,701)
Net cash flows from (used in) investment activities	3,661	(146)
Net cash flows from (used in) financing activities	—	7,703
Effects of variation in the exchange rate on cash and cash equivalents	43,908	29,144
Net increase (decrease) in cash and cash equivalents	—	—

(h) Payments of leased maintenance

Payments to suppliers for the supply of goods and services include the value paid associated with leased maintenance capitalizations for ThUS$294,549 (ThUS$149,142 as of December 31, 2022).

(i) Payments of loans to related entities as December 31, 2022:

	ThUS$
Delta Air Lines, Inc.	(78,947)
Qatar Airways	(78,947)
Costa Verde Aeronautica S.A.	(257,533)
Lozuy S.A.	(107,122)
QA Investments Ltd	(242,967)
QA Investments 2 Ltd	(242,967)
Payments of loans to related entities	(1,008,483)

NOTE 35 - THE ENVIRONMENT

LATAM Airlines Group S.A is compromised with 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 matters at a corporate level, centralized in the Corporate Affairs and Sustainability Department. The company is committed to monitoring and mitigating its impacts on the environment in all its ground and air operations, being a key element in the solution, and searching for alternatives to the challenges of the company and its environment.

The main functions of Corporate Affairs and Sustainability Department in environmental matters in conjunction with the various areas of the company include ensuring that environmental legal compliance would be maintained in all the countries, implementing and maintaining corporate environmental management, the efficient use of non-renewable resources such as aircraft fuel, the responsible disposal of its wastes, and the development of programs and actions that allow it to reduce its greenhouse gas emissions, seeking to generate environmental social and economic benefits for the company and the countries where it operates.

LATAM's sustainability strategy that was launched in 2021 is based on 4 pillars: Environmental Management System, Climate Change Management, Circular Economy and Shared Value. With these pillars, the company seeks to generate social, environmental and economic value for society and the company, anticipating the risks inherent in the sustainability challenges which is viewed by the current and future scenarios.

The aspects addressed in each pillar within 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 this structure, certified its operation in accordance with stage II of the IATA Environmental Assessment Program (IEnvA), which is designed to evaluate and improve the environmental management of airlines, due to not only being based on the ISO 14001 standard, also 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 aspires to offset and reduce the equivalent of 50% of domestic emissions by 2030 and seeks to be carbon-neutral by 2050, in accordance with this it has focused its strategy in:

1. Efficient operation: with the implementation of LATAM Fuel Efficiency, a corporate program for the efficient use of fuel that considers initiatives within the company that has an impact on fuel consumption.

2. Sustainable Alternative Fuels (SAF): Due to the importance of Sustainable Aviation Fuel (SAF) to reduce the emissions in the long term, LATAM is developing a work plan focused on Brazil and Colombia; which has recognized and long-standing experience in biofuels; and Chile, a country with a high developmental potential in green hydrogen.

3. Offsetting: 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 offsetting needs but also to contribute to the conservation of strategic ecosystems in the region. During the first half of 2023, LATAM launched its offsetting program for passengers “1+1 Offset to Conserve”, where passengers are invited to contribute to the conservation of iconic ecosystems through offsetting their flight’s footprint and for every ton compensated by its clients, LATAM duplicates the impact by compensating the same amount.

Circular Economy

LATAM seeks to remove single-use plastics as part of its ambition of striving to be a zero-waste group to landfill by 2027. To achieve these goals, it has reviewed the materials used in its process and its waste management to promote the circular economy within its processes, acting from materials. During 2023 LATAM was recognized by IATA, as the winner of the 'Air Cargo Innovation Award' for its projects to reduce plastic in domestic and international cargo operations in Chile & Brazil.

Shared Value

In shared value, the Solidarity Plane program stands out, it was established in 2011 and through which LATAM provides its network, connections, and capacity for passenger and freight transit to South American society at no cost in three areas of action: supports health needs, conservation of natural resources, and assistance in the event of natural disasters.

Within the framework of the implementation of the strategy, during 2023, the company worked on the following initiatives:

- Implementation of the environmental management system in accordance with the IATA Environmental Assessment Program IenvA, stage 2.
- Supporting conservation projects and offsetting
- Measurement and management of the corporate carbon footprint.
- Offsetting of 50% of domestic air emissions in Colombia.
- Verification of the company's emissions in accordance with EU-ETS, UK-ETS and CORSIA schemes.
- Structuring of a waste management system to advance in the fulfillment of its circular economy goals.
- Implementing processes for the elimination of single-use plastic in the operation and waste reduction to landfill
- 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 continues to use the analysis as benchmarking and as a guide to implementing improvements in its processes. In 2023, according to the S&P Corporate Sustainability Assessment (CSA), LATAM was recognized as the most sustainable airline in the region, according to this assessment.

NOTE 36 - EVENTS SUBSEQUENT TO THE DATE OF THE FINANCIAL STATEMENTS

On February 7, 2024, the Brazilian Federal Revenue Service Brazilian issued a tax assessment against TAM Linhas Aéreas on the amount of ThUS$ 52,281 (ThR$ 253,565) related to certain tax credits on about “PIS COFINS” (Federal Social Contributions Levied on Gross Revenue) during the period of 2019/2020. The Company will be filing an administrative response disputing the total amount of the tax assessment.

After December 31, 2023 and up to the date of issuance of these financial statements, there is no knowledge of other events of a financial or other nature that significantly affect the balances or their interpretation.

The consolidated financial statements of LATAM Airlines Group S.A. and Subsidiaries as of December 31, 2023, have been approved in the Extraordinary Session of the Board of Directors on February 22, 2024.

Affiliates and *subsidiaries*

NCG 461: 6.5.1 SUBSIDIARIES AND PARTNERS

During the last financial year, LATAM had commercial relationships with its subsidiaries in terms of fleet and services, which are expected to continue through 2024.

The acts and contracts entered into between LATAM and its affiliates and the results obtained are presented in detail in the Financial Statements, including the following:

Technical Training LATAM S.A.: during this financial year, Technical Training LATAM S.A. provided technical training services to LATAM and its subsidiaries.- Lan Cargo S.A. and affiliates: Lan Cargo S.A. and its subsidiaries provided services to LATAM related to aircraft leasing, cargo transportation, crew leasing and other service rendering contracts. On the other hand, LATAM provided services to Lan Cargo S.A. and its affiliated related to aircraft leasing, leasing of assets, and other services.

Inversiones Lan S.A.: LATAM and Inversiones Lan S.A. entered into real estate leasing agreements.

Lan Pax Group and affiliates: Lan Pax Group S.A. and its affiliates provided services to LATAM related to aircraft leasing, maintenance and other services. On the other hand, LATAM provided services to Lan Pax Group S.A. and its affiliates related to aircraft leasing, maintenance, distribution and other services.

LATAM Airlines Perú S.A.: LATAM Airlines Peru S.A. provided services to LATAM related to line maintenance and passenger handling in Peru. On the other hand, LATAM provided services to LATAM Airlines Perú S.A. related to aircraft leasing, aircraft maintenance, and others.

TAM S.A. and affiliates: TAM S.A. and its affiliates entered into contracts with LATAM for the leasing of aircraft and engines, and other service rendering contracts.

LATAM Travel S.R.L.: LATAM Travel S.R.L. provided tour operator services to LATAM.

LATAM AIRLINES GROUP S.A.

Name: LATAM Airlines Group S.A.

RUT: 89.862.200-2

Incorporation: It was established as a Limited Liability Company under the trade name “Línea Aérea Nacional-Chile Limitada”, via a public deed dated December 30, 1983, executed at the Notary Office of Mr. 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, executed at the Santiago Notary Office of Mr. Miguel Garay Figueroa’s Office, the company became a joint-stock corporation known as Línea Aérea Nacional Chile S.A. which, by express provision of Law Number 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.

Subsequently, via a public deed dated November 24, 1986, executed at the Santiago Notary Office of Mr. Mario Baros Gonzalez, the company changed its name to "Línea Aérea Nacional-Chile S.A.".

Later, via a public deed dated May 15, 1998, executed at the Santiago Notary Office of Mr. Eduardo Pinto Peralta, the company's name was changed to "Lan Chile S.A.".

The Extraordinary Shareholders' Meeting of LAN Chile S.A. held on July 23, 2004, resolved to change the name of the company to "LAN Airlines S.A." The minutes of the Extraordinary Shareholders' Meeting were reduced to public deed on July 28, 2004, at the Santiago Notary Office of Mr. Ivan Torrealba Acevedo. An excerpt of said deed was recorded in the Real Estate Registry of the Santiago Registry of Commerce on page 25,128 item 18,764 of the year 2004 and published in the Official Gazette on August 21, 2004. The effective date for the trade name change was September 8, 2004.

The Extraordinary Shareholders’ Meeting of LAN Chile S.A. held on December 21, 2011, agreed to change the name of the company to “LATAM Airlines Group S.A.”. An excerpt of the deed to which the Minutes of said Meeting referred was recorded in the Santiago Commerce Registry on page 4,238 item 2,921 of the year 2012, and published in the Official Gazette on January 14, 2012. The effective date for the name change was June 22, 2012.

LATAM Airlines Group S.A. is ruled by the regulation applicable to open stock companies, and registered to this effect under number 0306, dated January 22, 1987, in the Securities Register of the Financial Market Commission (CMF for its Spanish acronym).

Note: A summary of the subsidiaries' Financial Statements is presented herein. The full information is available to the public in the offices of LATAM and at the Superintendency of Securities and Insurance (SVS).

TAM S.A. AND SUBSIDIARIES

Name: TAM S.A.

Incorporation: Joint Stock Corporation established in Brazil in 1997.

Purpose: To participate as a shareholder in other companies, particularly those operating scheduled air transport services on a national and international level, as well as activities connected, related, and complementary to scheduled air transport.

Paid-in Capital: ThUSD$4,861,640

Profit for the period: ThUSD$740,472

Stake in 2023: 100%

Year over Year Variance (YoY): 0.0%

% of Holding's assets: 8.25766%

Chairman of the Board: Jerome Paul Jacques Cadier

Board Members: Jerome Paul Jacques Cadier (Chairman and Director without specific designation); Felipe Ignacio Pumarino Mendoza (Chief Financial Officer); and Jefferson Cestari (Director without specific designation).

SUBSIDIARY COMPANIES OF TAM S.A.

TAM Linhas Aereas S.A. and affiliates

Name: TAM Linhas Aéreas S.A.

Incorporation: Joint Stock Corporation established in Brazil in 1988.

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.

l. The use of bank correspondents' services.

Paid-in Capital: ThUSD$(2,228,175)

Stake in 2023: 100%

YOY variation: 0.0%

% of Holding's assets: 8.33225%

Chairman of the Board: Jerome Paul Jacques Cadier

Board Members: Jerome Paul Jacques Cadier (Chairman and Director without specific designation); Felipe Ignacio Pumarino Mendoza (Chief Financial Officer); and Jefferson Cestari (Director without specific designation).

ABSA: Aerolinhas Brasileiras S.A. and affiliate

Name: Aerolinhas Brasileiras S.A.

Incorporation: Joint Stock Corporation established in Brazil in 1995.

Purpose:

a. To 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.

e. The development and implementation of other activities, related to or complementary to aviation, in addition to those expressly listed above.

Paid-in Capital: ThUSD$(10,472)

Stake in 2023: 100%

YOY variation: 0.0%

% of Holding's assets: -0.26455%

Chairman of the Board: Jerome Paul Jacques Cadier

Board Members: Jerome Paul Jacques Cadier (Chairman and Director without specific designation); Felipe Ignacio Pumarino Mendoza (Chief Financial Officer); and Jefferson Cestari (Director without specific designation).

Transportes Aéreos del Mercosur S.A.

Incorporation: Joint Stock Corporation incorporated 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: ThUSD$8,445

Stake in 2023: 94.98%

YOY variation: 0.0%

% of Holding's assets: 0.14855%

Chairman of the Board: Enrique Alcaide Hidalgo

Board Members: Enrique Alcaide Hidalgo (Executive), Esteban Burt Artaza (Regular), Diego Martinez (Regular) and Augusto Sanabria (Regular)

Managers: Enrique Alcaide Hidalgo, Esteban Burt Artaza, Diego Martinez and Luis Galeano

Fidelidade Viagens e Turismo S.A.

Incorporation: Joint Stock Corporation established in Brazil in 2013.

Purpose:

a. Devoted to private and non-private travel agency and tourism activities, provided in the valid tourism legislation.

b. Management and operation of tourist activities for events and leisure.

Paid-in Capital: ThUSD$(24,460)

Stake in 2023: 100%

YOY variation: 0.0%

% of Holding's assets: 0.06925%

Chairman of the Board: Jerome Paul Jacques Cadier

Board Members: Jerome Paul Jacques Cadier (Chairman and Director without specific designation); Felipe Ignacio Pumarino Mendoza (Chief Financial Officer); and Jefferson Cestari (Director without specific designation).

Corsair Participações S.A.

Incorporation: Joint Stock Corporation established in Brazil in 2011.

Purpose:

a. To participate in other civil or trade companies, as a shareholder or creditor.

b. To manage its own assets.

Paid-in Capital: ThUSD$(40)

Stake in 2023: 100%

YOY variation: 0.0%

% of Holding's assets: 0.00085%

Chairman of the Board: Carlos Eduardo Prado

Board Members: Carlos Eduardo Prado (Chairman) and Felipe Ignacio Pumarino Mendoza (Director without specific designation).

TP Franchising Ltda.

Incorporation: Limited Liability Company established in Brazil in 2004.

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 award.

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.

e. The distribution, sale, and marketing of airplane tickets 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 consortia, 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: ThUSD$(6)

Stake in 2023: 100%

YOY variation: 0.0%

% of Holding's assets: 0.00872%

Managers: Jerome Paul Jacques Cadier, Felipe Ignacio Pumarino Mendoza and Jefferson Cestari.

Prisma Fidelidade Ltda.

Incorporation: Limited Liability Company established in Brazil in 2015.

Purpose:

a. The rendering of various services related to customer loyalty programs and incentive programs for the companies' sales chain including, among others, customer relations management, technical consulting, and technology consulting.

b. The development of customer loyalty/customer relations programs and sales chain incentive programs for companies, including through points programs or other exchange currencies that can be converted into loyalty program points.

c. Rendering of commercial representation and brokerage services for the sale of retail products in general, in addition to the rendering of brokerage services for the contracting of insurance and extended warranty products.

d. Shareholding in other companies.

Paid-in Capital: ThUSD$(9,343)

Stake in 2023: 100%

YOY variation: 0.0%

% of Holding's assets: 0.16790%

Managers: Jerome Paul Jacques Cadier, Felipe Ignacio Pumarino Mendoza and Jefferson Cestari.

Multiplus Corredora de Seguros Ltda.

Incorporation: Limited Liability Company established in Brazil in 2016.

Purpose: Brokerage of insurance in the basic lines of insurance, property and casualty, life (individuals), capitalization, plans, social security, health and all other lines of insurance provided for in the regulations.

Paid-in Capital: ThUSD$(1,089)

Stake in 2023: 100%

YOY variation: 0.0%

% of Holding's assets: 0.00098%

Managers: Jerome Paul Jacques Cadier, Felipe Ignacio Pumarino Mendoza, Jefferson Cestari and Daniele Marques Moreno.

LAN CARGO S.A. AND SUBSIDIARIES

Name: Lan Cargo S.A.

Incorporation: established as a closed stock company via a public deed dated May 22, 1970, awarded at the offices of Notary Public Sergio Rodriguez Garces, under the name "Línea Aérea del Cobre S.A."; an excerpt of this deed is recorded in the Santiago Commerce Registry on page 5,611 item 2,420 of the year 1970, and published in the Official Gazette on July 22, 1970.

The company's Extraordinary Shareholders' Meeting resolved the merger by incorporation of LADECO S.A. with Fast Air Carrier S.A., the latter being the absorbed company. The minutes of said Shareholders' Meeting were recorded as a public deed on November 20, 1998 at the Santiago Notary Office of Mr. Eduardo Pinto Peralta, an extract of which was registered on page 30,091, item 24,117 of the Santiago Commercial Registry and published in the Official Gazette on December 3, 1998.

The Extraordinary Shareholders' Meeting of LADECO S.A. held on October 22, 2001, resolved to change the corporate name to "LAN Chile Cargo S.A.". The minutes of the Extraordinary Shareholders' Meeting were recorded as a public deed on the same date, at the Santiago Notary Office of Mr. Cosme Gomila Gatica. An excerpt of said deed was recorded in the Real Estate Registry of the Santiago Registry of Commerce on page 27,746 item 22,624 of the year 2001 and published in the Official Gazette on November 5, 2001. The name change took effect on December 10, 2001.

Subsequently, on August 17, 2004, the Extraordinary Shareholders' Meeting agreed to change the name of LAN Chile Cargo S.A. to "LAN Cargo S.A.". The minutes of this Extraordinary Shareholders' Meeting were recorded as a public deed on August 23, 2004. An excerpt of said deed was recorded in the Real Estate Registry of the Santiago Registry of Commerce on page 26,994 item 20,082 of the year 2004 and published in the Official Gazette on August 30, 2004.

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: ThUSD$83,226

Profit for the period: ThUSD$24,244

Stake in 2023: 99.89804%

YOY variation: 0.0%

% of Holding's assets: 2.46012%

Chairman of the Board: Andrés del Valle

Board Members: Andres Bianchi Urdinola (LATAM Executive), Ramiro Alfonsin Balza (LATAM Executive) and Andres Del Valle (LATAM Executive)

General Manager: Andrés Bianchi Urdinola

LAN CARGO S.A. AFFILIATE COMPANIES

Laser Cargo S.R.L.

Incorporation: Limited Liability Company established in Argentina.

Purpose: To render services on its own account and/or on behalf of third parties as an agent for air and sea freight forwarding, air and sea container operation, loading and unloading control of conventional aircraft, freighters, conventional ships and container ships, consolidation and deconsolidation, operations and contracts with transportation, distribution, and promotion companies of air, sea, river and land cargo companies, and related activities and services, import and export; such operations shall be carried out in accordance with the manner provided by the laws of the country and regulations governing such professions and activities, the legal provisions of customs and regulations of the Argentine Naval Prefecture (PNA), Argentine Air Force, as well as entrusting to third parties the performance of tasks assigned by the existing legislation for customs brokers; also deposit and transportation on its own account and/or on behalf of third parties, of fruits, products, raw materials, goods in general, and all kinds of documentation: packaging of goods in general, on its own account and/or on behalf of third parties. To perform said activities, the company may register as sea or air agent, importer and exporter, sea and air contractor and supplier before the corresponding authorities. In turn, it will carry out postal activities destined to the admission, classification, transportation, distribution, and delivery of correspondence, letters, postcards, and parcels weighing up to 50 kg, within the Argentine Republic and to or from other countries.

This activity includes the tasks carried out by so-called couriers or courier companies, and all other assimilated or assimilable activities pursuant to Art. 4 of Decree 1187/93. The company may also carry out the logistics process consisting in transferring, storing, assembling, fractioning, packaging, and conditioning of general merchandise to be later transported and distributed to the end customer, as well as managing the pertinent information to fulfill this goal; that is: the logistics process consisting in transferring raw material from the supplier to delivering the finished product to the customer, and the information regulation to guarantee the efficiency in this management process.

Paid-in Capital: ThUSD$68

Stake in 2023: 96.22%

YOY variation: 0.0%

% of Holding's assets: 0.00002%

Board Members: Esteban Bojanich

Management: Esteban Bojanich, Rosario Altgelt María Marta Forcada, Facundo Rocha Gonzalo Perez Corral Nicolás Obejero and Norberto Díaz.

Fast Air Almacenes de Carga S.A.

Incorporation: Joint Stock Corporation established in Chile in 1992.

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: ThUSD$6,741

Stake in 2023: 99.89%

YOY variation: 0.0%

% of Holding's assets: 0.02591%

Board Members: Jorge Patricio Marin Muñoz (LATAM Executive), Andres Bianchi Urdinola (LATAM Executive) and Roberto Alvo Milosawiewitsch (LATAM Executive).

General Manager: Patricio Linzmayer Paganini

Prime Airport Services Inc. and affiliate

Name: Prime Airport Services Inc.

Incorporation: 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: ThUSD$2

Stake in 2023: 100%

YOY variation: 0.02857%

% of Holding's assets: 0.01496%

Board member: Andres Bianchi

Chairman: Antonio Orlandini

Transporte Aéreo S.A.

Incorporation: Joint Stock Corporation established in Chile in 2001.

Purpose: The air transportation business in any form, whether of passengers, mail and/or cargo, inside or outside the country, on its own behalf or on behalf of others; maintenance, leasing and repair of aircrafts; trade and development of activities related to travel, tourism and hospitality; development and participation in all kinds of investments in Chile and abroad.

Paid-in Capital: ThUSD$32,488

Stake in 2023: 99.99988%

YOY variation: 12.87421%

% of Holding's assets: 0.87985%

Board Members: Andres del Valle Eitel (LATAM Executive), Ramiro Alfonsin Balza (LATAM Executive) and Roberto Alvo Milosawlewitsch (LATAM Executive).

General Manager: Jose Tomas Covarrubias Cervero

Consorcio Fast Air Almacenes de Carga S.A. – Laser Cargo S.R.L.

Name: Lan Cargo Investments S.A.

Incorporation: Joint Stock Corporation established in Chile in 2001.

Purpose: Bidding at National and International Public Tender N° 11/2000 to be awarded the License of Use for the Installation and Operation of a Tax Warehouse at the Rosario International Airport.

Paid-in Capital: ThUSD$(2)

Stake in 2023: 100%

YOY variation: 0.0%

% of Holding's assets: 0.0%

Board Members: Esteban Bojanich

Management: Esteban Bojanich

LAN Cargo Inversiones S.A. and affiliate

Name: Lan Cargo Investments S.A.

Incorporation: Joint Stock Corporation established in Chile in 2001.

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 business purposes.

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: THUSD$159

Stake in 2023: 99%

YOY variation: 0.0%

% of Holding's assets: 0.64376%

Board Members: Andres Bianchi Urdinola Plaza (LATAM Executive), Andres del Valle Eitel (LATAM Executive) and Roberto Alvo Milosawlewitsch (LATAM Executive).

General Manager: Andrés del Valle Eitel

Connecta Corporation

Incorporation: Corporation established in the United States.

Purpose: Ownership, operating leasing, and subleasing of aircraft.

Paid-in Capital: ThUSD$1

Stake in 2023: 100%

YOY variation: 0.0%

% of Holding's assets: 0.39042%

General Manager: Andrés Bianchi Urdinola

Línea Aérea Carguera de Colombia S.A. (Subsidiary of LAN Cargo Inversiones)

Incorporation: Joint-stock corporation incorporated 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: ThUSD$796

Stake in 2023: 81.30%

YOY variation: 0.0%

% of Holding's assets: 0.78611%

Board Members: Jorge Nicolas Cortazar Cardoso (Principal), Jose Mauricio Rodriguez Munera (regular), Jaime Antonio Gongora Esguerra (regular), Andres Bianchi Urdinola (deputy member), Santiago Alvarez Matamoros (deputy member) and Helen Victoria Warner Sanchez (deputy member).

Management: Jaime Antonio Gongora Esguerra (regular) and Erika Zarante Bahamon (deputy member).

Inversiones Aéreas S.A.

Incorporation: Joint Stock Corporation established in Peru.

Purpose:

a. To promote, establish, organize, operate, and participate in the capital and equity of all types of trade companies, civil associations, industrial, commercial, service, or any other type of associations or companies, both national and foreign, as well as to participate in their management or settlement.

b. The acquisition, disposal and, in general, the trading of all kinds of shares, stakes, and any other security permitted by law.

b. The rendering or contracting of technical, advisory and consulting services, as well as the execution of contracts or agreements for these purposes.

Paid-in Capital: ThUSD$263,430

Stake in 2023: 100%

YOY variation: 0.0%

% of Holding's assets: 0.57005%

Chairman of the Board: Antonio Olortegui Marky

Board Members: Andres Enrique del Valle, Eitel Ramiro and Diego Alfonsin Balza

General Manager: Antonio Olortegui Marky

Prime Cargo SpA (a subsidiary of Lan Cargo S.A.)

Incorporation: Joint Stock Corporation established in Chile in 2023.

Purpose: The exclusive purpose of the Company shall be the performance of warehousing activities of all types of products and/or merchandise; and, in general, the performance of any other activity and/or business directly related to or complementary to warehousing activities, or that are necessary and/or convenient for the adequate development of such activities, enabling the Company to provide comprehensive warehousing solutions.

Paid-in Capital: ThUSD$912

Stake in 2023: 100%

YOY variation: 0.0%

% of Holding's assets: 0.00622%

Americonsul S.A de C.V. (Subsidiary of Lan Cargo S.A.)

Incorporation: 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: ThUSD$5

Stake in 2023: 99.80%

YOY variation: 0.0%

% of Holding's assets: -0.03523%

Management: Diana Olivares and Eduardo Opazo

Americonsult de Guatemala S.A. (a subsidiary of Americonsult S.A de C.V.)

Incorporation: Joint Stock Corporation incorporated 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: ThUSD$76

Stake in 2023: 99.13%

YOY variation: 0.0%

% of Holding's assets: -0.0149%

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. (a subsidiary of Americonsult S.A de C.V.)

Incorporation: Joint Stock Corporation established in Costa Rica.

Purpose: General trade; industry, agriculture, and livestock.

Paid-in Capital: ThUSD$20

Stake in 2023: 99.80%

YOY variation: 0.0%

% of Holding's assets: 0.00747%

Management: Luis Ignacio Sierra Arriola, Alejandro Fernandez Espinoza (Treasurer), Luis Miguel Renguel Lopez, Tomas Nassar Perez and Marjorie Hernandez Valverde.

LATAM AIRLINES PERU S.A.

Incorporation: Joint Stock Corporation established in Peru in 1997.

Purpose: Render air transportation services for passengers, cargo, and correspondence, both nationally and internationally, pursuant to current civil aeronautical legislation.

Paid-in Capital: ThUSD$43,445

Profit for the period: ThUSD$(12,725)

Stake in 2023: 99.81%

YOY variation: 0.0%

% of Holding's assets: 0.33232%

Chairman of the Board: Cesar Emilio Rodríguez Larraín Salinas

Board Members: Cesar Emilio Rodriguez Larrain Salinas, Ignacio Cueto Plaza (LATAM Executive), Enrique Cueto Plaza (LATAM Executive), Jorge Harten Costa, Andres Rodriguez Larrain Miro Quesada, Emilio Rodriguez Larrain Miro Quesada and Roberto Alejandro Alvo Milosawlewitsch (LATAM Executive)

General Manager: Manuel Van Oordt

LATAM TRAVEL CHILE II S.A.

Incorporation: Joint Stock Corporation established in Chile in 2012.

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:

the booking of seats and the sale of tickets in all kinds of domestic and international forms of transportation.

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.

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.

Air, land, sea, and river tourist transportation within and outside the national territory.

The lease and charter of aircraft, ships, buses, trains, and other forms of transportation for the rendering of tourist services.

Offering air transportation in any form, whether for passengers, cargo, or mail.

Any others, directly or indirectly related to the rendering of the services described above.

Paid-in Capital: ThUSD$10

Stake in 2023: 99.99%

YOY variation: 0.0%

% of Holding's assets: 0.00602%

Board Members: Andres del Valle Eitel (LATAM Executive), Roberto Alvo Milosawlewitsch (LATAM Executive) and Ramiro Alfonsin Balza (LATAM Executive)

General Manager: Nicolas Salazar

LATAM TRAVEL S.R.L.

Incorporation: Limited Liability Company established in Bolivia.

Purpose: Operation, management, and representation of national or foreign companies or businesses in the lodging, shipping, aviation, and tourism activities in general.

Paid-in Capital: ThUSD$0

Stake in 2023: 100%

YOY variation: 0.0%

% of Holding's assets: 0.00063%

Board Members: Julio Quintanilla Quiroga and Sergio Antelmo

LAN PAX GROUP S.A.

Incorporation: Incorporated as a closed stock company in 2001.

Purpose: Perform investments in all manner of goods, be they assets or real estate, tangible or intangible. Within its line of business, the Company may create other types of companies of any sort; acquire rights in already existing corporations, manage, modify, and settle them. Overall, it may acquire and sell all manner of goods and operate them, on its own behalf or for third parties, as well as perform all manner of acts and enter all manner of contracts conducive to its goals. Exercise the development and operation of all other activities derived from and/or related, connected, contributory, or complementary to the company's corporate purpose.

Paid-in Capital: ThUSD$16,925

Profit for the period: ThUSD$14,167

Stake in 2023: 99.99%

YOY variation: 0.0%

% of Holding's assets: -9.15814%

Board Members: Andres del Valle Eitel (LATAM Executive), Roberto Alvo Milosawlewitsch (LATAM Executive) and Felipe Pumarino (LATAM Executive)

General Manager: Andrés del Valle Eitel (LATAM Executive)

AFFILIATE COMPANIES OF LAN PAX GROUP S.A. AND STAKES

Inversora Cordillera S.A. and affiliates

Name: Inversora Cordillera S.A.

Incorporation: A joint stock corporation incorporated 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: ThUSD$14,845

Stake in 2023: 99.95%

YOY variation: 0.0%

% of Holding's assets: -0.01419%

Board Members: Manuel Maria Benites Jorge Luis Perez Alati Rosario Altgelt

Management: Manuel Maria Benites, Jorge Luis Perez Alati, Jeronimo Cortes and Diego Potenza.

Atlantic Aviation Investments LLC

Incorporation: Limited Liability Company established in the United States.

Purpose: Any and all lawful business that the company may undertake.

Paid-in Capital: ThUSD$1

Stake in 2023: 99%

YOY variation: 0.0%

% of Holding's assets: 0.07807%

Board Members: Andrés del Valle Eitel

Management: Andrés del Valle (LATAM Executive)

LATAM Airlines Ecuador S.A. (Formerly, Aerolane Líneas Aéreas Nacionales del Ecuador S.A.)

Incorporation: Joint Stock Corporation established in Ecuador.

Purpose: Combined or exclusive air transport of passengers, cargo, and correspondence.

Paid-in Capital: ThUSD$34,100

Stake in 2023: 100%

YOY variation: 0.0%

% of Holding's assets: 0.14446%

Board Members: Xavier Rivera and Mariela Anchundia

CEO: Mariela Anchundia

Holdco Ecuador S.A

Incorporation: Joint Stock Corporation established in Chile in 2014.

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: ThUSD$507

Stake in 2023: 54.79076%

YOY variation: 0.0%

% of Holding's assets: 0.00641%

Board Members: Andres del Valle, Manuel Van Oordt and Felipe Pumarino.

General Manager: Ramiro Alfonsin Balza (LATAM Executive)

Aerovias de Integración Regional S.A.– Aires S.A.

Incorporation: Joint-stock corporation incorporated in Colombo, Colombiabia.

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:

a. Check, 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.

ñ. 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 operation of the public service to be rendered.

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: ThUSD$3,389

Stake in 2023: 99.23168%

YOY variation: 0.01404%

% of Holding's assets: 0.07586%

Board Members: Jorge Nicolas Cortazar Cardoso (regular), Jaime Antonio Gongora Esguerra (regular), Jose Mauricio Rodriguez Munera (regular), Gabriel Vallejo Lopez (deputy member), Helen Victoria Warner Sanchez (deputy member) and Santiago Alvarez Matamoros (deputy member).

Management: Erika Zarante Bahamon and Jaime Antonio Gongora Esguer

LAN Argentina S.A. (A subsidiary of Inversora Cordillera S.A.)

Incorporation: A joint stock corporation incorporated 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:

Aeronautics: 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.

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.

Tourism: 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.

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.

Mandates: Fulfill mandates and commissions.

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.

Representations: of national or foreign persons related to activities pertaining to its corporate purpose.

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: ThUSD$7,159

Stake in 2023: 94.95770%

YOY variation: -0.03760%

% of Holding's assets: 0.03965%

Board Members: Manuel Maria Benites, Jorge Luis Perez Alati and Rosario Altgelt

Management: Manuel Maria Benites, Jorge Luis Perez Alati, Jeronimo Cortes and Diego Potenza

TECHNICAL TRAINING LATAM S.A.

Incorporation: Incorporated as a corporation in 1997.

Purpose: Its corporate purpose is to provide training and other types of related services.

Paid-in Capital: ThUSD$609

Profit for the period: ThUSD$165

Stake in 2023: 100%

YOY variation: 0.0%

% of Holding's assets: 0.00241%

Board Members: Sebastian Acuto (LATAM executive), Ramiro Alfonsin Balza (LATAM executive) and Hernan Pasman (LATAM executive).

General Manager: Jorge Sturla (LATAM executive)

JARLETUL S.A.

Incorporation: Joint Stock Corporation established in Uruguay in 2017.

Purpose: Its corporate purpose is the operation, management, and representation of national or foreign companies or businesses in hospitality, shipping, aviation, and tourism activities in general.

Paid-in Capital: ThUSD$0

Profit for the period: ThUSD$8

Stake in 2023: 100%

YOY variation: 0.0%

% of Holding's assets: -0.00740%

Chairman of the Board: Vacant

Board Members: Fernando Augusto Carneiro de Carvalho and Patricia Mendoza Mallo

PROFESSIONAL AIRLINE SERVICES INC.

Incorporation: Company established in the United States in 1994.

Purpose: Airport staffing services for LATAM group.

Paid-in Capital: ThUSD$63

Profit for the period: ThUSD$1,520

Stake in 2023: 100%

YOY variation: 0.0%

% of Holding’s assets: 0.03155%

Treasurer: Eduardo Opazo

Chairman: Antonio Orlandini

LATAM FINANCE LIMITED

Incorporation: Company established in the Caiman Islands in 2016.

Purpose: Its purpose is to issue securitized bonds.

Paid-in Capital: ThUSD$0

Profit for the period: ThUSD$(1)

Stake in 2023: 100%

YOY variation: 0.0%

% of Holding's assets: -1.42158%

Chairman of the Board: Not applicable

Board Members: Andres del Valle Eitel, Ramiro Alfonsin Balza and Joaquin Arias Acuña

PEUCO FINANCE LIMITED

Incorporation: Company established in the Caiman Islands in 2015.

Purpose: Its purpose is to participate in financing operations with other companies of LATAM Group.

Paid-in Capital: ThUSD$0

Profit for the period: ThUSD$0

Stake in 2023: 100%

YOY variation: 0.0%

% of Holding's assets: 0.0%

Chairman of the Board: Not applicable

Board Members: Andres del Valle Eitel and Joaquin Arias Acuña

LATAM TRAVEL S.A.

Incorporation: Joint Stock Corporation established in Argentina.

Purpose: To perform on its own behalf or for third parties and/or in partnership with third parties, within the country and/or abroad, the following activities and transactions:

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.

Tourism: 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.

Mandatory: Via the acceptance, performance, and granting of representations, concessions, commissions, agencies, and mandates in general.

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.

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: ThUSD$4,432

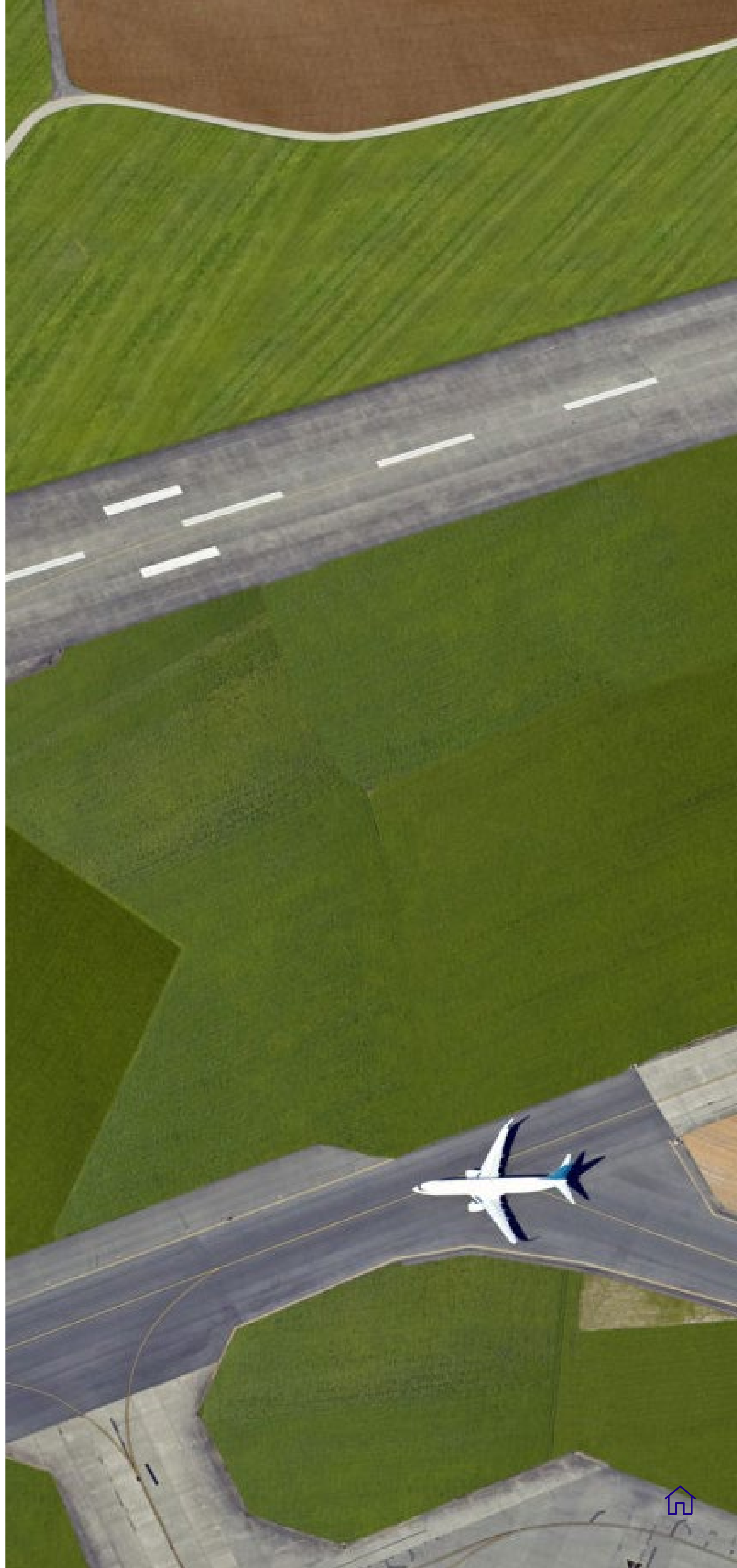
Stake in 2023: 100%

YOY variation: 0.0%

% of Holding's assets: 0.02041%

Board member: Jeronimo Cortes

Management: Jerónimo Cortés and Diego Potenza



LAN CARGO S.A. AND AFFILIATES

Statements of Financial Position

	As of December 31, 2023 ThUS$	As of December 31, 2022 ThUS$
ASSETS		
Total current assets	196,254	187,148
Total non-current assets	506,572	415,766
Total assets	**702,826**	**602,914**
LIABILITIES AND EQUITY		
LIABILITIES		
Total current liabilities	284,256	283,435
Total non-current liabilities	66,157	275,650
Total liabilities	**350,413**	**559,085**
EQUITY		
Parent's ownership interest	194,360	104,535
Non-controlling interest	158,053	(60,706)
Total equity	**352,413**	**43,829**
Total liabilities and equity	**702,826**	**602,914**

Statements of Income by Function

	As of December 31, 2023 ThUS$	As of December 31, 2022 ThUS$
Revenue	1,012,966	2,136,257
Cost of sales	(952,392)	(2,068,992)
Gross margin	60,574	67,265
Income (loss) from operation activities	52,179	(11,120)
Income (loss) before taxes	36,679	(57,858)
Income tax (expense)/benefits	(12,866)	3,215
NET INCOME (LOSS) FOR THE YEAR	**23,813**	**(54,643)**
Income (loss) attributable to owners of the parent	24,441	(53,459)
Income (loss) attributable to non-controlling interest	(628)	(1,184)
Net Income (loss) for the year	**23,813**	**(54,643)**

Statements of Comprehensive Income

	As of December 31, 2023 ThUS$	As of December 31, 2022 ThUS$
NET INCOME/(LOSS)	23,813	(54,643)
Total other comprehensive (loss) that will not be reclassified to income before taxes	17,939	(2,274)
Total other comprehensive income that will be reclassified to income before taxes	(261)	(21)
Other components of other comprehensive income (loss), before taxes	17,678	(2,295)
Income taxes related to components of other comprehensive loss will be reclassified to income	751	567
Total comprehensive income (loss)	**18,429**	**(56,371)**
Comprehensive income (loss) attributable to:		
Comprehensive income (loss) attributable to owners of the parent	17,519	(55,187)
Comprehensive income (loss) attributable to non-controlling interests	343	(1,184)
TOTAL COMPREHENSIVE INCOME (LOSS)	**17,862**	**(56,371)**

Statements of Cash Flows - Direct Method

	As of December 31, 2023 ThUS$	As of December 31, 2022 ThUS$
Net cash (outflow) inflow from operating activities	6,329	15,353
Net cash (outflow) inflow from investing activities	(68)	(7,977)
Net cash inflow (outflow) from financing activities	**(9,231)**	**(8,353)**
Effects of variation in the exchange rate on cash and cash equivalents	(2,969)	(976)
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	**42,676**	**45,209**

Statements of Changes in Equity

	Parent's ownership interest ThUS$	Non-controlling interest ThUS$	Total equity ThUS$
YEAR 2023			
Equity as of January 1, 2023	**104,535**	**(60,706)**	**43,829**
Total increase (decrease) in equity			
Comprehensive income			
Net income/(loss) for the period	24,441	(628)	23,813
Other comprehensive income	(5,666)	(285)	(5,951)
Total comprehensive income	18,775	(913)	17,862
Increase (decrease) through transfers and other changes, equity	72,306	218,416	290,722
Closing balance as of December 31, 2023	**195,616**	**156,797**	**352,413**
YEAR 2022			
Patrimonio 1 de enero de 2022	**164,653**	**(64,519)**	**100,134**
Total increase (decrease) in equity			
Comprehensive income			
Net income/(loss) for the period	(53,459)	(1,184)	(54,643)
Other comprehensive income	(1,728)	-	(1,728)
Total comprehensive income	(55,187)	(1,184)	(56,371)
Increase (decrease) through transfers and other changes, equity	(4,931)	4,997	66
Closing balance as of December 31, 2022	**104,535**	**(60,706)**	**43,829**

INVERSIONES LAN S.A.

Statements of Financial Position

	As of December 31, 2023 ThUS$	As of December 31, 2022 ThUS$
ASSETS		
Total current assets	1,156	1,223
Total non-current assets	83	58
Total assets	**1,239**	**1,281**
LIABILITIES AND EQUITY		
LIABILITIES		
Total current liabilities	5	11
Total non-current liabilities	45	45
Total liabilities	**50**	**56**
EQUITY		
Parent's ownership interest	1,189	1,225
Total equity	1,189	1,225
Total liabilities and equity	**702,826**	**602,914**

Statements of Income by Function

Gross margin	(28)	7
Income (loss) before taxes	(36)	(1)
Income tax (expense)/benefits	-	(13)
NET INCOME (LOSS) FOR THE YEAR	(36)	(14)
Income (loss) attributable to owners of the parent	(36)	(14)
Net Income (loss) for the year	(36)	(14)

Statements of Comprehensive Income

	As of December 31, 2023 ThUS$	As of December 31, 2022 ThUS$
NET INCOME/(LOSS)	(36)	(14)
Total comprehensive income (loss)	(36)	(14)
Comprehensive income (loss) attributable to owners of the parent	(36)	(14)
TOTAL COMPREHENSIVE INCOME (LOSS)	**(36)**	**(14)**

Statements of Cash Flows - Direct Method

	As of December 31, 2023 ThUS$	As of December 31, 2022 ThUS$
Net cash (outflow) inflow from operating activities	(9)	10
Net cash (outflow) inflow from investing activities	5	2
Net cash inflow (outflow) from financing activities	(25)	-
Effects of variation in the exchange rate on cash and cash equivalents	(8)	(5)
Net (decrease) increase in cash and cash equivalents	(37)	7
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	413	406
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	**376**	**413**

Statements of Changes in Equity

	Parent's ownership interest ThUS$	Non-controlling interest ThUS$	Total equity ThUS$
YEAR 2023			
Equity as of January 1, 2023	**1,225**	**-**	**1,225**
Total comprehensive income	(36)	-	(36)
Closing balance as of December 31, 2023	**1,189**	**-**	**1,189**
YEAR 2022			
Equity as of January 1, 2022	**1,239**	**-**	**1,239**
Total comprehensive income	(14)	-	(14)
Closing balance as of December 31, 2022	**1,225**	**-**	**1,225**

LAN PAX GROUP AND AFFILIATES

Statements of Financial Position

	As of December 31, 2023 ThUS$	As of December 31, 2022 ThUS$
ASSETS		
Total current assets	288,471	193,479
Total non-current assets	198,765	198,753
Total assets	**487,236**	**392,232**
LIABILITIES AND EQUITY		
LIABILITIES		
Total current liabilities	1,583,445	1,462,843
Total non-current liabilities	252,092	265,125
Total liabilities	**1,835,537**	**1,727,968**
EQUITY		
Parent's ownership interest	(1,002,254)	(1,342,687)
Non-controlling interest	(346,047)	6,951
Total equity	**(1,348,301)**	**(1,335,736)**
Total liabilities and equity	**487,236**	**392,232**

Statements of Income by Function

	As of December 31, 2023 ThUS$	As of December 31, 2022 ThUS$
Revenue	777,370	534,979
Cost of sales	(701,518)	(529,730)
Gross margin	75,852	5,249
Income (loss) from operation activities	(47,826)	(135,604)
Income (loss) before taxes	8,197	(124,022)
Income tax (expense)/benefits	(683)	2,349
NET INCOME (LOSS) FOR THE YEAR	**7,514**	**(121,673)**
Income (loss) attributable to owners of the parent	14,167	(120,717)
Income (loss) attributable to non-controlling interest	(6,653)	(956)
Net Income (loss) for the year	**7,514**	**(121,673)**

Statements of Comprehensive Income

	As of December 31, 2023 ThUS$	As of December 31, 2022 ThUS$
NET INCOME/(LOSS)	7,514	(121,673)
Other comprehensive loss, before taxes, currency translation differences	(27,517)	(15,021)
Total comprehensive income (loss)	**(20,003)**	**(136,694)**
Comprehensive income (loss) attributable to:		
Comprehensive income (loss) attributable to owners of the parent	22,660	(126,301)
Comprehensive income (loss) attributable to non-controlling interests	(42,663)	(10,393)
TOTAL COMPREHENSIVE INCOME (LOSS)	**(20,003)**	**(136,694)**

Statements of Cash Flows - Direct Method

	As of December 31, 2023 ThUS$	As of December 31, 2022 ThUS$
Net cash (outflow) inflow from operating activities	93,512	24,595
Net cash (outflow) inflow from investing activities	(899)	(1,762)
Net cash inflow (outflow) from financing activities	112	(33)
Net (decrease) increase in cash and cash equivalents before effect of exchanges rate change	92,725	22,800
This document is locked. To have edit access reenabled, contact a document owner.	(263)	(2,653)
Net (decrease) increase in cash and cash equivalents	92,462	20,150
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	**184,150**	**91,687**

Statements of Changes in Equity

	Parent's ownership interest ThUS$	Non-controlling interest ThUS$	Total equity ThUS$
YEAR 2023			
Equity as of January 1, 2023	(1,342,687)	6,951	(1,335,736)
Total comprehensive income	22,660	(42,663)	(20,003)
Increase (decrease) through transfers and other changes, equity	317,773	(310,335)	7,438
Closing balance as of December 31, 2023	**(1,002,254)**	**(346,047)**	**(1,348,301)**
YEAR 2022			
Equity as of January 1, 2022	(1,219,473)	3,028	(1,216,445)
Total comprehensive income	(126,301)	(10,393)	(136,694)
Increase (decrease) through transfers and other changes, equity	3,087	14,316	17,403
Closing balance as of December 31, 2022	**(1,342,687)**	**6,951**	**(1,335,736)**

LATAM FINANCE LIMITED

Statements of Financial Position

	As of December 31, 2023 ThUS$	As of December 31, 2022 ThUS$
ASSETS		
Total current assets	114	115
Total assets	**114**	**115**
LIABILITIES AND EQUITY		
LIABILITIES		
Total current liabilities	208,621	208,621
Total non-current liabilities	-	-
Total liabilities	**208,621**	**208,621**
EQUITY		
Parent's ownership interest	(208,507)	(208,506)
Total equity	**(208,507)**	**(208,506)**
Total liabilities and equity	**114**	**115**

Statements of Income by Function

	As of December 31, 2023 ThUS$	As of December 31, 2022 ThUS$
Gross margin	-	-
Income (loss) from operation activities	-	(1)
Income (loss) before taxes	(1)	169,582
NET INCOME (LOSS) FOR THE YEAR	**(1)**	**169,582**

Estado de Resultados Integrales Consolidado

	As of December 31, 2023 ThUS$	As of December 31, 2022 ThUS$
NET INCOME/(LOSS)	(1)	169,582
Total comprehensive income (loss)	**(1)**	**169,582**

Statements of Cash Flows - Direct Method

	As of December 31, 2023 ThUS$	As of December 31, 2022 ThUS$
Net cash (outflow) inflow from operating activities	-	-
Net cash (outflow) inflow from investing activities	(1)	(1)
Net cash inflow (outflow) from financing activities	-	-
Effects of variation in the exchange rate on cash and cash equivalents	(1)	(1)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	**115**	**116**
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	**114**	**115**

Statements of Changes in Equity

	Parent's ownership interest ThUS$	Non-controlling interest ThUS$	Total equity ThUS$
YEAR 2023			
Equity as of January 1, 2023	(208,506)	-	(208,506)
Total comprehensive income	(1)	-	(1)
Closing balance as of December 31, 2023	**(208,507)**	**-**	**(208,507)**
YEAR 2022			
Equity as of January 1, 2022	(378,088)	-	(378,088)
Total comprehensive income	169,582	-	169,582
Closing balance as of December 31, 2022	**(208,506)**	**-**	**(208,506)**

PROFESSIONAL AIRLINE SERVICES INC

Statements of Financial Position

	As of December 31, 2023 ThUS$	As of December 31, 2022 ThUS$
ASSETS		
Total current assets	16,931	56,896
Total assets	**16,931**	**56,896**
LIABILITIES AND EQUITY		
LIABILITIES		
Total current liabilities	12,303	53,787
Total liabilities	**12,303**	**53,787**
EQUITY		
Parent's ownership interest	4,628	3,109
Total equity	**4,628**	**3,109**
Total liabilities and equity	**16,931**	**56,896**

Statements of Income by Function

	As of December 31, 2023 ThUS$	As of December 31, 2022 ThUS$
Revenue	75,007	64,079
Cost of sales	(45,009)	(38,208)
Gross margin	29,998	25,871
Income (loss) from operation activities	1,894	285
Income (loss) before taxes	1,894	285
Income tax (expense)/benefits	(374)	(28)
NET INCOME (LOSS) FOR THE YEAR	**1,520**	**257**

Statements of Comprehensive Income

	As of December 31, 2023 ThUS$	As of December 31, 2022 ThUS$
NET INCOME/(LOSS)	1,520	257
TOTAL COMPREHENSIVE INCOME (LOSS)	**1,520**	**257**

Statements of Cash Flows - Direct Method

	As of December 31, 2023 ThUS$	As of December 31, 2022 ThUS$
Net cash (outflow) inflow from operating activities	(832)	(1,431)
Effects of variation in the exchange rate on cash and cash equivalents	(832)	(1,431)
Net (decrease) increase in cash and cash equivalents	(832)	(1,431)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	1,452	2,883
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	**620**	**1,452**

Statements of Changes in Equity

	Parent's ownership interest ThUS$	Total equity ThUS$
YEAR 2023		
Equity as of January 1, 2023	3,109	3,109
Total comprehensive income	1,520	1,520
Closing balance as of December 31, 2023	**4,629**	**4,629**
YEAR 2022		
Equity as of January 1, 2022	2,851	2,851
Total comprehensive income	258	258
Closing balance as of December 31, 2022	**3,109**	**3,109**

HOLDCO I S.A.

Statements of Financial Position

	As of December 31, 2023 ThUS$	As of December 31, 2022 ThUS$
ASSETS		
Total current assets	-	-
Total non-current assets	351,587	351,587
Total assets	**351,587**	**351,587**
LIABILITIES AND EQUITY		
LIABILITIES		
Total current liabilities	3,791	3,237
Total non-current liabilities	-	-
Total liabilities	**3,791**	**3,237**
EQUITY		
Parent's ownership interest	347,796	348,350
Total equity	347,796	348,350
Total patrimonio y pasivos	**351,587**	**351,587**

Statements of Income by Function

	As of December 31, 2023 ThUS$	As of December 31, 2022 ThUS$
Gross margin	-	-
Income (loss) before taxes	(554)	(497)
Income tax (expense)/benefits	-	-
NET INCOME (LOSS) FOR THE YEAR	**(554)**	**(497)**
Income (loss) attributable to owners of the parent	(554)	(497)
Net Income (loss) for the year	**(554)**	**(497)**

Statements of Comprehensive Income

	As of December 31, 2023 ThUS$	As of December 31, 2022 ThUS$
NET INCOME/(LOSS)	(554)	(497)
Total comprehensive income (loss)	**(554)**	**(497)**
Comprehensive income (loss) attributable to owners of the parent	(554)	(497)
TOTAL COMPREHENSIVE INCOME (LOSS)	**(554)**	**(497)**

Statements of Cash Flows - Direct Method

	As of December 31, 2023 ThUS$	As of December 31, 2022 ThUS$
Net cash (outflow) inflow from operating activities	-	-
Net cash (outflow) inflow from investing activities	-	-
Net cash inflow (outflow) from financing activities	-	-
Effects of variation in the exchange rate on cash and cash equivalents	-	-
Net (decrease) increase in cash and cash equivalents	-	-
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	-	-
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	**-**	**-**

Statements of Changes in Equity

	Parent's ownership interest ThUS$	Non-controlling interest ThUS$	Total equity ThUS$
YEAR 2023			
Equity as of January 1, 2023	348,350	-	348,350
Total comprehensive income	(554)	-	(554)
Closing balance as of December 31, 2023	**347,796**	**-**	**347,796**
YEAR 2022			
Equity as of January 1, 2022	348,847	-	348,847
Total comprehensive income	(497)	-	(497)
Closing balance as of December 31, 2022	**348,350**	**-**	**348,350**

JARLETUL S.A.

Statements of Financial Position

	As of December 31, 2023 ThUS$	As of December 31, 2022 ThUS$
ASSETS		
Total current assets	16	16
Total non-current assets	-	-
Total assets	**16**	**16**
LIABILITIES AND EQUITY		
LIABILITIES		
Total current liabilities	1,101	1,110
Total liabilities	**1,101**	**1,110**
EQUITY		
Parent’s ownership interest	(1,085)	(1,094)
Total equity	**(1,085)**	**(1,094)**
Total liabilities and equity	**16**	**16**

Statements of Income by Function

	As of December 31, 2023 ThUS$	As of December 31, 2022 ThUS$
Revenue	-	-
Cost of sales	-	-
Gross margin	-	-
Income (loss) from operation activities	7	(2)
Income (loss) before taxes	8	(2)
Income tax (expense)/benefits	-	-
NET INCOME (LOSS) FOR THE YEAR	**8**	**(2)**

Statements of Comprehensive Income

	As of December 31, 2023 ThUS$	As of December 31, 2022 ThUS$
NET INCOME/(LOSS)	8	(2)
Total comprehensive income (loss)	**8**	**(2)**

Statements of Cash Flows - Direct Method

	As of December 31, 2023 ThUS$	As of December 31, 2022 ThUS$
Net cash (outflow) inflow from operating activities	(6)	(7)
Net (decrease) increase in cash and cash equivalents before effect of exchanges rate change	(7)	(7)
Net (decrease) increase in cash and cash equivalents	(7)	(7)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	15	22
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	**8**	**15**

Statements of Changes in Equity

	Parent’s ownership interest ThUS$	Non-controlling interest ThUS$	Total equity ThUS$
YEAR 2023			
Equity as of January 1, 2023	(1,094)	-	(1,094)
Total comprehensive income	8	-	8
Closing balance as of December 31, 2023	**(1,086)**	**-**	**(1,086)**
YEAR 2022			
Equity as of January 1, 2022	(1,092)	-	(1,092)
Total comprehensive income	(2)	-	(2)
Closing balance as of December 31, 2022	**(1,094)**	**-**	**(1,094)**

LATAM AIRLINES PERÚ S.A.

Statements of Financial Position

	As of December 31, 2023 ThUS$	As of December 31, 2022 ThUS$
ASSETS		
Total current assets	312,628	305,288
Total non-current assets	21,853	30,485
Total assets	**334,481**	**335,773**
LIABILITIES AND EQUITY		
LIABILITIES		
Total current liabilities	281,208	276,875
Total non-current liabilities	4,437	4,303
Total liabilities	**285,645**	**281,178**
EQUITY		
Parent's ownership interest	48,836	54,595
Total equity	**48,836**	**54,595**
Total liabilities and equity	**334,481**	**335,773**

Statements of Income by Function

	As of December 31, 2023 ThUS$	As of December 31, 2022 ThUS$
Revenue	1,404,081	1,257,865
Cost of sales	(1,271,863)	(1,165,039)
Gross margin	132,218	92,826
Income (loss) from operation activities	3,711	4,774
Income (loss) before taxes	(4,341)	(12,400)
Income tax (expense)/benefits	(325)	(325)
NET INCOME (LOSS) FOR THE YEAR	**(4,666)**	**(12,725)**
Income (loss) attributable to owners of the parent	(4,666)	(12,725)
Net Income (loss) for the year	**(4,666)**	**(12,725)**

Statements of Comprehensive Income

	As of December 31, 2023 ThUS$	As of December 31, 2022 ThUS$
NET INCOME/(LOSS)	(4,666)	(12,725)
Total comprehensive income (loss)	**(4,666)**	**(12,725)**
Comprehensive income (loss) attributable to:		
Comprehensive income (loss) attributable to owners of the parent	(4,666)	(12,725)
TOTAL COMPREHENSIVE INCOME (LOSS)	**(4,666)**	**(12,725)**

Statements of Cash Flows - Direct Method

	As of December 31, 2023 ThUS$	As of December 31, 2022 ThUS$
Net cash (outflow) inflow from operating activities	43,277	(23,373)
Net cash (outflow) inflow from investing activities	(1,751)	(3,947)
Net cash inflow (outflow) from financing activities	(91)	1,888
Net (decrease) increase in cash and cash equivalents before effect of exchanges rate change	41,435	(25,432)
Net (decrease) increase in cash and cash equivalents	41,435	(25,432)
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	**97,685**	**56,250**

Statements of Changes in Equity

	Parent's ownership interest ThUS$	Non-controlling interest ThUS$	Total equity ThUS$
YEAR 2023			
Equity as of January 1, 2023	54,595	-	54,595
Total comprehensive income	(4,666)	-	(4,666)
Total transactions with shareholders	(1,093)	-	(1,093)
Closing balance as of December 31, 2023	**48,836**	**-**	**48,836**
YEAR 2022			
Equity as of January 1, 2022	67,321	-	67,321
Total comprehensive income	(12,725)	-	(12,725)
Total transactions with shareholders	-	-	-
Closing balance as of December 31, 2023	**54,596**	**-**	**54,596**

LATAM TRAVEL CHILE II S.A.

Statements of Financial Position

	As of December 31, 2023 ThUS$	As of December 31, 2022 ThUS$
ASSETS		
Total current assets	21	31
Total non-current assets	336	336
Total assets	**357**	**367**
LIABILITIES AND EQUITY		
LIABILITIES		
Total current liabilities	1,240	1,234
Total non-current liabilities	-	-
Total pasivos	**1,240**	**1,234**
EQUITY		
Parent's ownership interest	(883)	(867)
Total equity	**(883)**	**(867)**
Total liabilities and equity	**357**	**367**

Statements of Income by Function

	As of December 31, 2023 ThUS$	As of December 31, 2022 ThUS$
Income (loss) from operation activities	(16)	2
Income (loss) before taxes	(16)	2
Income tax (expense)/benefits	-	-
NET INCOME (LOSS) FOR THE YEAR	**(16)**	**2**
Income (loss) attributable to owners of the parent	(16)	2
Net Income (loss) for the year	**(16)**	**2**

Statements of Comprehensive Income

	As of December 31, 2023 ThUS$	As of December 31, 2022 ThUS$
NET INCOME/(LOSS)	(16)	2
Total comprehensive income (loss)	**(16)**	**2**
Comprehensive income (loss) attributable to:		
Comprehensive income (loss) attributable to owners of the parent	(16)	2
TOTAL COMPREHENSIVE INCOME (LOSS)	**(16)**	**2**

Statements of Cash Flows - Direct Method

	As of December 31, 2023 ThUS$	As of December 31, 2022 ThUS$
Net cash (outflow) inflow from operating activities	-	(221)
Net cash (outflow) inflow from investing activities	-	-
Net cash inflow (outflow) from financing activities	-	-
Net (decrease) increase in cash and cash equivalents before effect of exchanges rate change	-	(221)
Net (decrease) increase in cash and cash equivalents	-	(221)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	20	241
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	**20**	**241**

Statements of Changes in Equity

	Parent's ownership interest ThUS$	Non-controlling interest ThUS$	Total equity ThUS$
YEAR 2023			
Equity as of January 1, 2023	(867)	-	(867)
Total comprehensive income	(16)	-	(16)
Closing balance as of December 31, 2023	**(883)**	**-**	**(883)**
YEAR 2022			
Equity as of January 1, 2022	(869)	-	(869)
Total comprehensive income	2	-	2
Closing balance as of December 31, 2022	**(867)**	**-**	**(867)**

LATAM TRAVEL S.A.

Statements of Financial Position

	As of December 31, 2023 ThUS$	As of December 31, 2022 ThUS$
ASSETS		
Total current assets	3,648,806	1,249,804
Total non-current assets	118,296	88,494
Total assets	**3,767,102**	**1,338,298**
LIABILITIES AND EQUITY		
LIABILITIES		
Total current liabilities	577,202	323,426
Total non-current liabilities	709,536	174,158
Total liabilities	**1,286,738**	**497,584**
EQUITY		
Parent's ownership interest	2,480,364	840,714
Total equity	**2,480,364**	**840,714**
Total liabilities and equity	**3,767,102**	**1,338,298**

Statements of Income by Function

	As of December 31, 2023 ThUS$	As of December 31, 2022 ThUS$
Revenue	2,013,547	372,102
Cost of sales	(495)	(30,992)
Gross margin	2,013,052	341,110
Income (loss) from operation activities	1,558,887	181,724
Income (loss) before taxes	778,318	(1,133,744)
Income tax (expense)/benefits	-	-
Net Income (loss) for the year	**778,318**	**(1,133,744)**

Statements of Comprehensive Income

	As of December 31, 2023 ThUS$	As of December 31, 2022 ThUS$
NET INCOME/(LOSS)	778,318	(1,133,744)
TOTAL COMPREHENSIVE INCOME (LOSS)	**778,318**	**(1,133,744)**

Statements of Cash Flows - Direct Method

	As of December 31, 2023 ThUS$	As of December 31, 2022 ThUS$
Net cash (outflow) inflow from operating activities	(2,553,495)	(989,812)
Net cash (outflow) inflow from investing activities	1,364,128	90,526
Net cash inflow (outflow) from financing activities	-	1,411,653
Net (decrease) increase in cash and cash equivalents before effect of exchanges rate change	(1,189,367)	512,367
Net (decrease) increase in cash and cash equivalents	2,794,378	115,976
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	793,839	165,496
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	**2,398,850**	**793,839**

Statements of Changes in Equity

	Parent's ownership interest ThUS$	Total equity ThUS$
YEAR 2023		
Equity as of January 1, 2023	840,714	840,714
Total increase (decrease) in equity		
Comprehensive income		
Other comprehensive income	778,318	778,318
Otro resultado integral	-	-
Total comprehensive income	778,318	778,318
Increase (decrease) through transfers and other changes, equity	861,332	861,332
Closing balance as of December 31, 2023	**2,480,364**	**2,480,364**
YEAR 2022		
Equity as of January 1, 2022	(253,792)	(253,792)
Total increase (decrease) in equity		
Comprehensive income		
Net income/(loss) for the period	(1,133,744)	(1,133,744)
Other comprehensive income	-	-
Total comprehensive income	(1,133,744)	(1,133,744)
Increase (decrease) through transfers and other changes, equity	2,228,250	2,228,250
Closing balance as of December 31, 2022	**840,714**	**840,714**

LATAM TRAVEL S.R.L.

Statements of Financial Position

	As of December 31, 2023 ThUS$	As of December 31, 2022 ThUS$
ASSETS		
Total current assets	64	64
Total non-current assets	28	28
Total assets	**92**	**92**
LIABILITIES AND EQUITY		
LIABILITIES		
Total current liabilities	-	5
Total liabilities	**-**	**5**
EQUITY		
Parent's ownership interest	92	87
Total equity	**92**	**87**
Total liabilities and equity	**92**	**92**

Statements of Income by Function

Revenue	-	-
Gross margin	-	-
Income (loss) before taxes	5	155
NET INCOME (LOSS) FOR THE YEAR	**5**	**155**
Income (loss) attributable to owners of the parent	5	155
Net Income (loss) for the year	**5**	**155**

	As of December 31, 2023 ThUS$	As of December 31, 2022 ThUS$
Statements of Comprehensive Income		
NET INCOME/(LOSS)	5	155
Total comprehensive income (loss)	**5**	**155**
Comprehensive income (loss) attributable to:		
Comprehensive income (loss) attributable to owners of the parent	5	155
TOTAL COMPREHENSIVE INCOME (LOSS)	**5**	**155**
Statements of Cash Flows - Direct Method		
Net cash (outflow) inflow from operating activities	-	-
Net cash (outflow) inflow from investing activities	-	-
Effects of variation in the exchange rate on cash and cash equivalents	**-**	**-**
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	**64**	**64**

	Parent's ownership interest ThUS$	Non-controlling interest ThUS$	Total equity ThUS$
Statements of Changes in Equity			
YEAR 2023			
Equity as of January 1, 2023	87	-	87
Total comprehensive income	5	-	5
Closing balance as of December 31, 2023	**92**	**-**	**92**
YEAR 2022			
Equity as of January 1, 2022	(68)	-	(68)
Total comprehensive income	155	-	155
Closing balance as of December 31, 2022	**87**	**-**	**87**

PEUCO FINANCE LIMITED

	As of December 31, 2023 ThUS$	As of December 31, 2022 ThUS$
Statements of Financial Position		
ASSETS		
Total current assets	-	-
Total assets	**-**	**-**
LIABILITIES AND EQUITY		
LIABILITIES		
Total current liabilities	-	-
Total liabilities	**-**	**-**
Total liabilities and equity	**-**	**-**
Statements of Cash Flows - Direct Method		
Net cash (outflow) inflow from operating activities	-	-
Net cash (outflow) inflow from investing activities	-	-
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	**-**	**-**

TAM S.A. AND AFFILIATES

Statements of Financial Position

	As of December 31, 2023 ThUS$	As of December 31, 2022 ThUS$
ASSETS		
Total current assets	2,441,250	1,998,284
Total non-current assets	1,798,452	1,499,564
Total assets	**4,239,702**	**3,497,848**
LIABILITIES AND EQUITY		
LIABILITIES		
Total current liabilities	2,042,204	3,302,692
Total non-current liabilities	985,169	928,855
Total liabilities	**3,027,373**	**4,231,547**
EQUITY		
Parent's ownership interest	1,211,177	(734,514)
Non-controlling interest	1,152	815
Total equity	**1,212,329**	**(733,699)**
Total liabilities and equity	**4,239,702**	**3,497,848**

Statements of Income by Function

	As of December 31, 2023 ThUS$	As of December 31, 2022 ThUS$
Revenue	5,794,599	4,255,115
Cost of sales	(4,587,151)	(3,973,361)
Gross margin	1,207,448	281,754
Income (loss) from operation activities	631,524	(163,903)
Income (loss) before taxes	739,480	(89,464)
Income tax (expense)/benefits	1,303	19,529
NET INCOME (LOSS) FOR THE YEAR	**740,783**	**(69,935)**
Income (loss) attributable to owners of the parent	740,476	(70,047)
Income (loss) attributable to non-controlling interest	307	112
Net Income (loss) for the year	**740,783**	**(69,935)**

Statements of Comprehensive Income

	As of December 31, 2023 ThUS$	As of December 31, 2022 ThUS$
NET INCOME/(LOSS)	740,783	(69,935)
Total other comprehensive (loss) that will not be reclassified to income before taxes	796,614	(10,792)
Income taxes related to components of other comprehensive loss will be reclassified to income	8,322	689
Other comprehensive Income / (loss)	804,936	(10,103)
Total comprehensive income (loss)	**1,545,719**	**(80,273)**
Comprehensive income (loss) attributable to:		
Comprehensive income (loss) attributable to owners of the parent	1,545,328	(80,281)
Comprehensive income (loss) attributable to non-controlling interests	391	8
TOTAL COMPREHENSIVE INCOME (LOSS)	**1,545,719**	**(80,273)**

Statements of Cash Flows - Direct Method

	As of December 31, 2023 ThUS$	As of December 31, 2022 ThUS$
Net cash (outflow) inflow from operating activities	364,468	886,301
Net cash (outflow) inflow from investing activities	(31,311)	36,345
Net cash inflow (outflow) from financing activities	(18,698)	(354,668)
Net (decrease) increase in cash and cash equivalents before effect of exchanges rate change	314,459	567,978
Effects of variation in the exchange rate on cash and cash equivalents	35,215	(476,568)
Net (decrease) increase in cash and cash equivalents	349,674	91,410
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	384,133	225,804
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	**733,807**	**384,133**

Statements of Changes in Equity

	Parent's ownership interest ThUS$	Non-controlling interest ThUS$	Total equity ThUS$
YEAR 2023			
Equity as of January 1, 2023	(734,515)	815	(733,700)
Total comprehensive income	1,545,335	391	1,545,726
Total transactions with shareholders	400,357	(54)	400,303
Closing balance as of December 31, 2023	**1,211,177**	**1,152**	**1,212,329**
YEAR 2022			
Equity as of January 1, 2022	(649,058)	769	(648,289)
Total comprehensive income	(80,281)	35	(80,246)
Total transactions with shareholders	(5,176)	11	(5,165)
Closing balance as of December 31, 2022	**(734,515)**	**815**	**(733,700)**

TECHNICAL TRAINING LATAM S.A.

Statements of Financial Position

	As of December 31, 2023 ThUS$	As of December 31, 2022 ThUS$
ASSETS		
Total current assets	977,726	1,103,009
Total non-current assets	115,135	111,767
Total assets	**1,092,861**	**1,214,776**
LIABILITIES AND EQUITY		
LIABILITIES		
Total current liabilities	396,039	684,262
Total non-current liabilities	386,878	265,927
Total liabilities	**782,917**	**950,189**
EQUITY		
Parent's ownership interest	309,944	264,587
Total equity	**309,944**	**264,587**
Total liabilities and equity	**1,092,861**	**1,214,776**

Statements of Income by Function

	2023	2022
Revenue	1,110,860	906,015
Cost of sales	(955,841)	(818,075)
Gross margin	155,019	87,940
Income (loss) from operation activities	153,438	69,915
Income (loss) before taxes	153,438	69,915
Income tax (expense)/benefits	(44,699)	(60)
NET INCOME (LOSS) FOR THE YEAR	**108,739**	**69,855**
Income (loss) attributable to owners of the parent	108,739	69,855
Net Income (loss) for the year	**108,739**	**69,855**

Statements of Comprehensive Income

	As of December 31, 2023 ThUS$	As of December 31, 2022 ThUS$
NET INCOME/(LOSS)	108,739	(60)
Total other comprehensive (loss) that will not be reclassified to income before taxes	(63,382)	(15,409)
Total Other comprehensive income (loss)	(63,382)	(15,409)
Total comprehensive income (loss)	**45,357**	**(15,469)**
Comprehensive income (loss) attributable to owners of the parent	45,357	(15,469)
TOTAL COMPREHENSIVE INCOME (LOSS)	**45,357**	**(15,469)**

Statements of Cash Flows - Direct Method

	As of December 31, 2023 ThUS$	As of December 31, 2022 ThUS$
Net cash (outflow) inflow from operating activities	(3,269)	(157,977)
Net (decrease) increase in cash and cash equivalents before effect of exchanges rate change	(3,269)	(157,977)
Effects of variation in the exchange rate on cash and cash equivalents	4,489	4,710
Net (decrease) increase in cash and cash equivalents	1,220	(153,267)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	136,469	289,736
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	**137,689**	**136,469**

Statements of Changes in Equity

	Parent's ownership interest ThUS$	Non-controlling interest ThUS$	Total equity ThUS$
YEAR 2023			
Equity as of January 1, 2023	264,587	-	264,587
Total comprehensive income	108,739	-	108,739
Total transactions with shareholders	(63,382)	-	(63,382)
Closing balance as of December 31, 2023	**309,944**	**-**	**309,944**
YEAR 2022			
Equity as of January 1, 2022	1,298,275	-	1,298,275
Total comprehensive income	54,446	-	54,446
Total transactions with shareholders	(1,088,134)	-	(1,088,134)
Closing balance as of December 31, 2022	**264,587**	**-**	**264,587**

Financial *analysis*

Comparative analysis and explanation of main trends:

1. CONSOLIDATED FINANCIAL STATEMENT

Below, we are presenting the main financial indicators in the Consolidated Financial Statement:

PROFITABILITY INDICATORS	31-12-2023	31-12-2022
LIQUIDITY INDICATORS		
Current liquidity (times) (Current assets in operation/current Liability	0.74	0.69
Acid test ratio (times) (Available funds/current liabilities)	0.30	0.24
INDEBTEDNESS INDICATORS		
Debt ratio (times): (Current Liability/ Net Worth)	12.63	120.36
(Non-current Liability/ Net Worth)	18.97	191.39
(Current liabilities + non-current liabilities/ Net worth)	31.60	311.75
Current debt/ Total debt (%)	39.98	38.61
Non-current debt/ Total debt (%)	60.02	61.39
Hedging of financial expenses (R.A.I.I. / financial expenses)	2.04	0.00
ACTIVITY INDICATORS		
Total Assets	14,667,315	13,211,024
Investments	795,787	780,869
Disposal of property	46,524	56,794

Profitability indicators are calculated on equity and income attributable to Majority Shareholders.

Return on Equity (Net income / average net equity)	1.29	31.68
Return on assets (Net income/ average assets)	0.04	0.10
Yield of operating assets (Net income/ operating assets)[1] (Average)	0.04	0.11

[1] *Total assets less deferred taxes, personnel current accounts, permanent and temporary investments.*

Dividend returns (Dividends paid/ market price)	0.00	0.00

At December 31, 2023, the company's assets totaled ThUSD$14,667,315 which, compared to December 31, 2022, represents into an increase of ThUSD$1,456,291 (11.0%).

The Company's current assets increased by ThUSD$666,938 (18.9%) vs. yearend 2022. The main increases were seen in the following line following items: Cash and cash equivalents for ThUSD$498,086 (40.9%), this increase is explained by the net variation presented in the Company's consolidated cash flow statement; Trade and other receivables for ThUSD$377,801 (37.5%), mainly explained by the increase in sales in the markets of Brazil, Peru and Chile; Current inventories for ThUSD$115,091 (24.1%), related to an increase in purchases for ThUSD$206,285 and inventory in transit and others for ThUSD$22,867, offset by inventory adjustments, write-offs and others for ThUSD$101,398 and the translation adjustment of ThUSD$12,781; current taxes of ThUSD$13,997 (42.4%) and non-current assets or groups of assets classified as held for sale for ThUSD$16,254 (18.8%) (mainly due to sales of aircraft and engines). All of the above is offset by a decrease in: Other financial assets, current, of ThUSD$328,696 (65.3%) mainly explained by the compensation of a fund delivered to an agent as restricted advances, related to the derecognition of TAM Linhas Aéreas S.A.'s claim, which was pending resolution at the exit of the Chapter 11 proceeding, and which was offset during 2023; Accounts receivable from related entities, current, of ThUSD$19,495 (99.9%); and Other non-financial assets, current, of ThUSD$6,100 (3.2%).

The Company's liquidity index showed an increase from 0.69 times at yearend 2022 to 0.74 times at the end of December 2023. Moreover, we can see that the quick ratio increased from 0.24 times at yearend 2022 to 0.30 times at the end of December 2023.

The Company's non-current assets increased by ThUSD$789,353 (8.2%) vs. yearend 2022. The main line items of Non-current assets with increases are: Property, plant and equipment for ThUSD$679,469 (8.1%), whose variation is mainly explained by ThUSD$1,954,683 in additions for the year (mainly additions related to aircraft maintenance for ThUSD$938,381 and new asset contracts for rights of use for ThUSD$1,016.302), and an increase in the translation difference of ThUSD$44,249, offset by the decrease resulting from the ThUSD$939,040 in depreciation for the year and other decreases worth ThUSD$380,423; Intangible assets other than goodwill of ThUSD$71,600 (6.6%), mainly originated by the translation adjustment of ThUSD$52,478, an increase due to additions for ThUSD$79,144 (associated to digital transformation projects for ThUSD$32,484) offset by a decrease of ThUSD$59,304 corresponding to the amortization of the year; Other non-current financial assets for ThUSD$18,968 (122.2%); Other non-financial assets for ThUSD$20,243 (13.6%), mainly originated by increases in judicial deposits of ThUSD$30,425 and other prepayments of ThUSD$3,967, offset by the decrease in Sales tax of ThUSD$14,209 and Accounts receivable, non-current of ThUSD$206 (1.6%). All of the above is slightly offset by a decrease in deferred tax assets of ThUSD$(1,133) (19.2%).

At December 31, 2023, the company's assets totaled ThUSD$14,229,040 which, compared to December 31, 2022, represents an increase of ThUSD$1,048,737 (equivalent to 8.0%).

The Company's Current Liabilities increased by ThUSD$599,440 (11.8%) vs. yearend 2022. The main increases were seen in: Trade and other accounts payable, current, for ThUSD$137,287 (8.4%), Other non-financial liabilities, current, for ThUSD$659,655 (25.0%); Accounts payable to related entities, current, for ThUSD$7,432; Tax liabilities, current, for ThUSD$1,345 (131.1%); and Other provisions, current, for ThUSD$499 (3.4%). The above is offset by the ThUSD$206,778 (25.8%) decrease in Other current financial liabilities.

The indebtedness indicator of the company's current Liabilities over Equity for the period stood at 12.63 (120.36 by December 31, 2022). The impact of current Liabilities over Total debt increased by 1.37 percentage points, from 38.61% at yearend 2022 to 39.98% at the end of the current period.

The company's non-current Liabilities increased by ThUSD$449,297 (5.6%), compared to the figure reported at December 31, 2022. The main increases are found in the lines of: Other financial liabilities, non-current, for ThUSD$362,630 (6.1%), Accounts payable, non-current, for ThUSD$92,303 (28.3%), mainly explained by the increase in aircraft and engine maintenance for ThUSD$98,868, offset by other net effects for ThUSD$6,565; Provisions for employee benefits, non-current, for ThUSD$29,130 (31.2%), explained by an increase of ThUSD$58,436 related to the provision of current services, offset by a ThUSD$6,701 decrease for benefits paid and conversion adjustment and actuarial loss for ThUSD$22,605; and

the increase ThUSD$37,734 (10.9%) in deferred tax liabilities. This is offset by the decrease in Other non-financial liabilities, non-current, of ThUSD$71,272 (17.0%) and Other provisions, non-current, of ThUSD$1,228 (-0.1%).

For a better understanding of the total increase of ThUSD$155,852 in Other financial liabilities, considering a reduction of ThUSD$206,778 in current financial liabilities and an increase of ThUSD$362,630, the following table, excluding hedging and non-hedging increase derivatives for ThUSD$1,544, shows the movements corresponding to cash flows and non-cash flows:

Obligations to financial institutions	Balance up to December 31, 2022	Flows			Non-flow movements		Balance up to December 31, 2023
		Received	Paid				
		Capital [1]	Capital [2]	Interest	Accrued interest and others	Reclassification [3]	
	ThUSD$	ThUSD$	ThUSD$	ThUSD$	ThUSD$	ThUSD$	ThUSD$
Bank loans	1,385,995	-	(81,952)	(153,791)	189,272	(310,090)	1,029,434
Secured obligations	325,061	-	(19,726)	(20,309)	20,686	(1,790)	303,922
Other secured obligations	474.304	-	(56,519)	(42,283)	43,037	11,811	430,350
Obligations to the public	1,289,799	-	-	(155,655)	168,694	-	1,302,838
Financial leases	1,088,239	-	(183,374)	(48,272)	58,076	(13,123)	901,546
Other loans	2.028	-	(434)	-	(70)	(1,420)	104
Lease liabilities	2,216,454	-	(225,358)	(173,924)	1,150,822	-	2,967,994
Total Obligations to financial institutions	**6,781,880**	**-**	**(567,363)**	**(594,234)**	**1,630,517**	**(314,612)**	**6,936,188**

[1] During financial year 2023, the Company did not obtain financing. During financial year 2022, the Company obtained ThUSD$2,361,875 in amounts from long-term loans and ThUSD$4,856,025 in amounts from short-term loans, totaling ThUSD$7,217,900.

[2] Up to December 31, 2023, loan repayments of ThUSD$342,005 and lease liability payments of ThUSD$225,358, disclosed under cash flows from financing activities and up to December 31, 2022, loan repayments of ThUSD$8,759,413 and lease liability payments of ThUSD$131,917 disclosed in cash flows from financing activities.

[3] As a result of the exit from Chapter 11, Bank loans decreased mainly by ThUSD$297,161, related to the derecognition of the TAM Linhas Aéreas S.A. claim, which was pending resolution at the exit of the Chapter 11 proceeding, and offset during 2023 with a fund delivered to an agent as restricted advances made in November 2022.

The indebtedness indicator of the company's Non-current liabilities over equity stood at 18.97. The impact of Non-current Liabilities over Total debt decreased by (1.37) percentage points, from 61.39% at yearend 2022 to 60.02% at the end of the December 2023.

The indicator of total indebtedness over the Company's equity at the end of December 2023 is 31.60, 280.15 lower than at the end of December 2022.

Up to December 31, 2023, roughly 49% of debt has a fixed rate; most of the variable debt is indexed at the benchmark rate based on SOFR.

The Equity attributable to the owners of the parent company increased by ThUSD$408,024 (965.1%), going from ThUSD$42,278 at December 31, 2022 to an Equity of ThUSD$450,302 by December 31, 2023. The main effects correspond to:

a) Decrease in share capital

At the Company's Extraordinary Shareholders' Meeting held on April 20, 2023, the following was agreed, implying a net movement between equity items and has no effect on the total:

i) A decrease in the Company's capital in the amount of ThUSD$7,501,896, without altering the number and characteristics of the shares into which it is divided, through the absorption of the Company's total accumulated losses up to December 31, 2022 for the same amount;

ii) Another decrease in the Company's capital in the amount of ThUSD$178, without altering the number and characteristics of the shares into which it is divided, through the absorption of the "Treasury shares held" account up to December 31, 2022, for the same amount, produced as a result of the January 2012 decrease in share capital in accordance with the provisions of Article 27 of the Corporations Law;

iii) ThUSD$810,279 deduction from the Company's paid-in capital of the "Costs of issuance and placement of shares and notes convertible into shares" account.

b) Capital Increase and Convertible Notes

During the first half of 2023, the increase in paid-in capital was recognized, originated by the conversion of class H bonds and the payment of claims through class G bonds, amounting to ThUSD$17,401.

Considering a) and b) above, the balance of share capital at the end of December 2023 stands as follows:

	Paid-in capital ThUSD$
Beginning balance as at January 1, 2023	13,298,486
Convertible Bond G - placement during the period by conversion option	17,401
Absorption of Accumulated Losses by December 31, 2022	(7,501,896)
Absorption of treasury stock	(178)
Deduction of issuance and placement costs of shares and notes convertible into shares	(810,279)
Subtotal	(8,294,952)
Closing balance at December 31, 2023	**5,003,534**

c) Other miscellaneous reserves

During financial year 2023, the Other miscellaneous reserves line increased by ThUSD$736,491 mainly related to the ThUSD$810,279 increase due to the capitalization of issuance and placement costs of shares and notes convertible into shares, offset by a ThUSD$14,401 adjustment to the fair value of the converted notes, Actuarial reserves for employee benefit plans for ThUSD$20,442, Conversion reserve for ThUSD$25,051 and Reserves related to hedging activities for ThUSD$(20,651).

d) Accrued Earnings/Loss (Accrued Profit/Loss)

Accrued earnings/loss include ThUSD$581,831 of earnings attributable to owners of the parent company for the financial year and the reversal of ThUSD$57,129 related to an unpaid dividend in 2020, ThUSD$174,549 corresponding to profit for financial year 2023, and the Absorption of accrued losses of ThUSD$7,501,896.

Therefore, the accured result increased from a loss of ThUSD$7,501,896 at December 31, 2022 to a profit of ThUSD$464,411 at December 31, 2023.

2. CONSOLIDATED INCOME STATEMENT

Below, we present the main financial indicators in the Consolidated Financial Statement.

For the years ended on December 31 (ThUSD$)	2023	2022
	ThUSD$	ThUSD$
Operating income	**11,789,182**	**9,516,807**
Passengers	10,215,148	7,636,429
Cargo	1,425,393	1,726,092
Others	148,641	154.286
Operating Costs	**(10,619,974)**	**(9,638,086)**
Compensation	(1,583,337)	(1,266,336)
Fuel	(3,947,220)	(3,882,505)
Fees	(244,160)	(167,035)
Depreciation and Amortization	(1,205,373)	(1,179,512)
Other Leasing and Landing Fees	(1,322,795)	(1,036,158)
Passenger Services	(271,838)	(184,357)
Aircraft Leasing	(91,876)	(202,845)
Maintenance	(601,804)	(582,848)
Other Operating Costs	(1,351,571)	(1,136,490)
Operating Results	**1,169,208**	**(121,279)**
Operating Margin	**9.9%**	**-1.3%**
Financial Revenues	125,356	1,052,295
Financial costs	(698,231)	(942,403)
Other Revenues / Expenses[1]	159	1,357,438
Income /(loss) before taxes and minority interest	**596,492**	**1,346,051**
Taxes	(14,942)	(8,914)
Income /(Loss) before minority interest attributable to	581,550	1,337,137
Gain/(Loss) attributable to the parent company's owners	581,831	1,339,210
Gain/(Loss) , attributable to non-controlling interests	(281)	(2,073)
Net Margin	**4.9%**	**14.1%**
Effective Tax Rate	**-2.5%**	**0.7%**
Total shares, basic	604,437,869,545	96,614,464,231
Gain/(loss) per common share (USD$)	0.000963	0.013861
Total shares, diluted	604,441,789,335	98,530,451,071
Gain/(loss) per common share (USD$)	0.000963	0.013592
R.A.I.I.D.A.	**2,375,021**	**2,417,744**

[1] Other Income/Expenses considers the line items Other gains (losses), Exchange differences, and Results from readjustment units presented in the Consolidated Financial Statement by function.

At December 31, 2023, the parent company reported a ThUSD$581,831 gain, translating into a negative variation of ThUSD$757,379 vs. the previous year's gain of ThUSD$1,339,210. Net margin for the financial year settled 4.9% in 2023 and 14.1% during 2022.

The operating result for 2023 shows a gain of ThUSD$1,169,208 which, compared to the loss of ThUSD$121,279 up to December 31, 2022, represents a variation equivalent to 1,064.1%. Operating margin showed a positive variation of 11.2 percentage points compared to financial year 2022, reaching 9.9%, driven mainly by a good performance in the passenger business.

Operating income up to December 31, 2023, increased 23.9% vs. the same period of 2022, totaling ThUSD$11,789,182. This increase is largely due to a 33.8% hike in Passenger revenues, offset by a 17.4% decrease in Cargo revenues and a 3.7% drop in Other revenues. The effect of the Brazilian Real's appreciation translated into higher Ordinary revenues by around USD$106 million.

PAX revenues totaled ThUSD$10,215,148 which, compared to the ThUSD$7,636,429 of December 31, 2022, translates into a 33.8% increase. This variation is due to a 23.1% increase in demand measured in RPK and an 8.6% increase in yields, compared to the same period of the previous year. On the other hand, the load factor also shows a positive variation of 1.7 percentage points, reaching 83.1% during 2023. In terms of capacity, passenger operations have registered a positive increase, with total ASK reaching 92% of 2019 levels by December 31, 2023, representing the highest level of operations since the start of the pandemic.

By December 31, 2023, Cargo revenues totaled ThUSD$1,425,393, representing a 17.4% decrease vs. 2022. This fall is due to a 21.7% decline in yields, despite a 4.7% rise in traffic measured in RTK.

The Other income line item presents a decrease of ThUSD$5,645, mainly due to the lower income recognized under indemnification from Delta Air Lines, Inc., related to the implementation of the JBA signed in 2019 for ThUSD$30,408, partially offset by higher income from sales of spare engines and rotables of the Airbus A350 and Airbus A320 fleet during 2023.

Up to December 31, 2023, Operating costs totaled ThUSD$10,619,974 which, compared to the same period of 2022, represents an increase of 10.2%, equivalent to ThUSD$981,888. On the other hand, the unit cost per ASK decreased by 8.6%. Furthermore, the effect of the Brazilian Real's appreciation on this line item translates into higher costs by roughly ThUSD$66. Item variations are explained as follows:

a) Remuneration and benefits increased ThUSD$317,001, mainly due to higher crew and airport personnel expenses, together with an 11% increase in the average headcount during 2023.

b) Fuel increased 1.7%, equivalent to ThUSD$64,715. This increase corresponds mainly to 17.5% growth in consumption measured in gallons, offset by 13.7% lower average unhedged prices. In 2023, the Company recognized a profit of ThUSD$15,688 due to fuel hedges, compared to a ThUSD$18,755 profit in 2022.

c) Commissions to agents show an increase of ThUSD$77,125, mainly due to the hike in operations related to passenger revenues.

d) Depreciation and amortization increased by ThUSD$25,861, equivalent to 2.2%, a variation that is mainly explained by the depreciation of the maintenance resulting from the addition of 19 aircraft at December 31, 2023 compared to 2022, offset by the renegotiation of the fleet's operating leases after the exit of Chapter 11.

e) Other Leases and Landing Fees increased ThUSD$286,637, mainly in the costs of airport taxes and handling services, impacted by a larger operation during 2023.

f) Passenger Services show higher costs by ThUSD$87,481, which translates into a variation of 47.5%, mainly explained by an increase in catering and in-flight service costs, due to the lifting of restrictions on food delivery, in place until the first months of 2022 because of the COVID-19 pandemic, as well as a significant growth in demand, which translates into an increase of 18.3% in the number of passengers transported, mainly in the international segment.

g) Aircraft Leasing shows lower costs by ThUSD$110,969, due to a decrease in the number of aircraft under the PBH modality.

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

h) Maintenance presents higher costs of ThUSD$18,956, as a result of a larger average fleet and the increase in operations during 2023.

i) Other Operating Costs increased ThUSD$215,081, mainly due to the effect of higher variable costs of crew, booking systems, sales and advertising, which are the result of the growth of the operation during 2023.

Financial income totaled ThUSD$125,356 which, compared to the ThUSD$1,052,295 from the previous financial year, translates into lower income by ThUSD$926,939, mainly due to the recognition of fair value adjustments on the converted bonds whose origin was financial debt totaling ThUSD$420,436 and write-offs of financial debt worth ThUSD$491,326.

Financial costs decreased 25.9%, totaling ThUSD$698,231 up to December 31, 2023, the variation being the effect of interest recognized during 2022 related to DIP financing.

Other income/expenses totaled a gain of ThUSD$159 up to December 31, 2023 which, compared to the same period of 2022, shows an increase of ThUSD$1,357,279. This impact is mainly explained by the recognition during 2022 of a profit of ThUSD$2,550,306 corresponding to the fair value adjustment of the converted bonds whose origin was Trade accounts payable and Other accounts payable, offset by restructuring activities expenses recorded during financial year 2022.

The main line items in the Consolidated Financial Statement of TAM S.A. and its Subsidiaries, which caused a currency exchange gain of ThUSD$50,701 at December 31, 2023, were: Other financial liabilities; gain of ThUSD$26,871 from USD-denominated loans and financial leasing for fleet acquisitions; net accounts receivable and payable to related companies, totaling a gain of ThUSD$46,531, and net accounts receivable and payable to third parties, totaling a loss of ThUSD$17,532. The other net assets and liabilities line items generated a ThUSD$5,168 loss.

3. ANALYSIS AND EXPLANATION OF CONSOLIDATED NET CASH FLOW GENERATED BY OPERATION, INVESTMENT, AND FINANCING ACTIVITIES

The Operating Cash Flow up to December 31, 2023 shows a positive change of ThUSD$2,166,771 vs. the same period of the previous year, due to the positive change in Receipts from sales of goods and service rendering for ThUSD$2,847,843, Other receipts from operational activities for ThUSD$52,574, Other payment for operating activities for ThUSD$2,243, and Other cash inflows and outflows for ThUSD$109,914. The above is offset by negative variations in Payments to suppliers for the supply of goods and services, whose changes are originated by higher payments made totaling ThUSD$576,378; Payments to and on behalf of employees, worth ThUSD$265,360; Income taxes paid for ThUSD$4,065.

The positive variation of ThUSD$109,914 in the Other cash inflows and outflows of the Cash Flow from Operating Activities is mainly due to the change in Funds received associated to restricted advances for ThUSD$47,490, a lower flow related to Guarantees for ThUSD$51,790, judicial deposits for ThUSD$4,312, Bank commissions and taxes for ThUSD$3,268 and Margin guarantees for hedging derivatives for ThUSD$37,648; offset by the negative change in Taxes on financial transactions totaling ThUSD$(4,669), Payment of premiums for derivatives worth ThUSD$24,481 and Hedging derivatives for ThUSD$5,444.

The Cash Flow from Investment Activities shows a positive change of ThUSD$89,452 compared to the same period of the previous year, mainly due to the positive variation of Interest received worth ThUSD$79,618, Other payments to acquire equity or debt instruments of other entities for ThUSD$331 and Other cash inflows (outflows) of ThUSD$52,958. The above is offset by negative variations in Income from the sale of property, plant and equipment of ThUSD$9,853, Purchases of intangible assets for ThUSD$17,936, Purchases of property, plant and equipment for ThUSD$15,249 and Other receipts from the sale of equity or debt instruments of other entities for ThUSD$417.

The Cash Flow from Financing Activities shows a negative variation of ThUSD$2,005,170, compared to the same period of the previous year, which is mainly explained by the negative changes in Payments for changes in ownership stakes in subsidiaries that do not result in loss of control, worth ThUSD$23, Sums from the issuance of shares for ThUSD$549,038, Sums from issuance of other equity instruments for ThUSD$3,202,790, Sums from short-term loans for ThUSD$4,856,025, Sums from long-term loans for ThUSD$2,361,875, Loans from related companies for ThUSD$770,522, Interest paid for ThUSD$72,518 and Payments of lease liabilities for ThUSD$93,441. These variations are offset by the positive variation of ThUSD$8,417,408 in Loan payments; ThUSD$1,008,483 in Loan payments to related companies; and ThUSD$475,171 in Other cash inflows (outflows).

The flows from loans described above include the following events:

1. The committed Revolving Credit Facility (RCF) is secured by collateral comprised of aircraft, engines and spare parts, which was fully drawn until November 3, 2022. Upon the emergence from Chapter 11, this facility was fully repaid and is available for use at December 31, 2023.

2. On March 14, 2022, a new amended and restated text of the existing DIP Credit Agreement (the "New Amended and Restated DIP Credit Agreement") was submitted to the Court for approval. The New Amended and Restated DIP Credit Agreement (i) refinanced and replaced in its entirety the existing Tranches A, B and C of the Existing DIP Credit Agreement; (ii) considered a maturity date consistent with the schedule the Debtors established to emerge from the Chapter 11 Proceeding; and (iii) included certain reductions in fees and interest as compared to the existing DIP Credit Agreement and the Initial Amended and Restated DIP Financing Proposal. Obligations under DIP were guaranteed by collateral consisting of certain assets owned by LATAM and certain of its subsidiaries, including, but not limited to, shares, certain engines, and spare parts.

On April 8, 2022, a restated and amended text (the "Amended and Restated DIP Credit Agreement") of the Original DIP Credit Agreement was executed, which modified and restated said agreement and paid back the outstanding obligations thereunder (i.e., under its Tranches A, B and C). The total amount of the Amended and Restated DIP Credit Agreement was ThUSD$3.70 billion. The Amended and Restated DIP Credit Agreement (i) included certain reductions in fees and interest compared to the existing DIP Credit Agreement; and (ii) considered a maturity date consistent with LATAM's anticipated schedule for emergence from the Chapter 11 Proceeding. With regard to the latter, the scheduled maturity date of the Amended and Restated DIP Credit Agreement was August 8, 2022, subject to possible extensions which, in certain cases, had a deadline of November 30, 2022.

In addition, on April 8, 2022, the initial disbursement under the Amended and Restated DIP Credit Agreement in the amount of USD$2.75 million was made. On April 28, 2022, an amendment to this agreement was signed, extending the maturity date from August 8, 2022 to October 14, 2022.

On October 12, 2022, the Amended and Restated DIP Credit Agreement was repaid in full with the DIP-to-Exit financing, which included a bridge financing for senior secured notes due 2027 for USD$750 million, USD$750 million in another bridge financing for senior secured notes due 2029, a Term Financing of USD$750 million, a so-called Junior DIP financing, for a total of USD$1.14 billion, and, finally, a Revolving Credit Facility of USD$500 million, which is undrawn. The DIP-to-Exit financing was guaranteed by assets owned by LATAM and certain of its subsidiaries. Of these, the Junior DIP contemplated a subordinate priority to the rest of the credits.

On October 18, 2023, the Bridge Loans were partially settled through: i) an issuance of notes exempt from registration under the U.S. Securities Act of 1933, as amended (the "Securities Act"), pursuant to Rule 144A and Regulation S, both under the Securities Act, maturing in 2027 (the "5-Year Notes"), in the aggregate principal amount of USD$450 million; and ii) a note issuance exempt from registration under the Securities Act pursuant to Rule 144A and Regulation S, both under the Securities Act, maturing in 2029 (the "7-Year Notes"), in the aggregate principal amount of USD$700 million.

In the context of the Company's exit from the Chapter 11 Proceeding on November 3, 2022, the Bridge Loans were settled with the proceeds of US$350 million corresponding to an incremental loan on Term Loan B.

on November 3, 2022, the Company and all its subsidiaries successfully emerged from Chapter 11.

Last, the Company's net cash flow up to December 31, 2023, prior to the effects of exchange rate differences, shows a positive variation of ThUSD$251,053, compared to the same period of a year earlier.

4. FINANCIAL RISK ANALYSIS

The goal of the Company's global risk management program is to minimize the adverse effects of the financial risks that affect the company.

a) Market risk

Given the nature of its business, the Company is exposed to market factors, such as: (i) fuel price risk, (ii) exchange rate risk, and (iii) Interest 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 can be closely related to Jet Fuel and can have greater liquidity.

At December 31, 2023, the Company recognized a ThUSD$15.7 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, 2023, the market value of existing contracts stood at THUSD$22.1 (positive).

(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 Subsidiaries 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, 2023, the Company holds ThUSD$414,000 in outstanding FX derivatives recorded as hedges.

At December 31, 2023, the market value of FX derivative hedge positions totaled ThUSD$1,543 (negative).

(iii) Interest rate risk

The Company is exposed to variations in interest rates on the markets, affecting the future cash flows of its current and future financial assets and liabilities.

The Company is mainly exposed to the Secured Overnight Financing Rate ("SOFR") and other less relevant interest rates, such as Brazilian Interbank Deposit Certificates ("CDI", for its Portuguese acronym). As LIBOR ceased to be published on June 30, 2023, the Company migrated to the adoption of SOFR as an alternative rate, which fully materialized on September 30, 2023, with all contracts migrating definitively to SOFR.

At December 31, 2023, 50% (52% by December 31, 2022) of the debt is fixed against interest rate fluctuations.

During the financial year ended December 31, 2023, the Company recognized losses of ThUSD$1,810 corresponding to the recognition in income of premiums paid and other concepts. At December 31, 2023, the Company had no active Interest rate derivatives contracts. At the end of December 2022, the Company held current interest rate derivatives positions with a value of ThUSD$8,819 (positive).

By December 31, 2023, the Company recognized a decrease in the right-of-use asset from the maturity of derivatives for ThUSD$14,904 related to aircraft leases. A lower expense from depreciation of the right-of-use asset of ThUSD$(1,137) is recognized at the same date. A lower expense from depreciation of the right-of-use asset of ThUSD$133 (positive) was recognized at December 31, 2022.

5. ECONOMIC ENVIRONMENT

The resilience of the global recovery following the COVID-19 pandemic and the Russian invasion of Ukraine has been greater than expected, especially in the United States and other large emerging markets. This has also been driven by the fiscal support provided in China. Nonetheless, forecasts for 2024 and 2025 are lower than the historical average, due in part to high monetary policy interest rates to combat inflation, the withdrawal of fiscal support in an environment of heavy borrowing holding back economic activity, and low underlying productivity growth. On the inflation side, it is decreasing at a faster than expected pace in most regions. Thus, risks to global growth are expected to be broadly balanced. Thus, if inflation declines more rapidly, there could be an easing of financial conditions. Conversely, geopolitical shocks could lead to higher commodity prices and supply shocks, coupled with persistent core inflation, leading to an extension of tight monetary conditions.

In its latest January projection, the International Monetary Fund (IMF) estimates that world growth will be 3.1% in 2023, remaining steady in 2024 and rising to 3.2% in 2025—data that is still below the historical average of 3.8% (2000-2019). Headline inflation is expected to move from 6.8% in 2023 on a year-on-year basis to 5.8% during 2024, and to 4.4% in 2025, the latter with a downward revision of 0.2 percentage points. The IMF estimates that developed economies will face a drop in projected growth from 1.6% in 2023 to 1.5% in 2024 before rising to 1.8% in 2025. Growth for emerging economies is expected to be moderate, standing at 4.1% in both 2023 and 2024 and rising to 4.2% in 2025. According to the IMF, U.S. growth is expected to decline from 2.5% in 2023 to 2.1% in 2024 and 1.7% in 2025, impacted mainly by the lagged effects of monetary policy tightening, gradual budget tightening, and moderation in labor markets. As for the euro zone, its growth is expected to increase this year, rising from 0.5% in 2023, and with exposure to the war in Ukraine, to 0.9% in 2024. It is expected that, as energy prices stabilize and inflation declines, household consumption will strengthen and contribute to the economic recovery.

For Latin America and the Caribbean, the IMF projects growth to decline from 2.5% in 2023 to 1.9% in 2024, rising to 2.5% in 2025. This translates into a downward revision of 0.4 percentage points for 2024, mainly due to the negative effects of a significant adjustment of the Argentinean economy. Brazil's economy is expected to grow by 1.7% in 2024. According to the IMF's October projections, Chile is expected to grow by 1.6% in 2024. Peru is expected to grow 2.7% in 2024, Colombia is expected to grow 2.0% in 2024 and Ecuador is expected to grow 1.8% in 2023.

Sworn *statement*

En nuestra calidad de directores, gerente general y vicepresidente de finanzas de LATAM Airlines Group S.A., declaramos bajo juramento nuestra responsabilidad respecto de la veracidad de toda la información contenida en la Memoria Integrada LATAM 2023.

IGNACIO CUETO PLAZA
Chairman

FREDERICO CURADO
Board member

MICHAEL NERUDA
Board member

ROBERTO ALVO MILOSAWLEWITSCH
CEO LATAM Airlines Group

BORNAH MOGHBEL
Vice-chairman

ANTONIO GIL NIEVAS
Board member

SONIA J. S. VILLALOBOS
Board member

RAMIRO ALFONSÍN BALZA
Chief financial officer

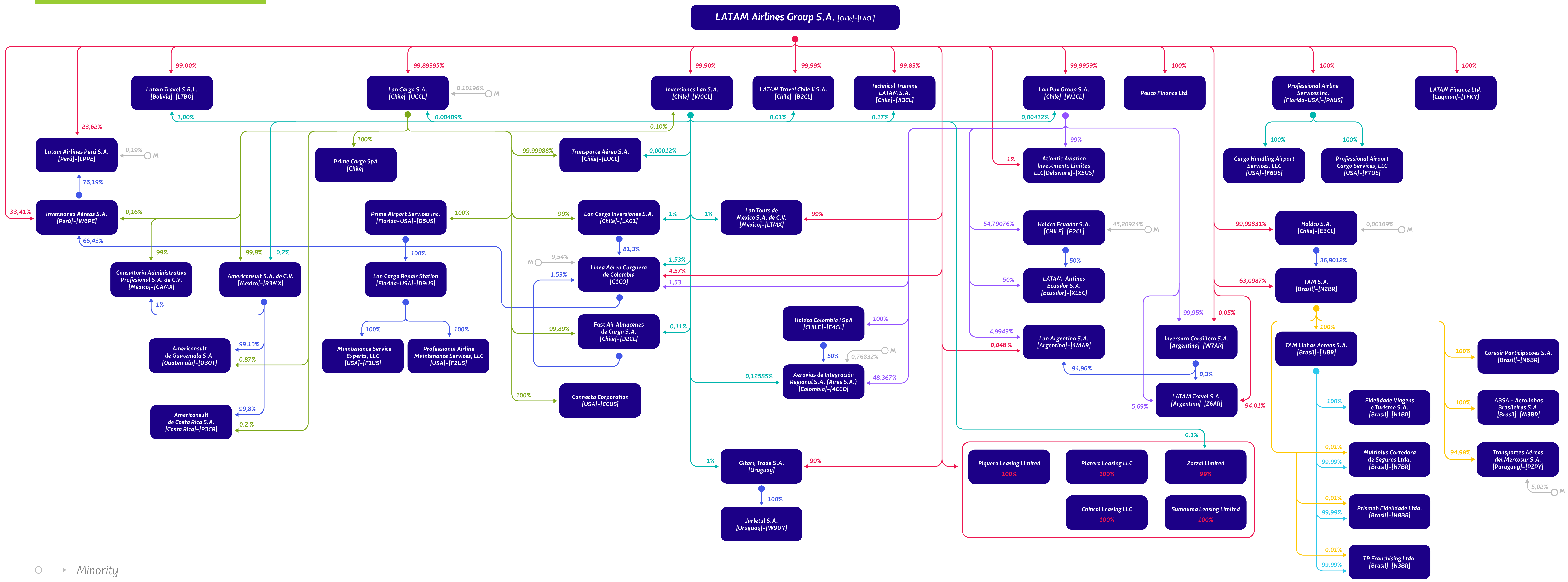
ENRIQUE CUETO PLAZA
Board member

BOUK VAN GELOVEN
Board member

ALEXANDER D. WILCOX
Board member

Company structure

NCG 461: 6.5.1 AFFILIATES AND SUBSIDIARIES



CREDITS AND CORPORATE INFORMATION

CREDITS

Coordination

LATAM- Investor Relations
LATAM- Sustainability
LATAM- External Communication

Text and Design

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Photography

LATAM files

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LTM AY – New York Stock Exchange

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