

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt about the contents of this Supplementary Circular or the action you should take, you are recommended to seek your own financial or professional advice immediately from your stockbroker, bank, solicitor, accountant, fund manager or other appropriate independent financial adviser authorised under the Financial Services and Markets Act 2000 (as amended) if you are resident in the United Kingdom or, if not, from another appropriately authorised independent financial or professional adviser.

If you sell or have sold or otherwise transferred all of your Shares before 21 October 2022 please forward this Supplementary Circular and the accompanying documentation as soon as possible to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected, for onward transmission to the purchaser or transferee. If you sell or have sold or otherwise transferred only part of your holding of Shares, you should retain this Supplementary Circular and the accompanying documentation, and you should consult with the bank, stockbroker or other agent through whom the sale or transfer was effected.

Any person (including, without limitation, custodians, nominees and trustees) who may have a contractual or legal obligation or may otherwise intend to forward this Supplementary Circular to any jurisdiction outside Spain or the UK should seek appropriate advice before taking any such action. The distribution of this Supplementary Circular and any accompanying documents into jurisdictions other than Spain or the UK may be restricted by law. Any person not in Spain or the UK into whose possession this Supplementary Circular and any accompanying documents come should inform themselves about and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.



International Consolidated Airlines Group, S.A.

(a company incorporated under the laws of the Kingdom of Spain and entered at the Madrid Mercantile Registry with registration number M-492129 and with Tax Identity Code number A-85845535)

Proposed Purchases of 50 Boeing 737 Family Aircraft and 37 Airbus A320neo Family Aircraft

Supplementary Circular to Shareholders

This Supplementary Circular has been prepared in accordance with the Listing Rules. This Supplementary Circular has been approved by the FCA. It is supplemental to, and must be read in conjunction with, the Original Circular dated 22 September 2022, which has been published on IAG's website (www.iairgroup.com).

A Notice convening the Shareholders' Meeting of the Company called to be held in Madrid at Auditorio Rafael del Pino, calle de Rafael Calvo 39, 28010 on 25 October 2022 at 18:30 (CEST) on first call, and on the following day, 26 October 2022, at the same time and venue, on second call, is set out at the end of the Original Circular. Shareholders are informed that the Shareholders' Meeting will be held on second call. Attendance, Proxy and Remote Voting Cards for Shareholders have been issued by the institutions with which their Shares are deposited, and Proxy Forms for holders of CDIs were issued by the Company to their addresses as they appear on the Company's share register book. Attendance, Proxy and Remote Voting Cards will also be available on the Company's website (www.iairgroup.com) in both Spanish and English.

If you are a Shareholder and wish to attend physically and vote at the Shareholders' Meeting, please present: (i) a completed and signed Attendance, Proxy and Remote Voting Card or a certificate issued by one of the participating entities of the agency which manages the record of book entries or any other evidence of shareholding permitted by Spanish legislation in force; and (ii) an identity card,

passport or any other equivalent official document evidencing your identity, at the entrance to the building where the Shareholders' Meeting is to be held. Shareholders that wish to attend by remote means shall pre-register and identify themselves using the Company's online platform at www.iairgroup.com not later than 18:30 (CEST) on 24 October 2022.

Representatives of Shareholders that are legal entities must show at the registration desk (if attending physically) or send to the Company (if attending by remote means) a photocopy of a power of attorney evidencing the authority of the individual signing the Attendance, Proxy and Remote Voting Card in the name of the legal entity.

Alternatively, you may appoint someone else as your proxy (or proxies) or vote prior to the Shareholders' Meeting: (i) by sending the original Attendance, Proxy and Remote Voting Card, with the relevant sections duly completed and signed together with, if appointed, a copy of the proxy's identity card, passport or any other equivalent official photo identity document, to the Shareholders Office (IAG) (El Caserío, Iberia Zona Industrial no. 2 (La Muñoza), Camino de La Muñoza, s/n 28042 Madrid) or by e-mail to accionistas@iairgroup.com; or (ii) on the Company's website (www.iairgroup.com) by following the instructions given and using your electronic DNI (DNle) or your digital signature based on a recognised and valid certificate issued by the Spanish Public Certification Entity (CERES) and uploading the identity card or passport of the proxy, if appointed. Proxies appointed or remote votes cast using any of the remote means set out above must be received by the Company not later than midnight (CEST) on 25 October 2022.

CDI holders who wish to attend the Shareholders' Meeting physically or by remote means and vote the underlying Shares to which such holder is entitled must complete and return a Proxy Form to Computershare Investor Services PLC, by 17:00 (BST) on 20 October 2022 to be appointed as a proxy for such shares. Persons who hold an interest in CDIs through the IAG Nominee Service operated by Computershare Company Nominees Limited and who wish to attend the Shareholders' Meeting must complete and return a Proxy Form to Computershare, by 11:00 (BST) on 20 October 2022 to be granted a proxy. Computershare shall send the form to the registered address held by Computershare for each person who holds CDIs or an interest in CDIs through the IAG Nominee Service. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so by using the procedures described in the CREST Manual. CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf. In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a CREST Proxy Instruction) must be properly authenticated in accordance with Euroclear's specifications, and must contain the information required for such instruction, as described in the CREST Manual (available at www.euroclear.com/CREST). The message, regardless of whether it constitutes the appointment of a proxy or is an amendment to the instruction given to a previously appointed proxy, must, in order to be valid, be transmitted so as to be received by Computershare (ID number 3RA50) by 17:00 (BST) on 20 October 2022. For this purpose, the time of receipt will be taken to be the time (as determined by the time stamp applied to the message by the CREST Application Host) from which Computershare is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time, any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means. You will also need to present an identity card, passport or any other equivalent official document evidencing your identity at the entrance to the building where the Shareholders' Meeting is to be held or upload it to the online platform at www.iairgroup.com if you wish to attend by remote means not later than 18:30 (CEST) on 24 October 2022. Alternatively, you may appoint someone else as your proxy (or proxies) or give voting instructions in relation to the underlying Shares prior to the Shareholders' Meeting: (i) by completing and returning the relevant form of instruction to Computershare Investor Services PLC at The Pavilions, Bridgwater Road, Bristol, BS99 6ZY; or (ii) by following the instructions given on the website, www.eproxyappointment.com, by no later than 11:00 (BST) on 20 October 2022.

A summary of the action to be taken by Shareholders and holders of CDIs (including, for this purpose, those persons holding interests in CDIs through the IAG Nominee Service) is set out in paragraph 12 of Part I (Letter from the Chairman of IAG) of the Original Circular and in the Notice of Shareholders' Meeting at the end of the Original Circular. Completion and return of the original Attendance, Proxy and Remote Voting Card appointing a proxy or an electronic registration of a proxy appointment will not

preclude you from voting remotely prior to the Shareholders' Meeting or attending and voting in person at the Shareholders' Meeting if you wish to do so. Attendance at the Shareholders' Meeting by you as the represented Shareholder, whether in person or by having voted using remote means, will revoke the appointment of your proxy, regardless of the date of the proxy appointment.

For a discussion of certain risk factors which should be taken into account when considering what action you should take in connection with the Shareholders' Meeting, please see Part II (Risk Factors) of the Original Circular.

No person has been authorised to give any information or make any representations other than those contained in this Supplementary Circular or the Original Circular and, if given or made, such information or representations must not be relied on as having been so authorised. The delivery of this Supplementary Circular shall not, under any circumstances, create any implication that there has been no change in the affairs of the Company since the date of this Supplementary Circular or that the information in it is correct as of any subsequent time.

Morgan Stanley & Co. International plc, which is authorised in the United Kingdom by the PRA and regulated in the United Kingdom by the FCA and the PRA, is acting exclusively for IAG as Sponsor in connection with the approval of the Original Circular and this Supplementary Circular by the FCA and no one else in connection with the Proposed Purchases and will not be responsible to anyone other than IAG for providing the protections afforded to clients of Morgan Stanley or its affiliates or for providing advice in relation to the Proposed Purchases, the contents of the Original Circular or this Supplementary Circular, or any transaction, arrangement or matter referred to herein or therein. Apart from the responsibilities and liabilities, if any, which may be imposed on Morgan Stanley by FSMA or the regulatory regime established thereunder, neither Morgan Stanley nor any of its respective subsidiaries, branches or affiliates owes or accepts any duty, liability or responsibility whatsoever (whether direct or indirect, whether in contract, in tort, under statute or otherwise) to any person for the contents of this document, including its accuracy, correctness or for any other statement made or purported to be made by it, or on its behalf in connection with IAG, the acquisition of aircraft and any other matters referred to in this document and nothing in the Original Circular or this Supplementary Circular will be relied upon as a promise or representation in this respect, whether or not to the past or future. Save for the aforementioned responsibilities and liabilities, if any, which may be imposed under FSMA, Morgan Stanley, its subsidiaries, branches and affiliates accordingly disclaim all and any responsibility or liability, whether arising in tort, contract or otherwise which it might otherwise be found to have in respect of the Original Circular or this Supplementary Circular or any other statement.

Unless otherwise defined herein, capitalised terms have the meaning ascribed to them in Part VII (Definitions) of the Original Circular.

Dated 18 October 2022

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Forward-looking statements

This Supplementary Circular contains forward-looking statements which are subject to assumptions, risks and uncertainties associated with, among other things, the economic and business circumstances occurring from time to time in the countries, sectors and business segments in which the Group operates. These factors include, but are not limited to, those discussed in Part II (Risk factors) of the Original Circular. These and other factors could affect the results, strategy and prospects of the Group.

Forward-looking statements can be typically identified by the use of forward-looking terminology such as “expects”, “may”, “will”, “could”, “should”, “intends”, “plans”, “predicts”, “envisages”, “believes” or “anticipates”, as well as the negatives of such words and other words of similar meaning in connection with discussions of future operating or financial performance or of strategy that involve risks and uncertainties.

The forward-looking statements in this Supplementary Circular are made based upon the Company's expectations and beliefs concerning future events affecting the Group and therefore involve a number of known and unknown risks and uncertainties. Such forward-looking statements are based on numerous assumptions regarding the Group's present and future business strategies and the environment in which it will operate, which may not prove to be accurate. The Company cautions that these forward-looking statements are not guarantees, and that actual results could differ materially from those expressed or implied in these forward-looking statements.

You are cautioned not to place any undue reliance on the forward-looking statements contained in this Supplementary Circular which speak only as at the date of this Supplementary Circular. Neither the Company nor any member of the Group undertakes any obligation to update or revise any forward-looking statements publicly, whether as a result of new information, future events or otherwise except as required by any applicable laws and regulations, including (but not limited to) the Listing Rules, the Disclosure, Guidance and Transparency Rules, UK MAR and FSMA.

The statements in this section should not in any way be construed as a qualification to the opinion of the Company as to the Group's working capital set out in paragraph 10 of Part V (Additional information) of the Original Circular.

Part I

(Letter from the Chairman of IAG)

(a company incorporated under the laws of the Kingdom of Spain and entered at the Madrid Mercantile Registry with registration number M-492129 and with Tax Identity Code number A-85845535)

Directors

Javier Ferrán (Chairman)
Luis Gallego (Chief Executive Officer)
Heather Ann McSharry (Director)
Giles Agutter (Director)
Peggy Bruzelius (Director)
Eva Castillo (Director)
Margaret Ewing (Director)
Maurice Lam (Director)
Robin Phillips (Director)
Emilio Saracho (Director)
Nicola Shaw (Director)

Registered office

El Caserío, Iberia
Zona Industrial no. 2
(La Muñoza), Camino
de La Muñoza, s/n
28042 Madrid
Spain

18 October 2022

To the Shareholders and holders of CDIs (including, for this purpose, those persons holding interests in CDIs through the IAG Nominee Service) and, for information only, holders of options and awards granted under, and other participants in, the IAG Share Schemes.

Proposed Purchases of 50 Boeing 737 Family Aircraft and 37 Airbus A320neo Family Aircraft

Introduction to the Supplementary Circular

Dear Shareholder,

On 22 September 2022, IAG published a circular providing details of the Proposed Purchases of 50 Boeing 737 Family Aircraft and 37 Airbus A320neo Family Aircraft (the “**Original Circular**”).

Following the publication of the Original Circular, the Company published the following trading update to the market in respect of its interim financial results for the third quarter of 2022 on 13 October 2022 (the “**Q3 Trading Update**”):

“IAG preliminary third quarter operating result

International Airlines Group (IAG) will announce its consolidated results for the nine months to 30 September 2022 on 28 October.

Trading during the third quarter has been better than expected due to passenger revenue strength. As a result, we now expect pre-exceptional operating profit for the third quarter to be in the region of €1.2 billion.

Forward bookings remain at expected levels for the time of year, with no indication of weakness, and accordingly our fourth quarter expectations remain unchanged as of today.”

Accordingly, the purpose of this Supplementary Circular is to provide notice of the Q3 Trading Update to Shareholders in accordance with the Listing Rules.

In addition, the following section of the Q3 Trading Update updates the 2022 Profit Forecast issued by the Company as part of its Group consolidated results for the six months to 30 June 2022, further details of which are set out at paragraph 11 of Part V (Additional information) of the Original Circular:

“Trading during the third quarter has been better than expected due to passenger revenue strength. As a result, we now expect pre-exceptional operating profit for the third quarter to be in the region of €1.2 billion.”

This statement (the “**Updated Q3 Profit Estimate**”) constitutes a profit estimate for the purposes of the Listing Rules. The Updated Q3 Profit Estimate relates to the three month period ending 30 September 2022.

The Board of Directors has considered and confirms that the Updated Q3 Profit Estimate remains correct as at the date of this Supplementary Circular. Further details are set out in paragraph 3 of Part II (Additional information) of this Supplementary Circular.

As set out in paragraph 11 of Part I (Letter from the Chairman of IAG) of the Original Circular and in the Notice of Shareholders’ Meeting at the end of the Original Circular, the Shareholders’ Meeting will continue to be held at Auditorio Rafael del Pino, calle de Rafael Calvo 39, 28010 on 25 October 2022 at 18:30 (CEST) on first call, and on the following day, 26 October 2022, at the same time and venue, on second call. The Shareholders’ Meeting will be held on second call.

This Supplementary Circular is supplemental to, and should be read in conjunction with, the Original Circular. The Company has prepared and published this Supplementary Circular in accordance with the Listing Rules as the Directors regard the Q3 Trading Update to be a material change affecting matters the Company was required to disclose in the Original Circular. To the extent that there is any inconsistency between a statement in this Supplementary Circular and a statement contained in the Original Circular, the statement in this Supplementary Circular will prevail.

Shareholders are referred to the Original Circular for further information including the recommendation from the Board to vote in favour of the Proposed Purchases.

Yours faithfully,

Javier Ferrán
Chairman

Part II

(Additional information)

1. Responsibility statement

The Company and the Directors, whose names are set out in Part I (Letter from the Chairman of IAG), accept responsibility for the information contained in this Supplementary Circular. To the best of the knowledge and belief of the Company and the Directors (who have taken all reasonable care to ensure that such is the case) the information contained in this Supplementary Circular is in accordance with the facts and does not omit anything likely to affect the import of such information.

2. Significant change

Save as disclosed in the Q3 Trading Update, there has been no other significant new factor, material mistake or material inaccuracy relating to the information in the Original Circular that has arisen since the publication of the Original Circular.

3. Profit Forecast

Updated Q3 Profit Estimate

On 13 October 2022, the Company issued the following trading outlook as part of the Q3 Trading Update:

“Trading during the third quarter has been better than expected due to passenger revenue strength. As a result, we now expect pre-exceptional operating profit for the third quarter to be in the region of €1.2 billion.”

This statement (the Updated Q3 Profit Estimate) constitutes a profit estimate for the purposes of the Listing Rules. The Updated Q3 Profit Estimate relates to the three month period ending 30 September 2022.

Basis of Preparation

The Updated Q3 Profit Estimate has been compiled and prepared on a basis which is both (i) comparable with the historical financial information presented in the 2021 Annual Report, 2020 Annual Report and 2019 Annual Report and (ii) consistent with the accounting policies of IAG adopted in its 2021 Annual Report, 2020 Annual Report and 2019 Annual Report which are in accordance with IFRS as adopted by the EU.

The Updated Q3 Profit Estimate has been prepared based on the Group's unaudited management accounts for the three months ended 30 September 2022.

The Directors have prepared the Updated Q3 Profit Estimate on the assumption that there will be no material change in legislation or regulatory requirements impacting the Group's operation or its accounting policies.

4. Consent

Morgan Stanley has given, and not withdrawn, its written consent to the inclusion in this Supplementary Circular of the references to its name in the form and context in which they are included.

5. Documents available for inspection

In addition to those documents set out in paragraph 13 of Part V (Additional information) of the Original Circular, this Supplementary Circular will be available for inspection at the registered office of the Company at El Caserío, Iberia Zona Industrial no. 2 (La Muñoza), Camino de La Muñoza, s/n 28042 Madrid, Spain and at the Company's UK headquarters at Waterside (HAA2), Speedbird Way, Harmondsworth, UB7 0GA, United Kingdom during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted), and also on the Company's website at www.iairgroup.com, up to and including the date of the Shareholders' Meeting.

