

Business plan presentation as part of Chapter 11 process

LATAM GROUP RECEIVES OFFERS FOR EXIT FINANCING THAT EXCEED US\$5 BILLION EACH AND EXPECTS TO RECOVER PRE-PANDEMIC PROFITABILITY BY 2024

- *The offers received for LATAM's exit from Chapter 11 reaffirm the market's confidence in its business plan.*
- *The business plan considers the demand recovery path, the fleet plan, and financial and operational projections through 2026, in addition to other information.*
- *This marks a milestone as one of the final stages prior to LATAM's presentation of its Plan of Reorganization.*

Santiago, Chile, September 9, 2021.- LATAM Airlines Group S.A. and certain of its debtor affiliates in Brazil, Chile, Colombia, Ecuador, the United States and Peru (collectively, "LATAM") released its five-year business plan along with advances regarding its exit financing process today. This milestone marks one of the final stages before the presentation of its plan of reorganization. LATAM forecasts recovering 2019 profitability by 2024, and a 78% operational result increase by 2026 when compared to pre-crisis.

As part of its exit financing process, LATAM has received several offers to date from its most significant claimholders and its majority shareholders, each of which provides more than US\$ 5 billion of new funds, reaffirming the market's confidence in LATAM.

LATAM Business Plan Highlights

The business plan includes a vision of the demand recovery, the fleet plan, and financial and operational projections through 2026, in addition to other information. In particular, the group forecasts a return to pre-pandemic capacity (measured in ASKs) by 2024 and a growth of 7% by 2026, compared to 2019, resulting from an estimated recovery of the domestic markets by 2022 and the international ones by 2024, in line with market consensus.

The recovery is supported by LATAM Airlines Brazil's domestic market's operational ramp-up to date, which reached a capacity (measured in ASKs) of 77% in August, compared to 2019, and is forecast to surpass 100% of 2019 levels in the beginning of 2022. The domestic markets of the affiliates in Colombia, Ecuador, Peru and Chile have already reached 72% in August, while the international recovery of the group, both regional and long-haul continues to be affected by travel restrictions.

Total revenues are projected to increase 13% by 2026 with passenger revenues growing 8% and cargo revenues increasing 59% compared to 2019.

Cost reduction initiatives addressed during the Chapter 11 process, including leveraging

LATAM's digital transformation to improve efficiency, supplier renegotiations and fleet restructuring, amount to over US\$900 million annually and have allowed LATAM to structurally change its cost base. Fleet costs alone note annual cash cost savings of over 40% compared to 2019. The group also expects improvements in its passenger CASK (cost per ASK) ex-fuel, which before the impact of inflation, is estimated to be 3.3 cents in 2024, with certain domestic operations even lower. Furthermore, LATAM has increased the variable portion of its cost structure from 65% in 2019 to 80% in 2021-2022, which will allow the group to better adapt to the nonlinear demand recovery path ahead.

LATAM projects an operating margin (EBIT) of 11.2% in 2026, the highest since 2010.

“Despite the dramatic crisis we have faced, we have taken full advantage of our restructuring, not only by becoming substantially more efficient, but also by cementing a better value proposition for customers, all of which has been reaffirmed by the significant interest we have received in providing exit financing” said LATAM Airlines Group SA, CEO Roberto Alvo. **"We will emerge from this process as a highly competitive and sustainable group of airlines, with a very efficient cost structure, all the while maintaining the unparalleled network and connectivity that LATAM offers in all the markets it serves."**

Extension of Exclusivity Period Request

LATAM filed a motion seeking to extend the period of exclusivity to file a plan of reorganization through October 15, 2021, and to solicit acceptances of a plan through December 15, 2021. The requested extensions will further LATAM's development of a plan of reorganization that satisfies its exit capital and financing needs and assist in negotiations with the various stakeholders in its Chapter 11 proceedings.

Update on LATAM's Chapter 11 Process

LATAM is currently negotiating with various stakeholders in order to agree on a plan of reorganization and exit financing to successfully emerge from Chapter 11 in compliance with all applicable laws.

Over the last few months, as part of the Chapter 11 process, LATAM has developed and made available certain material non-public information to stakeholders that are under non-disclosure agreements. Such information includes five-year projections and an initial estimate (high and low scenarios) of its total claims. This initial estimate amounts to approximately US\$ 8 billion in the low scenario (US\$14.2 billion including intercompany claims) and US\$ 9.9 billion in the high scenario (US\$16 billion including intercompany claims).

In accordance with the terms of these non-disclosure agreements and in furtherance of the process, LATAM has made certain disclosures today by the issuance of material facts in Chile and by the filing of Forms 6-K in the United States, which include LATAM's financial projections, and other information regarding the Chapter 11 proceedings.

Also, in connection with these negotiations, LATAM provided an indicative proposed structure for its reorganization which sought approximately US \$5 billion of equity financing and

contemplated a consensual plan among stakeholders which required, among other things, the compromise by stakeholders of certain rights and compliance with both US Bankruptcy Code and Chilean law. In response to its request for proposals, LATAM has received certain non-binding exit capital/financing and restructuring proposals from its most significant claimholders and its majority shareholders. Each proposal contemplates raising in excess of US\$ 5 billion through the issuance of new debt and equity in LATAM Airlines Group S.A., which would be backstopped by the parties making the proposal. In addition, in each proposal, the proponents contemplate that if such proposal is approved and implemented, it would result in the substantial dilution of existing shares of LATAM Airlines Group S.A.

LATAM will continue to engage regarding the proposals with the proponents and other stakeholders, some of whom have agreed to remain under confidentiality agreements. LATAM is focused on ensuring that any exit strategy allows it to emerge with a robust capital structure, adequate liquidity, and the ability to successfully execute its business plan. Any plan will be implemented in compliance with the relevant requirements of the US Bankruptcy Code and Chilean law.

LATAM will keep its shareholders and the market informed regarding the progress in the Chapter 11 proceedings. Additionally, it contemplates summoning its shareholders to an extraordinary shareholders meeting when appropriate, subject to the progress of the negotiations with the various stakeholders which are currently ongoing.

Solicitation of Interest for Potential Tranche B Funding

As of July 31, 2021, LATAM reported approximately US\$1.9 billion in liquidity, considering US\$1.1 billion in cash and cash equivalents and US\$800 million in undrawn DIP financing.

LATAM's existing debtor-in-possession financing provides for a possible additional third tranche (the "Tranche B Facility") of secured financing up to US\$750 million, in addition to the existing US\$1.3 billion Tranche A facility and the US\$1.15 billion Tranche C facility, which are not fully drawn as of this time. Given the currently favorable market conditions, LATAM is soliciting interest from potential lenders in providing a Tranche B Facility and will consider proposals to determine whether it is able to borrow funds at a more competitive rate than under the existing Tranche A and C facilities.