



LATAM informs updates regarding convertible notes conversion process and ADRs

Santiago, Chile, November 10, 2022 - Prior to its emergence from Chapter 11 and recent capital increase, LATAM Airlines Group S.A. had 606,407,693 shares outstanding. As part of its Plan of Reorganization, LATAM increased its equity capital in US\$10.3 billion, resulting in the issuance of an additional 605,801,285,307 shares of stock, which represented a dilution to existing holders of 99.9%. Out of the total capital increase, US\$800 million divided into 73,809,875,794 shares were placed for cash and the remaining US\$9.5 billion representing underlying 531,991,409,513 shares were placed via three different classes of convertible notes. Assuming the total conversion of 100% of the convertible notes, this US\$10.3 billion capital increase would result in the placement of an additional 605,801,285,307 shares of the Company – 19,992,142,087 shares underlying Convertible Notes A, 126,661,409,136 shares underlying Convertible Notes B and 385,337,858,290 shares underlying Convertible Notes C¹. If and when all convertibles are converted into shares, the shares of stock outstanding prior to the emergence from Chapter 11 would represent approximately 0.1% of the total outstanding shares with right to vote of LATAM.

Requests from convertible note holders electing to exercise their right for conversion began on November 3, 2022. LATAM has announced the 100% conversion of Convertible Notes C (except for a de minimis number of excess notes). In turn, LATAM announces that as of November 9, 99.99% of Convertible Notes B and 17.96% of Convertible Notes A have been converted. However, it is worth noting that conversion is a dynamic process and that LATAM continues to process conversion requests. On an interim basis, and as a result of the continuing conversions, the Company has disclosed a new total share count in circulation of 589,994,732,307 shares as of November 9, 2022.

Furthermore, it is important to note that the new common stock resulting from LATAM's capital increase of US\$800 million and the conversion of approximately US\$9.5 billion of convertible notes will trade freely on the Santiago Stock Exchange with the same ticker symbol of "LTM". These instruments were placed pursuant to exemptions from SEC registration and thus may be considered restricted securities subject to temporary transfer restrictions. The company's current ADR program, having JP Morgan as Depositary Bank, will be kept closed until further notice for issuances of new ADRs (i.e., ordinary shares in Chile flowing into the US as ADRs) and open for cancellations (i.e., converting current ADRs back into ordinary shares in Chile).

It is publicly known that as a result of filing for relief under Chapter 11 of the U.S. Bankruptcy Code on May 26, 2020, LATAM delisted its ADR program from the NYSE and, as a result, currently, its ADRs continue to trade only on the OTC market under the ticker "LT MAY" at a 1-to-1 ratio between an ADR and ordinary shares. It is the Company's intention to consider relisting on the New York Stock Exchange in the future and it is continually evaluating the right timing to do so, but this may realistically not occur before six months from emergence. The company will provide information to the market, once a definition has been reached on this matter.

¹ The total sum of the 606,407,693 million shares outstanding prior to the capital increase, in addition to the 605,801,285,307 shares underlying the US\$800 million Equity Rights Offering and Convertible Notes A, B and C authorized for issuance by the Extraordinary Shareholder's Meeting on July 5, 2022, is 606,407,693,000 shares.

Finally, as to any disparity between the trading prices of ADRs in the OTC markets and the price of shares in the Chilean market, the same may bear some relation with the absence of adequate perception around the very substantial dilution from the convertible notes and equity rights offerings in connection with the exit. The company releases this communication in an effort to affirm further what should be rightly understood by investors in respect of the value of shares underlying ADRs relative to the total share count of the Company. The market should slowly absorb the information summarized above and the trading prices should progressively adjust as they reasonably align in all markets.

ABOUT LATAM AIRLINES GROUP S.A.

LATAM Airlines Group S.A. is the leading airline group in Latin America, with presence in five domestic markets in the region: Brazil, Chile, Colombia, Ecuador and Peru, as well as international operations within Latin America and to Europe, the United States, the Caribbean and Oceania.

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 cargo subsidiaries of the LATAM group, having a combined fleet of 16 cargo aircraft, which will gradually increase up to a total of 20 cargo aircraft by 2024. These cargo subsidiaries have access to the group's passenger aircraft and operate within the LATAM group's network, as well as on exclusive international routes for cargo transportation. In addition, they offer modern infrastructure and a wide variety of services and service options to meet the needs of their customers.