



In the framework of the Chapter 11 process in the United States of America

## **LATAM obtains the support of Chilean bondholders and the Official Committee of Unsecured Creditors (UCC) for its Plan of Reorganization**

**Santiago (Chile), May 11, 2022** - LATAM Airlines Group S.A. ("LATAM") (SSE: LTM) and its affiliates in Brazil, Chile, Colombia, Ecuador, Peru, and the United States have secured the support of almost all its creditors for its Plan of Reorganization (the "Plan") after reaching an agreement with Chilean bondholders (including those represented by Banco Estado), the Official Committee of Unsecured Creditors (UCC), the Ad Hoc group of Unsecured Creditors (led by Sixth Street, Strategic Value Partners and Sculptor Capital), and the group's main shareholders (the "Supporting Shareholders", and together with the aforementioned Ad Hoc group of Unsecured Creditors, the "Supporting Parties"). This agreement was filed with the U.S. Court today as part of LATAM's Chapter 11 proceedings.

"We have been promoting consensus among our creditors for some time now and this is a great achievement. The agreement is undoubtedly beneficial to all parties, it attracts support for the Plan of Reorganization from the vast majority of the Group's creditors and will allow LATAM to meet its goal of emerging from Chapter 11 on schedule and in a more competitive position than at the beginning of the pandemic," said Roberto Alvo, CEO of LATAM Airlines Group S.A.

The agreement will allow unsecured creditors who opt to receive the New Convertible Notes Class A or the New Convertible Notes Class C contemplated in the Plan of Reorganization to enhance their recovery through an additional cash payment. To achieve this, LATAM will make the following cash amounts available to them:

- (a) approximately US\$212 million or, to the extent that the EBITDAR of the original business plan is exceeded by more than US\$100 million by the EBITDAR that LATAM generates between January 1, 2022, and the date that corresponds to 15 days prior to exiting Chapter 11,
- (b) approximately US\$250 million, plus in this case, an amount representing 75% of the excess over US\$250 million of the EBITDAR that LATAM generates over the EBITDAR of the original business plan in the same period referred to above, if any.

The final amount that such creditors may receive will be subject to possible deductions associated with pending settlements in the process and the cost associated with potential extensions under the support agreements entered into with the Supporting Parties.

This additional cash payment will be distributed among the unsecured creditors who have opted to receive the New Convertible Notes Class A and the New Convertible Notes Class C; provided, however, that the unsecured creditors participating exclusively in the New Convertible Notes Class A will be entitled to receive a cash payment of at least 4.875% of

the value of their claims, and those that participate both in the New Convertible Notes Class A and the New Convertible Notes Class C and do not belong to the Ad Hoc group of Unsecured Creditors, will be entitled to receive half of that payment for the proportion of their claims that participate in the New Convertible Notes Class A.

Among other things, the agreement provides that the unsecured creditors (other than the Supporting Parties) may alternatively elect to receive in lieu of payment of their claims, a 20-year bond denominated in Unidad de Fomento, capped to US\$180 million. The foregoing in lieu of receiving the convertible bonds contemplated in the Reorganization Plan and the additional cash payment indicated above.

In addition, the agreement contemplates that a portion of the creditors with bonds issued in Chile will be included to participate in the Backstop Agreement.

Meanwhile, the UCC and bondholders in Chile will withdraw their objections to the Plan and support it before the Court.

The Confirmation Hearing is scheduled for May 17-18, 2022, at which point the Court will evaluate the Plan of Reorganization, the last milestone of the bankruptcy process in the United States. LATAM continues to target completion of the process and exit from Chapter 11 in the second half of 2022.

The Plan continues to propose an infusion of USD\$8.19 billion into the group through a mix of new equity, 3 classes of convertible notes, and new debt.

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#### **ABOUT LATAM AIRLINES GROUP**

LATAM Airlines Group S.A. 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 inside 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 13 freighters, which will gradually increase to a total of up to 21 freighters by 2023.

They operate on the LATAM Airlines 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.

For LATAM press inquiries, write to [comunicaciones.externas@latam.com](mailto:comunicaciones.externas@latam.com). More financial information is available at [www.latamairlinesgroup.net](http://www.latamairlinesgroup.net).

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