LATAM Airlines Group S.A. Announces Pricing for Exit Financing and Moves Up Target Emergence Date to Beginning of November

- *LATAM finalizes pricing for 5 and 7 Year Senior Secured Notes for U.S.$450 million and U.S.$700 million, respectively, in addition to a 5 Year Term Loan B for U.S.$1.1billion.*
- *The Company is targeting its exit from the Chapter 11 process in the first week of November.*

Santiago, October 11, 2022 - LATAM Airlines Group S.A. ("LATAM" or the "Company") informed through a Material Fact furnished to the *Comisión para el Mercado Financiero* ("CMF"), that today the Company, together with Professional Airline Services, Inc., a Florida corporation and a wholly owned subsidiary of LATAM, have priced an offering (the "Offering") of U.S.$450,000,000 aggregate principal amount of senior secured notes due 2027 (the "2027 Notes") with a coupon of 13.375% at an issue price of 94.423%, and U.S.$700,000,000 aggregate principal amount of senior secured notes due 2029 (together with the 2027 Notes, the "Notes") with a coupon of 13.375% at an issue price of 93.103%. Additionally, the Company has priced today a Term Loan B (as defined below) of U.S.$1.1 billion with an interest rate, at LATAM's election, of either ABR + 8.50% or Adjusted SOFR + 9.50% (after the emergence date – and before the emergence date, ABR + 8.75% or Adjusted SOFR + 9.75%).

This represents an important milestone for the Company, and one of the last in its Chapter 11 proceedings. With these new funds LATAM will have obtained the necessary financing to repay its debtor-in-possession financing currently in place ("DIP Facility") and currently contemplates to exit from Chapter 11 of the U.S. Bankruptcy Code ("Chapter 11") during the first week of November.

Furthermore, as the transaction is structured, the Term Loan B (which represents nearly half of the financing) will be able to be repaid at par starting in year three. The Company also has secured a new revolving credit facility ("RCF") in the amount of approximately U.S.$500 million.

"In a very challenging and dynamic environment, we are on track to close all of the financings required under the Company's Plan of Reorganization. In the coming weeks we expect to emerge from Chapter 11 with approximately U.S.$2.2 billion of liquidity and a debt reduction of approximately 35% compared to the debt we had outstanding before entering into this process," said LATAM's CEO, Roberto Alvo.

Last June, the Company informed the CMF of the exit financing structure under Chapter 11, which contemplated entering into new debt under different facilities up to the aggregate amount of US$2.25 billion, including the Notes and a Term Loan B facility, in addition to a new

RCF of US$500 million (the "DTE Financing"). The Notes were originally structured as Bridge Facilities for a total amount of U.S.$1.5 billion committed by several banks.

The Company intends to execute the Bridge Facilities, Revolving Credit Facility, Term Loan B Facility, and to draw them as follows: (i) The Bridge facilities, on October 12, 2022; and (ii) with respect to the Term Loan B Facility, (i) an initial amount of US$750,000,000 on October 12, 2022; and (ii) the remainder thereunder of US$350,000,000 on the date of emergence from the Chapter 11 Proceeding. The Junior DIP Financing (as defined below), will also be drawn on October 12, 2022.

In turn, the Offering of the Notes is expected to close on October 18, 2022.

The Company intends to partially use the proceeds of these facilities to repay the current DIP Facility. Also, proceeds under the Term Loan B Facility and the Notes will be used to repay the Bridge Facilities.

The following paragraphs summarize the final DTE Financing structure:

1. A revolving credit facility of US$500 million (the "Exit Revolving Facility"), which will accrue interest, at LATAM's option, alternatively at: (i) ABR plus an applicable margin of 3%; or (ii) Adjusted Term SOFR plus an applicable margin of 4%.

2. A five-year term loan facility of US$1,100,000,000 (the "Term Loan B Facility"), which will initially accrue interest, at LATAM's option, alternatively at: (i) ABR plus an applicable margin of 8.75%; or (ii) Adjusted Term SOFR plus an applicable margin of 9.75% and, after LATAM emerges from Chapter 11, at LATAM's option, alternatively at: (i) ABR plus an applicable margin of 8.5%; or (ii) Adjusted Term SOFR plus an applicable margin of 9.5%.

3. The Offering of the Notes: Senior secured notes due 2027 for an aggregate principal amount of U.S.$450,000,000 with a coupon of 13.375% at an issue price of 94.423%, and senior secured notes due 2029 for an aggregate principal amount of U.S.$700,000,000 with a coupon of 13.375% at an issue price of 93.103%. The Notes will be guaranteed by certain subsidiaries of the Company and the proceeds of the Notes will be used to partly repay the Bridge to Notes Facilities (as defined below). The Offering, which is expected to close on October 18, 2022, is conditioned upon the closing of the Revolving Credit Facility and the Term Loan B Facility.

4. A five-year bridge-to-notes facility in an aggregate principal amount of U.S.$750,000,000 due 2027 (the "Bridge to 2027 Notes Facility").

5. A seven-year bridge-to-notes facility in an aggregate principal amount of U.S.$750,000,000 due 2029 (together with the Bridge to 2027 Notes Facility, the "Bridge to Notes Facilities").

The exit financing also includes junior a *debtor-in-possession* facility of approximately US$ 1.146 billion (the "Junior DIP Financing"), which will close and remain in place during the pendency of Chapter 11 (i.e., prior to exit) and is subordinated in right of payment to the DTE

Financing. This Junior DIP Financing will accrue interest, at LATAM's option, alternatively at either: (i) ABR plus an applicable margin of 12.5%; or (ii) Term SOFR plus an applicable margin of 13.5%.

The Notes have not been and will not be registered under the Securities Act of 1933, as amended (the "Securities Act"), or the securities laws of any state or other jurisdiction. As a result, they may not be offered or sold in the United States or to any U.S. persons unless pursuant to an applicable exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. The Notes will be offered only to qualified institutional buyers in accordance with Rule 144A under the Securities Act and to non-U.S. persons outside the United States under Regulation S under the Securities Act.

This notice does not constitute an offer to sell or a solicitation of an offer to buy the Notes in the United States or any other jurisdiction, nor shall there be any sale of the Notes in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction or an exemption therefrom. This notice contains information about pending transactions, and there can be no assurance that these transactions will be completed.

Forward-Looking Statements

This notice includes and references "forward-looking statements" within the meaning of the U.S. federal securities laws. These statements may relate to, among other things, the completion and timing of the Offering and the New DTE Facilities.

Although the Company believes the assumptions upon which these forward-looking statements are based are reasonable, any of these assumptions could prove to be inaccurate and the forward-looking statements based on these assumptions could be incorrect.

The matters discussed in these forward-looking statements are subject to risks, uncertainties and other factors that could cause actual results and trends to differ materially from those made, projected, or implied in or by the forward-looking statements depending on a variety of uncertainties or other factors including, but not limited to, the timing of the Company's emergence from Chapter 11 proceedings, the conditions in financial markets and the risks discussed in the risk factors section of LATAM's most recent annual report on Form 20-F filed with the United States Securities and Exchange Commission.

The Company undertakes no obligation to update any of its forward-looking statements except as required by law.

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 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 group's cargo subsidiaries, having a combined fleet of 16 freighter aircraft, which will gradually increase to a total of 21 cargo aircraft by 2023. These cargo subsidiaries have access to the group's passenger aircraft, and operate within the LATAM group network as well as on exclusive international routes for cargo transportation. In addition, they offer a modern infrastructure and a wide variety of services and care options to meet the needs of their customers.