

Chapter 11 process:

## **LATAM modifies DIP financing proposal integrating principal interested lenders**

**Santiago, Chile – September 17, 2020.** LATAM Airlines Group S.A. informed today, via material fact, that it has presented a modified debtor-in-possession (DIP) financing proposal to the Court of the Southern District of New York, which will enable the group to access the US\$2.45 billion required to tackle the impact of COVID-19.

The proposal submitted by LATAM does not contemplate the equity conversion option for Tranche C, responding to the objection made by the honorable judge James L. Garrity Jr. In addition, it incorporates several of the lenders interested in participating in the group's financing.

The terms of the new proposal are, in large part, consistent with the original DIP financing structure. The main changes are related to:

- Tranche A, that comprises up to US\$1.3 billion in financing, will continue to be led by Oaktree Capital Management LP that will provide US\$1.125 billion, while Knighthead Capital will finance US\$175 million.
- Tranche C will total up to US\$1.15 billion, including: US\$750 million provided by Qatar Airways, the Cueto Group and the Eblen Group; and US\$250 million from Knighthead Capital. In addition, up to \$150 million of financing will be open to LATAM minority shareholders. In the event that the US\$150 million is not fully financed, the differential will be provided by the creditors of Tranche C.

LATAM is currently awaiting the court's response to the modified DIP financing proposal.

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