

**UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK**

In re:

LATAM Airlines Group S.A., *et al.*,  
  
Debtors.<sup>1</sup>

Chapter 11

Case No.: 20-11254 (JLG)

Jointly Administered

**GLOBAL NOTES AND STATEMENT OF LIMITATIONS AND  
DISCLAIMERS REGARDING DEBTORS' MONTHLY OPERATING REPORTS**

On May 26, 2020 (the "Initial Petition Date"), LATAM Airlines Group S.A. ("LATAM Parent" or the "Company") and certain of its affiliated debtors and debtors in possession in the above-captioned chapter 11 cases (each an "Initial Debtor," and collectively, the "Initial Debtors") commenced voluntary cases under chapter 11 of Title 11 of United States Code (the "Bankruptcy Code") in the United States Bankruptcy Court for the Southern District of New York (the "Bankruptcy Court").

On July 7, 2020 and July 9, 2020 (each, a "Subsequent Petition Date" and, together with the Initial Petition Date, as applicable to each Debtor (as defined below), the "Petition Date"), additional LATAM affiliates (the "Subsequent Debtors" and, together with the Initial Debtors, the "Debtors") filed voluntary petitions under chapter 11 of the Bankruptcy Code (the "Subsequent Chapter 11 Cases" and, together with the Initial Chapter 11 Cases, the "Chapter 11 Cases").

This Monthly Operating Report ("MOR") was prepared on a consolidated basis for LATAM Parent and its wholly owned direct and indirect subsidiaries (collectively, "LATAM"),

<sup>1</sup> The Debtors in these Chapter 11 cases, along with the last four digits of each Debtor's U.S. or local tax identification number (as applicable), are: LATAM Airlines Group S.A. (59-2605885); Lan Cargo S.A. (98-0058786); Transporte Aéreo S.A. (96-9512807); Inversiones Lan S.A. (96-5758100); Technical Training LATAM S.A. (96-847880K); LATAM Travel Chile II S.A. (76-2628945); Lan Pax Group S.A. (96-9696800); Fast Air Almacenes de Carga S.A. (96-6315202); Línea Aérea Carguera de Colombia S.A. (26-4065780); Aerovías de Integración Regional S.A. (98-0640393); LATAM Finance Ltd. (N/A); LATAM Airlines Ecuador S.A. (98-0383677); Professional Airline Cargo Services, LLC (35-2639894); Cargo Handling Airport Services, LLC (30-1133972); Maintenance Service Experts, LLC (30-1130248); Lan Cargo Repair Station LLC (83-0460010); Prime Airport Services Inc. (59-1934486); Professional Airline Maintenance Services LLC (37-1910216); Connecta Corporation (20-5157324); Peuco Finance Ltd. (N/A); Latam Airlines Perú S.A. (52-2195500); Inversiones Aéreas S.A. (20-341843996); Holdco Colombia II SpA (76-9336885); Holdco Colombia I SpA (76-9310053); Holdco Ecuador S.A. (76-3884082); Lan Cargo Inversiones S.A. (96-9696908); Lan Cargo Overseas Ltd. (85-7752959); Mas Investment Ltd. (85-7753009); Professional Airlines Services Inc. (65-0623014); Piquero Leasing Limited (N/A); TAM S.A. (N/A); TAM Linhas Aéreas S.A. (65-0773334); Aerolinhas Brasileiras S.A. (98-0177579); Prismah Fidelidade Ltda. (N/A); Fidelidade Viagens e Turismo S.A. (27-2563952); TP Franchising Ltda. (N/A); Holdco I S.A. (76-1530348) and Multiplus Corredora de Seguros Ltda. (N/A). For the purpose of these Chapter 11 cases, the service address for the Debtors is: 6500 NW 22nd Street Miami, FL 33131.

including the Initial Debtors, Subsequent Debtors, and other subsidiaries that did not file voluntary petitions for relief under chapter 11.

The MOR has been prepared solely for the Debtors for the purpose of complying with the monthly reporting requirements for Chapter 11 debtors as required by the Office of the United States Trustee for the Southern District of New York (the “U.S. Trustee”) and the Bankruptcy Court.

The information contained herein is a preliminary draft based on the Company’s books and records as of the date of this MOR and is subject to material change as the Company continues with its normal quarter end procedures in respect to its quarterly financial statements, which could include adjustments as a result of the limited audit review being performed by its external auditors.

LATAM Parent will not restate or reissue this MOR if there are any subsequent adjustments or changes to the information contained in the MOR. The information is unaudited, is limited in scope, and covers a limited time period. This MOR could not fully comply with the international financial reporting standards (“IFRS”). Therefore, there can be no assurance that the consolidated financial information presented herein is complete and readers are strongly cautioned not to place undue reliance on this MOR.

This MOR should be read in conjunction with the financial statements and accompanying notes in the Company’s annual and quarterly reports. Due the nature of the information contained in this MOR, monthly cash flow and results may not entirely align with the Company’s next quarterly consolidated report.

**UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK**

**In re** LATAM Airlines Group et al.  
**Debtors**

**Case No.** 20-11254  
**Reporting Period:** 08/01/2020 - 08/31/2020  
**Federal Tax ID** 898622002

**CORPORATE MONTHLY OPERATING REPORT**

<b>REQUIRED DOCUMENTS</b>	<b>Form No.</b>	<b>Document Attached</b>	<b>Explanation Attached</b>
Schedule of Cash Receipts and Disbursements	<a href="#">MOR-1</a>	Yes	
Statement of Operations Consolidated	<a href="#">MOR-2</a>	Yes	
Balance Sheet Consolidated	<a href="#">MOR-3</a>	Yes	
Statement of Cash Flows	<a href="#">MOR-3 CASH FLOW</a>	Yes	
Taxes and Fees Paid	<a href="#">MOR-4</a>	Yes	
Payments to Professionals	<a href="#">MOR-6</a>	Yes	
DIP Drawdowns			

I declare under penalty of perjury (28 U.S.C. Section 1746) that this report and the attached documents are true and correct to the best of my knowledge and belief.

DocuSigned by:  
Ramiro Alfonsin  
Signature of Authorized Individual  
Ramiro Alfonsin  
Printed Name of Authorized Individual

Date 9/29/20  
Date 9/29/20

In re LATAM Airlines Group et al  
DebtorsCase No. 20-11254  
Reporting Period: 08/01/2020 - 08/31/2020**Disbursements for the period 08/01/2020 through 08/31/2020****MOR-1**

(Unaudited - USD \$)

Case	Debtor	08/01/2020 - 08/31/2020
20-11254	LATAM Airlines Group S.A	\$ 137,422,030.27
20-11255	Transporte Aéreo S.A.	5,867,028.03
20-11256	Aerovías de Integración Regional S.A. (Aires S.A.)	3,229,774.25
20-11257	LATAM-Airlines Ecuador S.A.	3,004,140.24
20-11258	Latam Airlines Perú S.A.	13,285,090.23
20-11259	Lan Cargo S.A.	10,050,765.81
20-11260	Línea Aérea Carguera de Colombia SA	1,920,271.66
20-11261	Inversiones Lan S.A.	30.19
20-11262	Technical Training LATAM S.A	55,417.34
20-11263	LATAM Travel Chile II S.A.	31,643.69
20-11264	Lan Pax Group S.A.	-
20-11265	Fast Air Almacenes de Carga S.A.	540,051.44
20-11266	LATAM Finance LTD	106.63
20-11267	Peuco Finance Ltd.	-
20-11268	Professional Airline Cargo Services, LLC	610,919.81
20-11269	Cargo Handling Airport Services, LLC	1,295,246.54
20-11270	Maintenance Service Experts, LLC	236,948.40
20-11271	Lan Cargo Repair Station	409,151.02
20-11272	Prime Airport Services Inc.	269.46
20-11273	Professional Airline Maintenance Services, LLC	1,218,148.84
20-11274	Connecta Corporation	107.89
20-11275	Inversiones Aéreas S.A.	28.56
20-11276	Holdco Colombia II SpA	-
20-11277	Holdco Colombia I SpA	-
20-11278	Holdco Ecuador S.A.	-
20-11279	Lan Cargo Inversiones S.A.	-
20-11280	Lan Caro Overseas Limited	253.00
20-11281	Mas Investment Limited	-
20-11282	Professional Airline Services, Inc.	247,244.42
20-11597	TAM S.A.	11,533.63
20-11598	TAM Linhas Aereas S.A.	126,652,296.29
20-11603	Aerolinhas Brasileiras S.A.	3,304,938.59
20-11600	Prismah Fidelidade Ltda.	1,100,322.97
20-11601	Fidelidade Viagens e Turismo S.A.	324,981.03
20-11602	TP Franchising Ltda.	2,826.47
20-11604	Holdco I S.A.	-
20-11599	Multiplus Corredora de Seguros Ltda.	6,205.08
20-11587	Piquero Leasing Limited	-
<b>Total</b>		<b>\$ 310,827,771.78</b>

Note: A portion of the disbursements from certain Debtors may be subject to allocations to, or reimbursement from, other Debtors.

In re LATAM Airlines Group et al.DebtorsCase No. 20-11254Reporting Period: 08/01/2020 - 08/31/2020**CONSOLIDATED STATEMENT OF OPERATIONS (Income Statement)****MOR-2**

(Unaudited - USD \$ in 000's)

	Debtors	Non-Debtors	Adjustments & Eliminations	Consolidated
<b>Revenue</b>				
Passenger	\$ 63,832	\$ (549)	\$ (566)	\$ 62,717
Cargo	\$ 87,332	\$ 360	\$ 5,700	\$ 93,392
Other	\$ 101,497	\$ 348	\$ (56,912)	\$ 44,933
<b>Total Operating Revenues</b>	<b>\$ 252,662</b>	<b>\$ 158</b>	<b>\$ (51,778)</b>	<b>\$ 201,042</b>
<b>Operating Expenses</b>				
Wages and Benefits	\$ (64,040)	\$ (1,002)	\$ (0)	\$ (65,042)
Aircraft Fuel	\$ (38,938)	\$ 67	\$ -	\$ (38,871)
Depreciation and Amortization	\$ (93,056)	\$ (4,699)	\$ (222)	\$ (97,978)
Rental and Landing Fees	\$ (62,553)	\$ (119)	\$ 27,851	\$ (34,821)
Other Operating Expenses	\$ (130,676)	\$ (1,744)	\$ 26,379	\$ (106,041)
<b>Total Operating Expenses</b>	<b>\$ (389,262)</b>	<b>\$ (7,498)</b>	<b>\$ 54,007</b>	<b>\$ (342,753)</b>
<b>Profit (Loss) from Operations</b>	<b>\$ (136,601)</b>	<b>\$ (7,340)</b>	<b>\$ 2,230</b>	<b>\$ (141,711)</b>
Interest Expense, Net	\$ (36,461)	\$ 4,279	\$ (1,324)	\$ (33,505)
Other Income (Expenses)	\$ (10,465)	\$ 7,624	\$ (4,033)	\$ (6,874)
<b>Profit (Loss) before Income Taxes</b>	<b>\$ (183,527)</b>	<b>\$ 4,564</b>	<b>\$ (3,127)</b>	<b>\$ (182,090)</b>
Income Tax Expense	\$ 38,917	\$ (123)	\$ 3,527	\$ 42,322
<b>Net Income (Loss)</b>	<b>\$ (144,609)</b>	<b>\$ 4,441</b>	<b>\$ 400</b>	<b>\$ (139,768)</b>

In re LATAM Airlines Group et al.  
Debtors

Case No. 20-11254  
Reporting Period: 08/01/2020 - 08/31/2020

## BALANCE SHEET

MOR-3

(Unaudited - USD \$ in 000's)

8/31/20

	Debtors	Non-Debtors	Adjustments & Eliminations	Consolidated
<b>ASSETS</b>				
Cash and Cash equivalents	\$ 845,167	\$ 85,721	\$ (3)	\$ 930,885
Other financial assets, current	\$ 69,882	\$ 396	\$ 279	\$ 70,557
Other non financial assets, current	\$ 194,900	\$ 18,442	\$ (9,555)	\$ 203,787
Trade debtors and other accounts receivable, current	\$ 601,761	\$ 10,474	\$ (123,243)	\$ 488,992
Accounts receivable from related entities	\$ 5,398,332	\$ 144,797	\$ (5,542,730)	\$ 399
Inventory	\$ 335,447	\$ 1,363	\$ (1)	\$ 336,809
Current tax assets	\$ 55,704	\$ 3,539	\$ 261	\$ 59,504
<b>Total Current Assets</b>	<b>\$ 7,501,193</b>	<b>\$ 264,732</b>	<b>\$ (5,674,992)</b>	<b>\$ 2,090,933</b>
Non current assets or group of assets classified as available held for sale of for distribution to owner	\$ 1,358	\$ -	\$ -	\$ 1,358
Other financial assets, non current	\$ 10,237,710	\$ 415,543	\$ (10,609,139)	\$ 44,114
Other non financial assets, non current	\$ 203,093	\$ 493	\$ (89,246)	\$ 114,340
Accounts receivable, non current	\$ 4,770	\$ -	\$ -	\$ 4,770
Accounts receivable from related entities, non current	\$ 431,690	\$ 2,011	\$ (433,701)	\$ -
Investments in subsidiaries	\$ -	\$ -	\$ -	\$ -
Intangible assets other than goodwill	\$ 232,894	\$ 59	\$ 774,481	\$ 1,007,434
Goodwill	\$ -	\$ -	\$ -	\$ -
Property, Plants and Equipment	\$ 10,575,138	\$ 797,655	\$ 331,174	\$ 11,703,967
Current tax assets, non-current	\$ -	\$ -	\$ -	\$ -
Deferred tax assets	\$ 260,737	\$ 1,274	\$ 111	\$ 262,122
<b>TOTAL ASSETS</b>	<b>\$ 29,448,583</b>	<b>\$ 1,481,767</b>	<b>\$ (15,701,312)</b>	<b>\$ 15,229,038</b>
<b>LIABILITIES &amp; SHAREHOLDERS' EQUITY</b>				
<b>LIABILITIES</b>				
Other financial liabilities, current	\$ 2,401,093	\$ 68,219	\$ -	\$ 2,469,312
Trade accounts payable and other accounts payable	\$ 1,978,477	\$ 70,973	\$ 23,624	\$ 2,073,074
Accounts payable intercompany, current	\$ 5,436,722	\$ 108,508	\$ (5,544,112)	\$ 1,118
Other provisions	\$ 4,541	\$ -	\$ 6,174	\$ 10,715
Current tax liabilities	\$ 3,220	\$ 396	\$ -	\$ 3,616
Employee benefits related accruals	\$ -	\$ -	\$ -	\$ -
Other non financial liabilities, current	\$ 2,050,181	\$ 6,358	\$ (124,597)	\$ 1,931,942
<b>Total Current Liabilities</b>	<b>\$ 11,874,234</b>	<b>\$ 254,454</b>	<b>\$ (5,638,911)</b>	<b>\$ 6,489,777</b>
Liabilities included in disposal groups classified as held for sale	\$ -	\$ -	\$ -	\$ -
Other financial liabilities, non current	\$ 7,021,407	\$ 529,048	\$ (1)	\$ 7,550,454
Accounts payable, non current	\$ 473,736	\$ 210,502	\$ (59,334)	\$ 624,904
Accounts payable intercompany, non current	\$ 433,702	\$ -	\$ (433,702)	\$ -
Other provisions	\$ 402,532	\$ 303	\$ 68,063	\$ 470,898
Deferred Tax Liabilities	\$ 49,116	\$ -	\$ 329,658	\$ 378,774
Employee benefits related accruals	\$ 88,734	\$ 2,322	\$ -	\$ 91,056
Other non financial liabilities, non current	\$ 841,613	\$ -	\$ (123)	\$ 841,490
<b>TOTAL LIABILITIES</b>	<b>\$ 21,185,074</b>	<b>\$ 996,629</b>	<b>\$ (5,734,350)</b>	<b>\$ 16,447,353</b>
<b>SHAREHOLDERS' EQUITY</b>				
Share Capital	\$ 5,371,240	\$ 848,194	\$ (3,073,169)	\$ 3,146,265
Retained Earnings	\$ 415,751	\$ (324,374)	\$ (3,063,877)	\$ (2,972,500)
Contributed Surplus	\$ 566,614	\$ 154	\$ (566,768)	\$ -
Treasury Shares	\$ (178)	\$ -	\$ -	\$ (178)
Other Reserves	\$ 1,882,619	\$ (42,418)	\$ (3,227,105)	\$ (1,386,904)
Minority Interest	\$ 27,463	\$ 3,582	\$ (36,043)	\$ (4,998)
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>\$ 8,263,509</b>	<b>\$ 485,138</b>	<b>\$ (9,966,962)</b>	<b>\$ (1,218,315)</b>
<b>TOTAL LIABILITIES &amp; SHAREHOLDERS' EQUITY</b>	<b>\$ 29,448,583</b>	<b>\$ 1,481,767</b>	<b>\$ (15,701,312)</b>	<b>\$ 15,229,038</b>

In re LATAM Airlines Group et al.

Case No.

20-11254

Debtors

Reporting Period:

08/01/2020 - 08/31/2020**STATEMENT OF CASH FLOWS****MOR-3**

(Unaudited - USD \$ in 000's)

**CASH FLOW FROM OPERATING ACTIVITIES****8/31/20**

<b>Cash Flows from Operating Activities</b>	
Proceeds from sale of goods or services	\$ 110,518
Other cash receipts from operating activities	\$ 87
Payments to suppliers for goods and services	\$ (120,446)
Payments to and on behalf of employees	\$ (123,445)
Other payments for operating activities	\$ (9,469)
Income taxes (paid)	\$ (344)
Other cash inflows (outflows)	\$ (1,790)
<b>Net Cash Provided by Operating Activities</b>	<b>\$ (144,888)</b>

<b>Cash Flows from Investing Activities</b>	
Cash flows arising from losses of control of subsidiaries or other businesses	\$ -
Other cash receipts from sales of equity or debt instruments of other entities	\$ 16,050
Other payments to acquire equity or debt instruments of other entities	\$ (30,339)
Amounts raised from sale of property, plant and equipment	\$ -
Purchase of property, plant and equipment	\$ (6,574)
Purchase of intangible assets	\$ (3,918)
Interest Received	\$ 4,855
Other cash inflows (outflows)	\$ -
<b>Net Cash Used in (Provided By) Investing Activities</b>	<b>\$ (19,925)</b>

<b>Cash Flows from Financing Activities</b>	
Payments for changes in ownership interests in subsidiaries that do not result in loss of control	\$ -
Amounts raised from long-term loans	\$ -
Amounts raised from short-term loans	\$ -
Loans repayment	\$ (379)
Payment of finance lease liabilities	\$ -
Dividends Paid	\$ -
Interest Paid	\$ (3,762)
Other cash inflows (outflows)	\$ -
<b>Net Cash Used in (Provided By) Financing Activities</b>	<b>\$ (4,141)</b>

Net increase (decrease in cash before exchange rate impacts)	\$ (168,954)
Effects of variations in the exchange rate on cash and equivalents	\$ (8,244)
Net increase (decrease) in cash and cash equivalents	\$ (177,198)
Cash and cash equivalents, beginning of period	\$ 1,108,083
<b>Cash and Cash Equivalents, End of Period</b>	<b>\$ 930,885</b>

In re LATAM Airlines Group et al.  
**Debtors**

Case No. 20-11254  
Reporting Period: 08/01/2020 - 08/31/2020

**MOR-4**  
(Unaudited - USD \$ in 000's)  
**TAXES AND FEES PAID**

<b>US &amp; International Taxes</b>	
<b>Payroll Taxes:</b>	
Payroll Taxes Paid	\$ 14,280
<b>Sales &amp; Use Taxes:</b>	
Income Taxes	\$ 252
Withholding Taxes	\$ 80
VAT/GST	\$ 5,959
Other Taxes	\$ 2,267
<b>Airport Taxes and Fees</b>	
Overflight Taxes and Fees	\$ 2,979
Boarding Taxes and Fees	\$ 13,589
Airport Taxes and Fees	\$ 8,621
Other	\$ 2,096
<b>Total Taxes</b>	<b>\$ 50,124</b>

(1) Including, but not limited to, Airport Facility Taxes, Navigation & Landing Fees and Boarding Fees, Stamp Taxes, Commercial Contributions, Franchise Taxes, and various Municipal Taxes



In re LATAM Airlines Group et al.  
DebtorsCase No. 20-11254  
Reporting Period: 08/01/2020 - 08/31/2020**PAYMENTS TO PROFESSIONALS****MOR-6**  
(Unaudited - USD \$)

PROFESSIONALS					
NAME	DATE OF COURT ORDER AUTHORIZING PAYMENT	AMOUNT APPROVED	AMOUNT PAID	TOTAL PAID TO DATE	*TOTAL INCURRED & UNPAID
Cleary Gottlieb Steen & Hamilton, LLP					\$ 12,180,652
Prime Clerk (Claims & Noticing)	6/5/20	\$ 1,768,343	\$ 683,708	\$ 683,708	\$ 1,084,634
Prime Clerk (Administrative)					\$ 29,976
Claro & Cia					\$ 578,412
FTI Consulting Inc					\$ 3,587,315
Togut, Segal & Segal LLP					\$ 1,287,649
PJT Partners LP					\$ 755,270
Brigard Urrutia Abogados SAS					\$ 253,902
Ocean Tomo LLC					\$ 132,058
Dechert LLP					\$ 5,111,513
Conway Mackenzie					\$ -
UBS					\$ -
Morales & Besa LTDA					\$ 64,835
Deloitte					\$ -
<b>TOTAL PAYMENTS TO PROFESSIONALS</b>		<b>\$ 1,768,343</b>	<b>\$ 683,708</b>	<b>\$ 683,708</b>	<b>\$ 25,066,217</b>

\* Amounts listed based on invoices filed and received as of the end of the Reporting Period.  
Portions of amounts listed may have been paid after the end of the Reporting Period in accordance with the order establishing procedures for interim compensation and reimbursement of expenses of professionals.