

BONDS FINAL TERMS

IAG announces that, following the launch of the issue of two series of senior unsecured bonds (the “**Offering**”) earlier today and as a continuation to the insider information official communication with record number 805, IAG has now set the final terms of the Bonds.

The demand has been higher than expected. The aggregate amount of the Offering is 1,200,000.00 euros, and given that the authorization of the Issuer’s board of directors allows for the issue of the necessary increased amount, the aggregate offer size was fixed at EUR 1,200,000.00 split as follows:

- The first tranche due 25 March 2025 will have a principal amount of EUR 500,000,000.00 (the “**Series A Bonds**”).
- The second tranche due 25 March 2029 will have a principal amount of EUR 700,000,000.00 (the “**Series B Bonds**”, and together with the Series A Bonds, the “**Bonds**”).

The Bonds will bear a fixed rate of interest of: (i) 2.75 per cent for the Series A Bonds and (ii) 3.75 per cent. per for the Series B Bonds, in both cases payable annually in arrears.

As a result of the bookbuilding process, the Series A Bonds and the Series B Bond will be both issued at 100 per cent of their principal amount, respectively, and, unless previously redeemed or purchased and cancelled, will be redeemed at 100 per cent of their principal amount on their respective maturity dates.

Settlement is expected to take place on or about 25 March 2021.

Goldman Sachs Bank Europe S.E., Morgan Stanley Europe S.E., 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

LEI: 959800TZHQRUSH1ESL13

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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