



LATAM Amends Treatment of RCF Claims under its Plan

Santiago, April 24 2022. LATAM Airlines Group S.A. informs that, in the context of its Chapter 11 reorganization process before the U.S. Bankruptcy Court, on April 24, 2022 it submitted before such Court, an amended Plan of Reorganization (the "Plan of Reorganization" or the "Plan"), and LATAM and the other parties that have subscribed are in the process of completing the subscription of an amendment to the *Restructuring Support Agreement* (the "RSA") executed in furtherance of the Plan, that will be presented to the Court once subscribed by all parties, which is expected to take place in a day or two.

The purpose of these amendments to the Plan and the RSA is to modify the treatment afforded to the claims (the "RCF Claims") related to that certain credit and guaranty agreement dated as of March 29, 2016 (the "RCF Credit Agreement"). Prior versions of the Plan provided that the RCF Claims were unimpaired, and therefore were presumed to accept the Plan (thus it was not necessary to solicit their votes). The foregoing treatment was proposed with the understanding that the RCF Claims would be either refinanced pursuant to a revised RCF Credit Agreement (the "Revised RCF Credit Agreement"), or otherwise under the Plan. No other class of claims under the Plan are impacted by the amendment to the Plan.

Since certain few holders of the RCF Claims and other potential sources of financing are not currently in a position to provide the required funding in the amount and structure that was contemplated under the Revised RCF Credit Agreement, LATAM is required to modify the treatment of the RCF Claims under the Plan in order to provide that the RCF Claims are now impaired under the Plan, and therefore entitled to vote to accept or reject the Plan. The amendment further provides that each holder of the RCF Claims will be entitled to elect between two different treatments depending on whether each holder is willing to provide financing commitments for the Revised RCF Credit Agreement. While holders of the RCF Claims that provide financing commitments will receive Class 1a Treatment, holders of the RCF Claims that do not provide financing commitments, as well as those who make no election, will receive Class 1b Treatment.

Under this construct, the aggregate amount of the Revised RCF Credit Agreement would be U.S.\$600 million consisting of a combination of a Tranche A Facility and a Tranche B Facility in a proportion that will be determined depending on elections by holders of the RCF Claims. The Tranche B Facility will be subordinated in right of payment to borrowings under the Tranche A Facility.

The Tranche A Facility will be reserved for holders of the RCF Claims who elect Class 1a Treatment. Such facility would consist on a new revolving facility that will remain undrawn throughout the effective date of the Plan. The Tranche A Facility will have a three-year maturity date and will accrue interests at SOFR + 3% per annum, which will be paid on a monthly, quarterly or semiannual basis. Under the amended Plan, each holder of the RCF Claims that elects Class 1a Treatment would also receive a distribution in cash equal to the outstanding principal amount under the RCF Credit Agreement, plus the respective unpaid interest, fees and expenses comprising the allowed amount of such RCF Claim (to the extent not previously paid by LATAM).



In turn, the Tranche B Facility will be reserved for holders of the RCF Claims who elect Class 1b Treatment, as well as to holders who make no election. Such facility will serve the purpose of refinancing (in the form of take-back debt) the outstanding principal amount of their respective RCF Claims. The Tranche B Facility will have a five-year maturity date and will accrue interests at a fixed rate of 4.25% per annum, which will be paid on a quarterly basis. Under the amended Plan, each holder of the RCF Claims that receives Class 1b Treatment would also receive a distribution in cash equal to any unpaid interest, fees, and expenses comprising the allowed amount of their respective RCF Claims (to the extent not previously paid by LATAM).

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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. More financial information is available at www.latamairlinesgroup.net.

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