

## BOND LAUNCH

IAG announces today the issue of two series of senior unsecured bonds (the “**Offering**”).

- The first tranche has a proposed initial principal amount of approximately EUR 500,000,000.00 due 25 March 2025 (the “**Series A Bonds**”).
- The second tranche has a proposed initial principal amount of approximately EUR 500,000,000.00 due 25 March 2029 (the “**Series B Bonds**” and, together with the Series A Bonds, the “**Bonds**”).

Pursuant to the above, the aggregate principal amount of the Bonds issued shall be about EUR 1,000,000,000.00.

The final terms of the Bonds, including the principal amount of each series and the aggregate principal of all the Bonds, are expected to be determined and announced shortly and settlement is expected to take place on or about 25 March 2021.

The target market for the Bonds is eligible counterparties and professional clients only. The Bonds are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the EEA. No EU PRIIPs Regulation key information document has been prepared as the Bonds are not available to retail investors in the EEA. The Bonds are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the UK. No UK PRIIPs Regulation key information document has been prepared as the Bonds are not available to retail investors in the UK.

The Bonds shall bear a fixed rate of interest of which shall be determined as part of the bookbuilding process. The intention of IAG is that the Bonds will be issued at 100 per cent of their principal amount and, unless previously redeemed, purchased or cancelled, will be redeemed at 100 per cent. of their principal amount on the respective maturity dates of the Bonds. The final issuance price shall be determined during the bookbuilding process.

IAG will have the option to redeem all of the Bonds according to their terms and conditions.

The net proceeds from the Offering will be used by IAG for general corporate purposes (including but not limited to (i) strengthening the Group’s balance sheet and increasing the Group’s overall liquidity position; (ii) helping the Group withstand a more prolonged downturn in air travel; and (iii) providing the Group with the operational and strategic flexibility to take advantage of a recovery in demand for air travel).

An application will be made to Euronext Dublin for the Bonds to be admitted to the Official List and to trading on the regulated market. The Regulated Market of Euronext Dublin is a regulated market for the purposes of MiFID II.

Goldman Sachs Bank Europe SE, Morgan Stanley Europe SE, Banco Bilbao Vizcaya Argentaria, S.A. and Banco Santander, S.A. act as Joint Global Co-ordinators and as Joint Lead Bookrunners. BofA Securities Europe SA and Crédit Agricole Corporate and Investment Bank act as Passive Bookrunners. MUFG Securities (Europe) N.V., NatWest Markets N.V. and Standard Chartered Bank act as Co-Managers.

Stephen Gunning  
Chief Financial Officer

18 March 2021

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This announcement contains inside information and is disclosed in accordance with the Company’s obligations under the Market Abuse Regulation (EU) No 596/2014.

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