



LATAM group Plan of Reorganization

This Plan is a critical milestone on our journey to a stronger financial future, reflecting the path forward for us to exit Chapter 11 with meaningful consideration to all stakeholders. If confirmed, the Plan would infuse new funds into the group through a mix of equity, convertible notes, and debt, and would strengthen our balance sheet, liquidity and capital structure for go-forward operations.¹

Equity:

- ~\$800 million common equity rights offering
- Open first to all shareholders
- Fully backstopped by the parties participating in the RSA, subject to the execution of definitive documentation

Convertible Notes:

- Three distinct classes of convertible notes; first offered to shareholders through preemptive rights process
- (A) certain general unsecured creditors of LATAM parent; (B) subscribed and purchased by the backstopping shareholders; (C) certain general unsecured creditors in exchange for a combination of new money to LATAM and the settlement of their claims
- Classes B and C will therefore be provided as consideration for a new money contribution in the aggregate amount of ~\$4.64 billion

Debt:

- Raise a \$500 million new revolving credit facility and ~\$2.25 billion in total new money debt financing
- Refinancing or amendment of pre-petition leases, revolving credit facility, and spare engine facility

Target Timeline

Solicitation Period: Coming Days - May 2, 2022

- Seek the requisite proportion of votes to approve Plan
- U.S. law requires at least one voting class vote to accept the Plan; acceptance requires an affirmative vote by 66.7% or more in dollar amount and greater than 50% of the number of voting creditors in a voting class
- All ballots to either accept or reject the Plan are counted

Additional Plan Implementation Steps (Chile)

- Obtaining shareholder approvals
- Launch of preemptive rights offering



Confirmation Hearing: May 17-18, 2022

- Court evaluates Plan and any objections
- Successful confirmation hearing is a necessary milestone in U.S. process prior to emergence

**Timeline is subject to change pending court approvals/schedules.*

Confirmation Order

- Court enters the Confirmation Order
- Plan Effective Date will be when all conditions are met for the Plan to become effective

LATAM is targeting completion of process and emergence in second half of 2022

Post-Emergence & Conversion Fast Facts:

Assumed Pro Forma Capital Structure:*

- 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

*Based on RSA Transaction

Proposed Governance & Shareholder Structure:

- 33% shareholders²
- 67% 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.³
- 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 This summary is subject to the terms of the full plan and related agreements, which are available at <https://cases.primeclerk.com/LATAM/>.

² 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.

³ 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).