





# LATAM Airlines Group Plan of Reorganization

This Plan is a critical milestone on our journey to a stronger financial future, reflecting the path forward for us to exit Chapter 11 with meaningful consideration to all stakeholders. The Plan would infuse new funds into the Group through a mix of equity, convertible notes, and debt. This Plan would strengthen our balance sheet, liquidity and capital structure for go-forward operations.

#### Equity:

- ~\$800 million common equity rights offering
- Open first to all shareholders
- Fully backstopped by the parties participating in the RSA, subject to the execution of definitive documentation

#### Convertible Notes:

- Three distinct classes of convertible notes; preemptively offered to shareholders
- (A) certain general unsecured creditors of LATAM parent; (B) subscribed and purchased by the backstopping shareholders; (C) certain general unsecured creditors in exchange for a combination of new money to LATAM and the settlement of their claims
- Classes B and C will therefore be provided in consideration of a new money contribution for the aggregate amount of ~\$4.64 billion

#### Debt:

- Raise a \$500 million new revolving credit facility and ~\$2.25 billion in total new money debt financing
- Refinancing or amendment of prepetition leases, revolving credit facility, and spare engine facility



## **Timeline**

Plan of Reorganization Filed

November 26, 2021

Disclosure Statement Hearing

- Court evaluates materials and determines if they are sufficient to proceed
- If Disclosure Statement is approved, commence solicitation

## Confirmation Hearing

- Court evaluates Plan for execution
- Successful confirmation hearing is, essentially, final milestone in U.S. process prior to emergence

Completion of process and emergence

— November — December ——— January — February — March — April — May — June — July — August — September →

2021

2022

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Solicitation Period

# Seek the requisite proportion of votes to approve Plan

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  IIS law requires at least one voting class vote to account
- U.S. law requires at least one voting class vote to accept the plan; acceptance requires an affirmative vote by 67% in dollar amount and 50% of the number of voting creditors in a voting class
- Parties to the RSA represent more than 70% of parent unsecured claims, holders of ~48% of 2024 & 2026 U.S. Notes, and certain shareholders holding more than 50% of common equity

# Chilean Capital Raise Process:

- Comprising shareholder approvals
- Launch of preemptive rights offering

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# Post-Emergence & Conversion Fast Facts:

## Pro Forma Capital Structure:

- Finance Leases: ~\$1.798 billion
- Operating Leases: ~\$2.837 billion
- Existing Revolving Credit Facility: ~\$600 million, undrawn at exit
- New Revolving Credit Facility: ~\$500 million, undrawn at exit
- Existing Spare Engine Facility: ~\$273 million
- New Term Loan or Bonds: ~\$2.25 billion
- PDP Financing: ~\$98 million

### Governance:

- Approximately 9% of the Group's common equity entitles the entity to a Board seat
- Expect 5 Board seats to be held by the Parent Ad Hoc Group and 4 Board seats to be held by shareholders participating in the RSA