



 **LATAM**

August 2022

Agenda

1. LATAM: Who We Are
2. COVID-19 Pandemic Impact & Business Restructuring
3. Financial & Operational Update
4. Advances and Emergence from Chapter 11

A photograph of a LATAM flight attendant in a dark blue uniform with a pink scarf and a name tag, smiling and holding a smartphone. She is interacting with a male passenger in a light-colored blazer who is also holding a smartphone. In the background, another flight attendant is visible behind a wooden counter, talking on a headset. The scene is brightly lit, likely in an airport terminal.

LATAM: Who We Are



LATAM: Latin America's leading airline group and global player

Key Success Factors

- Unique network of geographies and hubs to deliver unmatched passenger and cargo platforms
- Only South American air carrier group with global international operations - connecting the subcontinent with North America, Europe and Oceania
- Group of 7+ airlines operating under a single, recognizable brand and seamless passenger experience
- Unparalleled combined passenger-cargo operations
- Recognized as the most punctual group of airlines in the world
- Ability to deliver consistent financial results despite economic volatility across many South American markets
- Disciplined use of leverage to maximize operating flexibility
- Proven track record in successfully implementing transformational initiatives

Leading airline group in Latin America and the world



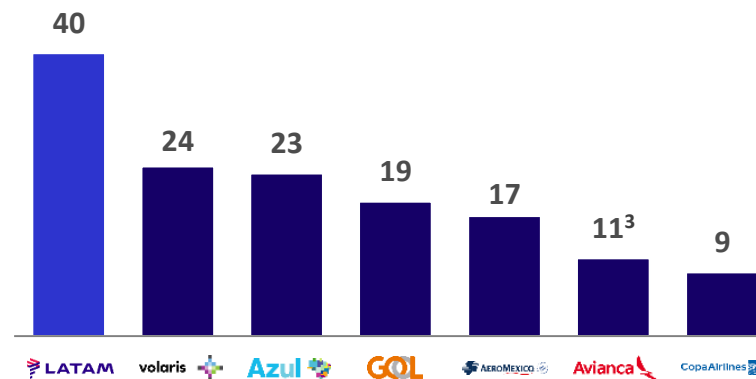
40 million passengers carried in 2021



Largest regional market share in number of passengers carried



Only Long-Haul & Regional carriers based in Latin America



Passengers carried during 2021¹ (millions)

Leading cargo network in Latin America

Key Business Unit Highlights²:



22 Countries & 137 Destinations



+800k Tonnes Transported



~63,4% Load Factor



~\$1,6bn Revenues in 2021



Cargo business fits seamlessly within LATAM's overall network

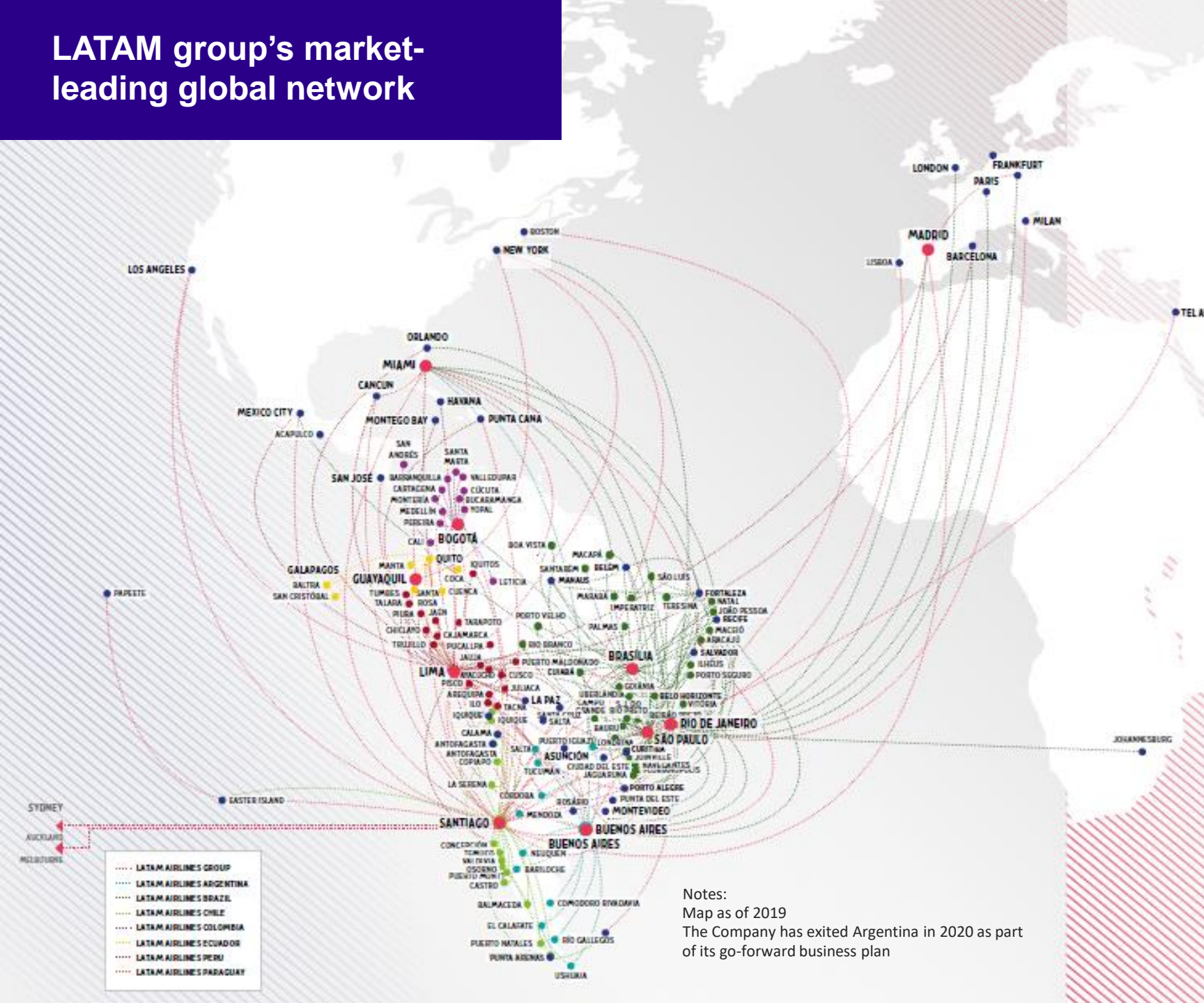
Source: Integrated Report 2019 and Bloomberg

¹Data for FY2021

²Metrics as of 2021

³Avianca numbers only consider passengers reported by Aerocivil de Colombia in "Boletín Mensual de Oferta y Demanda December 2021"

LATAM group's market-leading global network



Notes:
Map as of 2019
The Company has exited Argentina in 2020 as part of its go-forward business plan

- LATAM group's vast global network advantages:
 - Customers are offered a superior value proposition, while LATAM utilizes the network to optimize market coverage, minimize costs and increase profitability
 - Unparalleled network for cargo, combining freighter with passenger operations under a cargo strategy that leverages freighter and belly capacity
 - Operating carriers serve both domestic and regional travel (excluding Paraguay)
 - LATAM's international operations are based out of 3 hubs
 - LATAM holds significant premium slots share in key airports
 - +30 new routes opened in 2021, demonstrating large scale of operations and growing demand across geographies
- 1) **SCL** (Chile): connectivity to North America, Europe and Oceania
 - 2) **GRU** (Brazil): connectivity to Europe, Africa, Asia (Tel Aviv), and select service in North America
 - 3) **LIM** (Peru): connectivity to North America, the Caribbean, and Europe



LATAM Pass: leading frequent flyer & loyalty program

LATAM Pass Structure & Benefits

- Following the merger of Multiplus into LATAM Airlines Brazil in 2019, LATAM's frequent flyer program (FFP) has operated as a single program under a unique brand, LATAM Pass
- LATAM Pass is not a separate legal entity: it is embedded within LATAM Airlines Group S.A. & LATAM Airlines Brazil
- Having the program embedded within the airline has several operational and financial advantages
 - Enhanced revenue management, optimizing revenue by balancing revenue and reward tickets
 - Prevents the accumulation of cash in the frequent flyer program
 - Avoids additional intercompany transactions, with potential tax implications
- LATAM Pass is the largest Frequent Flyer Program in South America and 7th largest FFP in the world in terms of members as of 2021.
- It has financial alliances with the leading banks in the countries where it operates

Commercial alliances with leading banks in each market⁽¹⁾





LATAM has a strategic partnership with Delta Air Lines & equity partnership with Qatar Airways

Delta Air Lines

- Delta invested \$1.9 billion for a 20 percent stake in LATAM through a public tender offer at \$16 per share, which was completed on December 29, 2019
- Joint venture (implementation pending regulatory approval), code sharing agreement and \$350 million from Delta to support transition costs for strategic partnership
- Expectations:
 - Provide a seamless high-quality travel experience for passengers
 - Become the preferred airlines of choice by customers in the U.S./Canada – South America air transportation market
- During 2021, LATAM and Delta Air Lines obtained the regulatory approvals for their Joint Venture Agreement from respective authorities in South America, pending final U.S. DoT approval
- Board representation

Qatar Airways

- On December 28, 2016, Qatar acquired 9.99% stake in LATAM at a price per share of US\$10
- Codeshare agreement established in 2016 with LATAM Airlines Brazil and expanded in 2021
- Board representation





LATAM launched a long-term sustainability strategy with the goal of carbon neutrality by 2050



CLIMATE CHANGE



CIRCULAR ECONOMY



SHARED VALUE

GOALS

Committed to not exceeding total 2019 emissions and compensating 50% of domestic emissions by 2030	Carbon neutral airline group by 2050	To have 5% of 2030 total fuel consumption come from Sustainable Aviation Fuel, primarily sourced from the region.	Adapt business to a circular economy model, becoming a group with zero waste to landfills by 2027	Eliminate single-use plastics by 2023
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LATAM's Management Team has extensive airline industry experience

Roberto Alvo
Chief Executive
Officer



- > Joined LATAM in 2001
- > CEO since March 2020
- > Previous roles include Commercial Vice-President of LATAM, Vice-President for Strategic Planning and Development at LATAM Airlines, Chief Financial Officer of LAN Argentina, Manager of Development and Financial Planning at LAN Airlines, and Deputy Chief Financial Officer of LAN Airlines
- > Civil engineering degree, MBA from the IMD in Lausanne, Switzerland

Ramiro Alfonsín
Chief Financial Officer



- > Joined LATAM in July 2016 as CFO
- > Over 20 years experience in investment banking and in senior positions in the power utility sector.
- > Previous roles include Deputy CEO and CFO of Endesa Chile (energy conglomerate in South America), Director of Planning and Investment in Europe and Regional Director of Planning and Control at Enersis, and various roles at Endesa in Europe
- > Studied at Universidad Católica de Argentina, where he earned a degree in business administration

Hernán Pasman
Chief Operating
Officer



- > Joined LATAM in 2005
- > COO since October 2015
- > Previous roles include Chief Executive Officer for LAN Colombia, Chief Operating Officer of LAN Argentina, and head of strategic planning and financial analysis for the technical areas of LAN's business.
- > Worked at McKinsey, Citicorp Equity Investments, Telefónica de Argentina and Motorola prior to joining LAN
- > Civil engineering degree from ITBA and earned MBA from the Kellogg School of Management

Martin St. George
Chief Commercial
Officer



- > Chief Commercial Officer since October 2020
- > 30+ years in the airline industry in North America and Europe
- > Prior to joining LATAM, Mr. St. George operated an airline strategy consulting practice serving various clients and held a role as interim Chief Commercial Officer at Norwegian Air Shuttle ASA. From 2006 to 2019, Mr. St. George worked for JetBlue Airways, filling roles in marketing, network and ultimately serving as Chief Commercial Officer at JetBlue.
- > Civil engineering degree from the Massachusetts Institute of Technology

Juliana Rios
Chief Information and
Digital Officer



- > Joined LATAM in 2015
- > Chief Digital and IT Officer since January 2021
- > 20+ years of experience in services and technology in the finance and airline industries with experience in business transformation, M&A, digitization, IT, and management of large-scale projects such as PSS migration.
- > Before joining LATAM Airlines, acted as senior executive at Banco Santander in Brazil heading the retail business strategy and customer experience.
- > Business administration degree and an MBA from IBMEC, Brazil.

Paulo Miranda
Chief Customer
Officer



- > Chief Customer Officer of LATAM Airlines Group since May 2019
- > Mr. Miranda has over 20 years of experience in the aviation industry with different airlines both in the United States and Brazil. In his last role he was responsible for customer experience, having previously worked in finance, alliances as well as in the negotiation and implementation of joint ventures
- > Earned a Business Administration degree from the Carlson School of Management at the University of Minnesota, USA

Juan Carlos Menció
Legal Vice President



- > Senior Vice President Legal Affairs and Compliance since September 2014
- > 20+ years of General Counsel experience (previously General Counsel for North America for LATAM and global General Counsel for Cargo Operations)
- > Worked in private practice before joining LAN, representing primarily international airlines
- > Obtained a Bachelor's Degree in International Finance and Marketing from the School of Business at the University of Miami and a Juris Doctor Degree from Loyola University

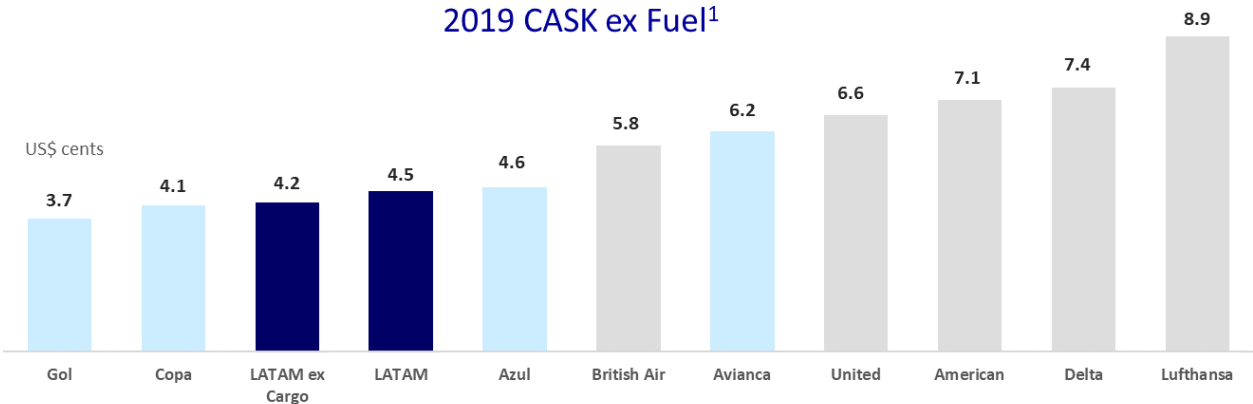


COVID-19 Pandemic Impact & Business Restructuring



LATAM group's cost structure was already highly competitive even before the deep transformation that is currently underway

- Competitive CASK in 2019
- Further cost cutting initiatives being implemented in 2021 will result in further solidifying LATAM group in the region and providing flexibility to target markets for additional growth
- Benchmark CASK ex Fuel based on publicly available information



¹ US\$ cents per ASK..

Avianca CASK based on publicly-available information in presentation to prospective DIP lenders.

Avianca 2019 excludes one-time events expenses of US\$ 605.6 MM.

Public source for all other carriers: Capital IQ



\$900mm in cost savings initiatives drive reduction in CASK ex-Fuel



I. Simplifying the Business

- Outsourcing various functions, including airport support staff, thereby reducing costs during periods of low demand
- Insourcing key maintenance work scope: MRO and line maintenance
- Reducing headcount by 34% from 42,000 FTEs in 2019 to 28,000 in 2021, combined with reductions in salary and early retirements from Q2 to Q4 2020



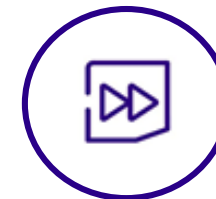
II. Leveraging Digital Transformation and IT Simplification

- Increasing direct digital sale penetration
- Reducing city ticket offices ("CTOs")
- Increasing airport productivity by simplifying airport processes
- Reducing contact points with customers
- Reducing total compensation costs
- Simplifying our IT support functions



III. Fleet Negotiation Strategy

- Revising fleet costs and fleet commitments
- Rejecting aircraft to reflect new demand reality and pursuant to the overall fleet strategy
- Increasing cabin densification (retrofits)
- Immediately negotiating usage based/interest only terms across the majority of LATAM's fleet, which in certain cases extend out into 2023, and securing reductions in fixed rates (operating leases) thereafter



IV. Other Supplier Negotiations and Process Simplification

- Rejecting non-competitive contracts
- Improving fleet utilization
- Increasing Crew productivity
- Renegotiating over 600 contracts with vendors and suppliers resulting in lower or more variable rate structures
- Reducing other discretionary expenses, including marketing, professional services, travel and expenses, among others



The group has successfully and comprehensively restructured its fleet, reducing it in size and complexity while adding flexibility and cost efficiencies

Fleet Reduction and Simplification

- Fleet reduced from 340 to 301 operating¹ aircraft
- Withdrawal of 1 aircraft type (A350)
- Consolidation of WB Brazil operation around B777 (recently retrofitted) and B787 (Boeing pilot commonality)

Flexibility

- PBH/interest only agreements provide liquidity and flexibility during demand recovery:
 - ~60% of NB fleet until 2022
 - ~50% of WB fleet until 2023
- Further cash flow flexibility can be derived from:
 - Balancing engine maintenance optimization and grounding of A319
 - Accelerating retirement of fleet types if required
 - Limit further WB commitments

Going forward, annual cash flow savings of over 40% vs. 2019

A photograph of two passengers in an airplane cabin. A man in a dark suit and black face mask is seated on the left, looking out a window. A woman with long brown hair, wearing a white blazer, black top, and black face mask, is seated on the right, looking down at a device. The seats are leather with blue accents and feature the text "Premium Economy" and "Bloqueado Bloquea".

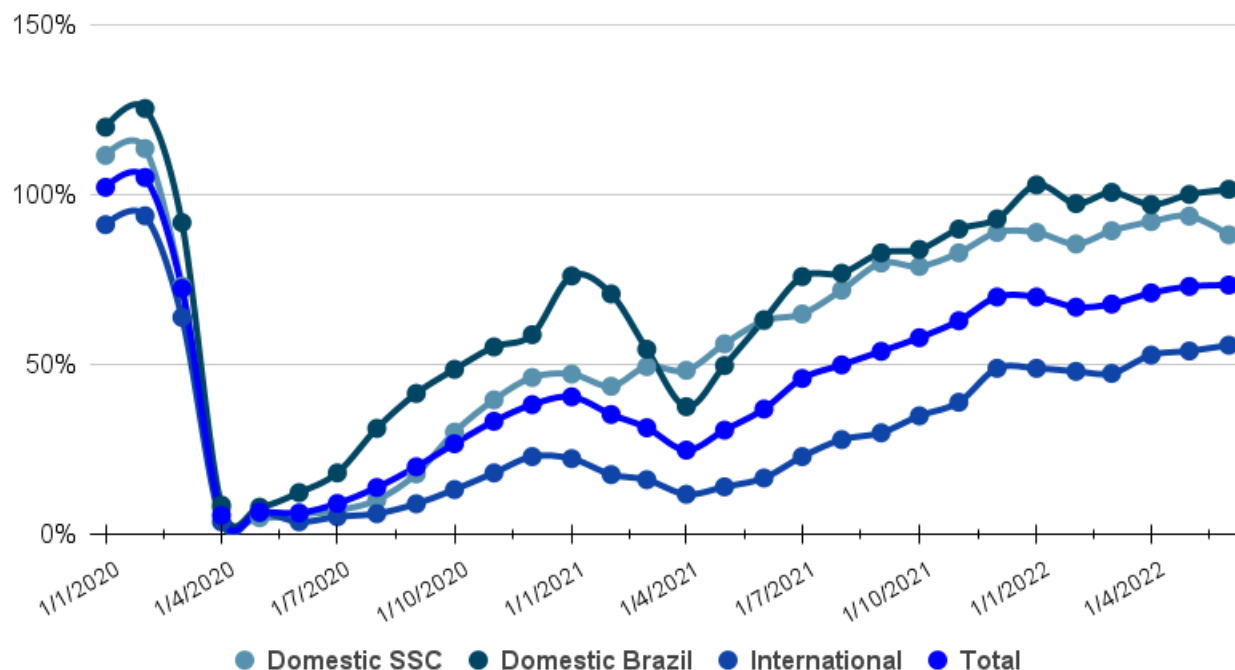
Financial & Operational Update












Operational Recovery

Despite a volatile environment and increased uncertainty, the group continues to achieve a gradual recovery of operations

Capacity (ASKs) LATAM Group vs 2019 Levels (%)



Market share by affiliate (Dec 2019 vs May 2022)

	 Airlines Chile	1st 57%	>	1st 59%
	 Airlines Brasil	2nd 38%	>	1st 34%
	 Airlines Perú	1st 63%	>	1st 69%
	 Airlines Ecuador	2nd 32%	>	2nd 41%
	 Airlines Colombia	2nd 25%	>	2nd 26%

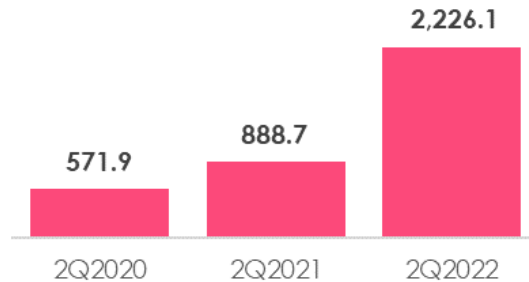


Financial Recovery

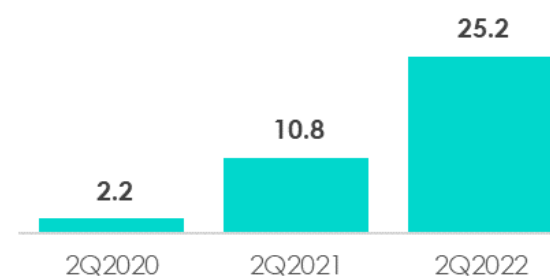
LATAM's financial results reflect the group's cost savings initiatives implemented and continued operational ramp up

Financial results for second quarters in 2020, 2021 and 2022

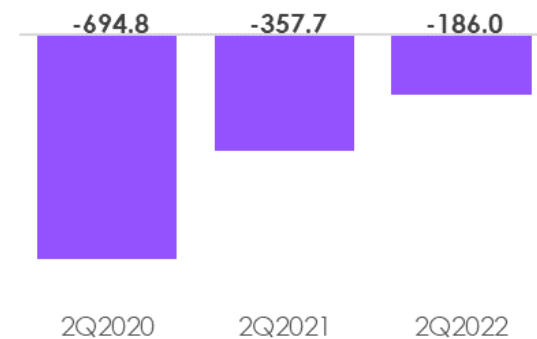
Revenues (US\$ million)



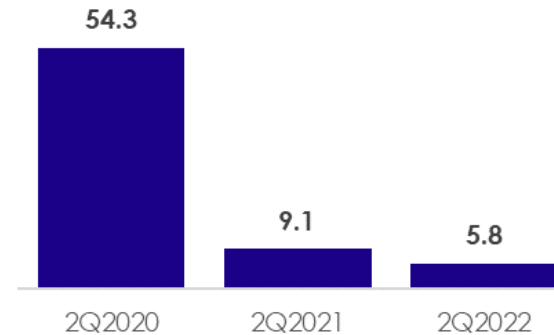
CAPACITY (ASKs million)



EBIT (US\$ million)



CASK EX-FUEL (US\$ cents)



2Q 2022 Results

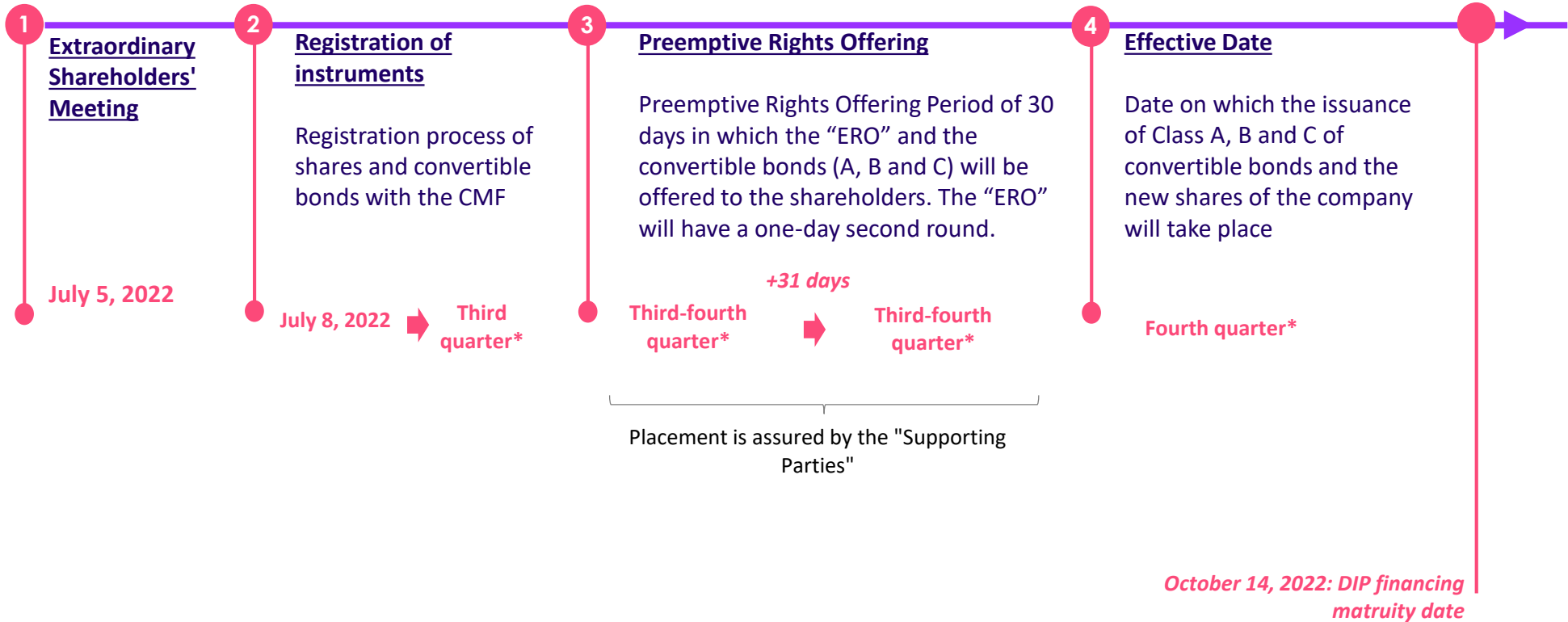
- **Liquidity of US\$2.1 billion** (US\$1.13bn in cash and US\$950m of undrawn DIP) as of 2Q 2022.
- **Total quarter revenues** reached **US\$2.23 billion** (-6.1% versus 2Q 2019).
- **Capacity** during quarter (measured in ASKs) reached **72.6% of 2Q 2019 levels**.
- **CASK ex-fuel** continues to **decrease** as operations recover and was US\$5.8 cents in 2Q 2022.



Chapter 11 & Emergence Projections



Next steps in the Plan of Reorganization implementation process





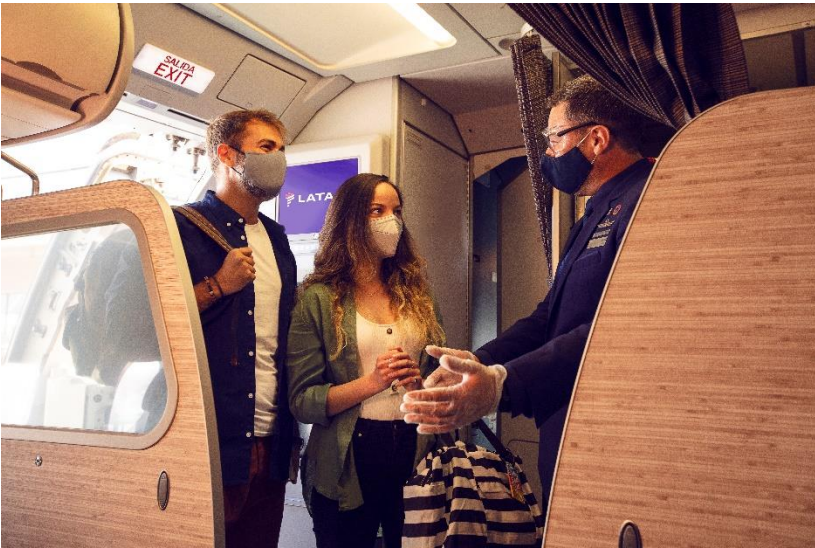
Restructured and de-leveraged balance sheet provides flexibility

Significant Debt Reduction¹

- Restructuring expected to reduce the group's debt by approximately 35%¹ from pre-petition levels
- Cash flows will drive further deleveraging as well as operational and strategic flexibility
 - Proposed capital structure positions LATAM to capitalize on 2023 return to positive free cash flow

~\$2.7 billion Liquidity at Emergence

- Committed revolving credit facilities and equity investment provide substantial liquidity while strong cash flows allow for further operational flexibility
- Going forward, LATAM is seeking to maintain a minimum liquidity target of 20% of revenue in the medium term, set by credit rating agencies and determined by LATAM to be a prudent level of liquidity in light of the type of pressures the industry has experienced and could continue to face



¹ Excludes unfunded revolvers. Includes fleet related leases.



Transaction Overview

Capital raise for US\$10.3 BILLION

Equity

Convert A (USD 1,257 Mn)

- Convert A for USD 1,257Mn to be underwritten with claims

Convert B (USD 1,373 Mn)

- Convert B to be underwritten with cash
- 3-year lock-up period
- Fully backstopped

Convert C (USD 6,863 Mn)

- Convert C to be underwritten with a combination of claims and money
- Fully backstopped

ERO (USD 800 Mn)

- USD 800 Mn
- Fully backstopped

New debt for US\$ 2.75 BILLION

Debt

Financial Debt (USD 2,250 Mn)

- Combination of term loan and notes
- Breakdowns TBD

RCF's (USD 500 Mn)

- New RCF of USD 500mn

*The capital raise will raise new funds of US\$5.442 billion between the equity rights offering and the convertible notes, with the rest of the convertible notes underwritten by pre-petition claims. Additionally, the plan considers debt for US\$2.75 billion, totaling US\$8.192 billion in new money.



Illustrative Emergence Capital Structure – Sources & Uses

Sources (\$ in millions)

Beginning Cash	989
Convert B New Money	1,373
Convert C New Money	3,269
Common Equity	800
New Term Loan	2,250
Total	8,681

Uses (\$ in millions)

Repayment of DIP	2,999
Admin/Professional/Backstop/Financing/Other Fees	1,171
Repayment of RCF	610
Repayment of USD Bonds	1,519
Repayment of Brazil Debt	298
Payment of Subsidiary GUCs	516
Cash to Balance Sheet	1,567
Total	8,681

Note: Assuming an illustrative exit date of June 30, 2022 and subject to further update





Proposed Exit Capital Structure

Assumed Key Data Points

- Enterprise value: US\$14 billion
- Equity value: 7.34 billion
- Estimated Net Debt*: US\$6.65 billion

Assumed Pro Forma Capital Structure, based on RSA transaction

- Finance Leases: ~\$1.798 billion
- Operating Leases: ~\$2.837 billion
- Existing or Refinanced Revolving Credit Facility: ~\$600 million, undrawn at exit
- New Revolving Credit Facility: ~\$500 million, undrawn at exit
- Existing or Refinanced Spare Engine Facility: ~\$273 million
- New Term Loan or Bonds*: ~\$2.25 billion
- PDP Financing: ~\$98 million
- Net present value of New Corporate Notes: ~\$42 million

Proposed Governance & Shareholder Structure

- 34% shareholders¹
- 66% creditors, including those represented by Evercore

Subject to the applicable norms and considering there would not be an election of a board member by the minority shareholders, 5 seats on the board would be elected by the group of creditors represented by Evercore and 4 would be elected by the supporting shareholders that are participating in the Restructuring Support Agreement.²

The modification of the bylaws would be proposed to shareholders so that for two years, the approval of Article 67 LSA issues would require 73% approval instead of 2/3.

1) If the supporting shareholders (Cueto Group, Delta Air Lines and Qatar Airways) subscribe to the entirety of the Class B convertible notes + their proportional amount of the Equity Rights Offering, they would represent 27% and the other shareholders the remainder of the Equity Rights Offering.

2) According to the shareholders agreement that will be agreed upon between the creditors represented by Evercore and the supporting shareholders (Cueto Group, Delta Air Lines and Qatar Airways).

*New debt net of the additional cash distribution.

LATAM group is ready to emerge from this crisis stronger than ever

- LATAM group has **an integrated and diversified business model** that combines passenger and cargo, domestic with international travel, point of sale distribution, and **the largest frequent flyer program in the region**
- LATAM group reacted very quickly to the COVID-19 pandemic, launching **the largest transformation in its 90+ year history**
- During the Chapter 11 restructuring efforts, **LATAM group has achieved major structural changes** that enable a leading market coverage going forward
- LATAM group's **unparalleled regional and global network connects Latin America to the world**
- The combination of its **seasoned management, differentiated value proposition and enhanced cost competitiveness after the transformation**, will strengthen LATAM group in Latin America's cargo and passenger air transportation
- **Long-term sustainability strategy** with key commitments to environmental, social and corporate governance practices, including carbon neutrality, zero waste to landfills and conservation of ecosystems in South America

