



**DOCUMENTS RELATED TO THE MATTERS OF THE LATAM AIRLINES
GROUP S.A. EXTRAORDINARY SHAREHOLDERS'
MEETING ON MARCH 17, 2025**

In relation to the matters that will be submitted to the knowledge and approval of the shareholders at the Extraordinary Shareholders' Meeting (the "Extraordinary Meeting" or the "Meeting") of LATAM Airlines Group S.A. ("LATAM" or the "Company") to be held on Monday, March 17, 2025, in accordance with the agreement of the Board of Directors of LATAM at its meeting on February 12, 2025, the following is noted:

EXTRAORDINARY SHAREHOLDERS' MEETING

- 1. Create a program for the acquisition of shares issued by the Company ("Share Repurchase Program"), in accordance with articles 27 A to 27 C and other relevant articles of Law No. 18,046 on Corporations.**

The Company closed 2024 with liquidity levels of US\$3.5 billion (27.1% of the last twelve months revenues). Compared to 2023, net income grew by 68% to US\$977 million, the highest ever recorded in the Company's history; revenues increased by 10.5%; adjusted EBITDAR grew by 22.6%, achieving the best adjusted EBITDAR and adjusted EBITDAR margin since its creation; the net financial debt to EBITDA ratio went from 2.1 times to 1.7 times; and at the operational level, the Company recorded the highest number of passengers transported in its history. LATAM's financial takeoff after exiting its Chapter 11 reorganization procedure has led it to set record levels in various figures.

In this sense, according to the published parameters/guidance, in 2025 it is estimated that strong generation of positive cash flow will continue, which could result in liquidity levels reaching close to US\$3.9 billion as of December 31, 2025.

Due to the solid cash flow generation in 2024 and LATAM's consistent financial results over the past two years, the Board of Directors reviewed an update to the financial policy aligned with the best interests of the Company and its shareholders, as well as with the Company's strategic objectives going forward. This policy establishes a framework for capital allocation that considers the strength of the balance sheet, profitable investments in growth and the generation of returns for shareholders above the mandatory minimum dividend of 30% established in the applicable regulations. The strategy focuses on maintaining financial discipline by optimizing the cost of debt, maintaining an adjusted net leverage below 2.0x and aiming to achieve a BB+ credit rating. In addition, the policy establishes an optimal liquidity range between 21% and 25% of the last twelve months revenues.



In this context, the Company has been recurrently analyzing alternatives to establish an additional mechanism for returning capital to shareholders, which, in compliance with the aforementioned financial policy, allows LATAM to distribute capital to its shareholders above the mandatory minimum dividend contemplated in the applicable regulations. Thus, different alternatives have been analyzed that enable LATAM to continue maximizing the generation of value. All of this aims to follow a course of action that ensures continued success and growth, allowing for a more efficient and profitable allocation of capital during 2025, and in general, in the future.

This analysis has considered various factors, including (i) the Company's current good financial position; (ii) the impact on the liquidity of the stock; (iii) regulatory and legal requirements; and (iv) the value at which the Company's stock is currently trading.

In particular, with regard to this last point, despite the Company's positive financial results to date, management believes that this has not been reflected in the Company's market capitalisation. Indeed, the Company's shares are currently trading at a value below their intrinsic value, and are also undervalued compared to historical multiples and target price estimates.

Prior to the pandemic, LATAM was trading at a multiple of 6.3x FV/EBITDAR, at a premium to U.S. full-service airlines. Currently, the multiple is 4.4x FV/EBITDAR, but correcting the multiple to historical levels would imply an upside potential of 71% versus the current price.

Additionally, the consensus of sell-side analysts covering LATAM is very positive. Currently, there are 16 sell-side analysts covering LATAM (10 on the local stock and 6 on the ADR), of which 14 recommend buying and only two maintain a neutral/hold stance. On average, analysts estimate a target price of approximately 18.4 CLP, which represents an upside potential of over 23%.

For these reasons, management believes that the current share price does not reflect its true value. Furthermore, given the discount in valuation relative to historical levels, positive analyst sentiment, support from credit rating agencies, and solid market price targets, there is a strong argument for considering LATAM's stock undervalued.

All of the above allows us to conclude that today, considering the current market conditions, approving a share buyback program is beneficial for the Company and the majority of its shareholders. This program will provide shareholders with unavoidable benefits through the distribution of cash, in addition to constituting a good investment opportunity for the Company. Eventually, depending on the fluctuation of the share price, it will allow the Company to potentially obtain a good return in the future. If the latter is implemented, it would improve the Company's profitability in the future, with the consequent potential benefit for both the Company and the majority of its shareholders.



In this context, the Board of Directors has called an extraordinary shareholders' meeting to decide on the approval of a Share Repurchase Program for its own shares in accordance with the provisions of the Joint Stock Companies Act in its articles 27 A, 27 B and 27 C. It should be noted that the approval of this matter requires the favorable vote of two-thirds of the shares with voting rights issued by the Company.

Pursuant to the provisions of the aforementioned articles, the Board must set the maximum amount or percentage of shares to be acquired, subject to the following limitations: (i) the Company may not hold in its portfolio an amount greater than 5% of the subscribed and paid shares; (ii) the acquisition may only be made up to the amount of the Company's retained earnings; and (iii) only fully paid shares free of any encumbrance or prohibition may be acquired.

As for the alternatives to carry out the repurchase, this can be done directly in the market ("en rueda") or through a general pro rata purchase procedure. Once acquired, if the shares are not sold, they can be kept in the portfolio for 24 months, after which they are cancelled, decreasing the capital by right. A Shareholders' Meeting could also agree to cancel the shares in the portfolio before 24 months. Or they can also be used for workers' compensation programs or plans, if the Shareholders' Meeting so approves when establishing the repurchase program.

- 2. Establish the maximum amount or percentage to be acquired, the objective and duration of the Share Repurchase Program; set the minimum and maximum price to be paid for the respective shares or delegate to the Board of Directors the power to set said price.**

In relation to the legal considerations to be taken into account with respect to the specific characteristics of the program, the definitions that shareholders must take into account are explained: (a) maximum amount of subscribed and paid shares of the Company that can be acquired (subject to the restrictions stated above), (b) objective and term of the program (maximum of 5 years), and (c) minimum and maximum price to be paid, which can be delegated to the Board of Directors. Likewise, shareholders can delegate to the Board the opportunity, amounts and other considerations necessary to implement the repurchase transactions, within the parameters explained.

Management believes that the best way to implement the program is, once it has been approved by the Board, for the Board to determine, at its own discretion, the start and timing of its execution, as well as the modalities, amounts and other matters or aspects related to the implementation of the program in general, in accordance with the information available to date and other alternatives for good use of capital and strategic sense that LATAM continuously evaluates.

Regarding the maximum amount or percentage, the Board will be informed that, considering all the factors indicated above, the Board of Directors has proposed to the shareholders the



approval of a program to repurchase shares of its own issue for up to 1.6% of the shares in circulation into which the share capital is divided on the date of the Extraordinary Shareholders' Meeting, which is within the percentages permitted by current regulations.

A program for up to 1.6% of the shares outstanding, which as of this date corresponds to 9,671,006,041 shares out of a total of 604,437,877,587, should not significantly affect the desirable liquidity of the Company's stock and, therefore, in the opinion of management, the proposed program contemplates a reasonable target amount to be acquired taking into account the different variables analyzed. The latter is especially important so that the Company can preserve the liquidity levels achieved in 2024 as a result of the reopening and relisting of its ADR program on the New York Stock Exchange.

Regarding the objective of the program, management believes that a program with the characteristics of the proposed program would allow for the distribution of additional resources to shareholders within the parameters of the updated financial policy, and reserving resources for potential investment opportunities that may arise in the future in accordance with the Company's strategic objectives. In addition, this program will also constitute a good investment opportunity for the Company, in the terms mentioned above.

As regards duration, the Board of Directors proposes to shareholders that the share buyback programme be extended for 18 months. This is considered to be a reasonable period of time that would allow the acquisition of all the shares covered by the programme, while preserving desirable liquidity levels for the stock. Regarding the sale or eventual cancellation of said shares, the limit established by law, mentioned above, will apply, that is, 24 months from the date of acquisition of the shares.

Once the program is approved by the Board, it will be proposed to delegate to the Board the determination of the maximum and minimum price required, or any variation thereto, and to authorize the Board to determine the start of the program and all matters incidental to its execution, in the terms indicated above.

- 3. Adopt the other agreements necessary or convenient to carry out the decisions resolved by the Shareholders' Meeting, including, without limitation, (i) empowering the Board of Directors broadly for the purposes of implementing the agreements adopted at the Shareholder's Meeting, (ii) delegating to the Board of Directors the power to acquire shares directly in the market ("en rueda") without having to apply the pro rata procedure, under the conditions provided for in Article 27 B of Law No. 18,046; and (iii) delegate to the Board of Directors the power to sell the acquired shares without having to go through a preferential offer process to shareholders, provided that it complies with the conditions provided for in article 27 C of Law No. 18,046.**

It is contemplated to propose to the Board to broadly empower the Board of Directors for the purposes of implementing the agreements adopted by the Board.



Among other things, in addition to the systems that allow the acquisition of shares on a pro rata basis, the implementation of the program also contemplates the possibility of delegating to the Board of Directors the power to acquire shares directly on the stock exchange, under the terms provided for by law.

Furthermore, the Board may be granted the authority to sell the acquired shares without a preferential offer process for shareholders, as permitted by law.

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Santiago, February 25, 2025.