



As part of the Chapter 11 proceedings

LATAM summarizes the latest advances in DIP financing and the Chapter 11 process

Santiago, Chile, October 5, 2021. On September 29, 2021, LATAM announced that on the same day it submitted a financing proposal for up to US\$750 million under Tranche B of the DIP financing agreement to the Bankruptcy Court of the Southern District of New York (the “Court”) that is hearing its Chapter 11 reorganization proceedings under Chapter 11 of the US Bankruptcy Code (the “Chapter 11 Proceedings”) for approval. This was in order to take advantage of favorable market conditions, in particular, lower financial costs under the DIP financing contract. This proposal is to be reviewed by the Court at the next hearing and, if approved, the DIP financing will be made up of the existing lines of US\$1.3 billion of Tranche A and US\$1.15 billion of Tranche C, in addition to Tranche B for up to US\$750 million.

This decision was driven by LATAM in order to reduce the financial costs of DIP financing and provide the group with flexibility to face the uncertainty resulting from the COVID-19 pandemic. At this time, LATAM does not intend to draw more than the US\$2.45 billion originally obtained under Tranche A and Tranche C of the DIP financing contract; With the understanding, however, that the next draws that LATAM will ultimately make under DIP financing will depend on the evolution of the pandemic in the upcoming months, and its impact on operations.

Additionally, and in parallel and independently to Tranche B of the DIP financing, as indicated in a material fact dated September 9, 2021, LATAM is currently negotiating with various interested parties to agree on the terms of its exit plan and financing for a successful emergence from the Chapter 11 Proceedings. In this context, and as previously announced, LATAM has received several non-binding financing proposals, each for over US\$5 billion, the funds of which would be used in part to refinance the DIP financing, and eventually other liabilities, and to have sufficient going forward liquidity. The total level of liabilities and the capital structure resulting from LATAM's reorganization plan will be known once it is negotiated. Based on how the negotiations have progressed to date, it is likely that there will be a capital increase and as a result of this, a substantial dilution of the shares currently issued by LATAM. The relative position of the shares currently issued by LATAM in the new LATAM capital structure is something that will depend on the negotiations of the plan.

LATAM expects to finalize the most important elements of its Plan of Reorganization this year. Any further advances and news regarding the events will be informed to the market in a timely manner.



ABOUT LATAM AIRLINES GROUP

LATAM is the principal group of airlines in Latin America with a 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, the United States, and the Caribbean.

The group has a fleet of Boeing 767, 777, 787, Airbus A321, A320, A320neo and A319 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 11 freighters, which will gradually increase to a total of up to 21 freighters by 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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