



LATAM updates its business plan and moves forward in its exit from Chapter 11

- *In the document, the group updates its cost savings estimate from US\$900 million to more than US\$1 billion annually and expects to exceed 2019 revenues by 2024, reaching US\$11.5 billion.*

August 29, 2022 - In the context of the Chapter 11 process, and in connection with obligations assumed by LATAM Airlines Group under the Restructuring Support Agreement (RSA) to its Reorganization Plan, and certain confidentiality agreements entered into with certain counterparties to the RSA, LATAM has provided such counterparties with certain financial reports and updates that may constitute material non-public information. Pursuant to such confidentiality agreements, upon the occurrence of certain events set forth therein, LATAM agreed to publicly disclose the information provided thereunder.

In compliance with the above, by means of a material fact sent to the Commission for the Financial Market, LATAM Airlines Group informed that it updated its business plan presented on September 9, 2021, which contains 5-year financial projections (i.e. through 2027), adjusted to the new global macroeconomic context.

The updated business plan reports that over the past few years LATAM has been actively working to improve its cost structure and take advantage of the restructuring opportunity via its Chapter 11 process. In the new version of the plan, the group updated its cost savings estimate from US\$900 million to more than US\$1 billion annually, resulting from initiatives that have already been implemented.

In parallel, LATAM implemented structural transformations: fleet renegotiation, improving its relative cost position, strengthening its network and reducing its total debt by approximately 36% compared to pre-pandemic levels.

On the demand side, the group expects a recovery in the domestic markets of the subsidiaries to 2019 levels by the end of 2022. However, in the case of Colombia, such recovery was achieved in the first quarter of this year and Brazil and Ecuador are expected to achieve it within the third quarter.

Regarding international traffic, LATAM estimates that the recovery will be slower, reaching 2019 levels by mid-2023. It is worth noting that international traffic accounted for approximately 45% of 2019 revenues.

For 2024, the group projects passenger operations measured in available seat kilometers (ASK) similar to 2019.

Regarding revenue, the group is expected to exceed 2019 levels by 2024, reaching US\$11.5 billion.

"Our updated business plan reflects how LATAM group is better prepared to face future challenges, with a more competitive and flexible cost structure, a more complete offering for customers and important progress towards more sustainable aviation," said LATAM Airlines Group CEO, Roberto Alvo.

On June 18, the Bankruptcy Court of the Southern District of New York confirmed the group's Plan of Reorganization and financing to exit the Chapter 11 process, which is expected to occur in the last quarter of this year. It is worth mentioning that on the same date, a filing has been made in the Court's docket making the public disclosure referred to in this press release and in the aforementioned material fact.

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ABOUT LATAM GROUP

LATAM and its affiliates are the main group of airlines in Latin America with presence in five domestic markets in the region: Brazil, Chile, Colombia, Ecuador and Peru, in addition to international operations within Latin America and between it and Europe, Oceania, the United States, and the Caribbean.

The group has a fleet of Boeing 767, 777, 787, Airbus 321, 320, 320neo and 319 aircraft.

LATAM Cargo Chile, LATAM Cargo Colombia, and LATAM Cargo Brazil are the LATAM Airlines freight subsidiaries. In addition to having access to the passenger cargo holds of LATAM Airlines Group, they have a fleet of 15 freighters, which will gradually reach a total fleet of between 19 and 21 cargo aircraft in 2023.

They operate on the LATAM group network, as well as international routes that are solely used for shipping. They offer modern Infrastructure, a wide variety of services and protection options to meet all customer needs.

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