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IAG successfully completes \$650 million institutional placement

IAG has successfully completed a \$650 million fully underwritten institutional placement (**Placement**) announced on Friday 20 November 2020.

Under the Placement, IAG will issue approximately 128.7 million new fully paid ordinary shares (**Placement Shares**) at a price of \$5.05 per Placement Share (**Placement Price**).

IAG received significant interest in the Placement from both domestic and offshore institutional investors.

Eligible shareholders who bid for an amount less than or equal to their 'pro rata' share of Placement Shares were allocated their full bid. IAG sought to prioritise allocations for the remaining shares based on factors including the likelihood of long-term support, the strategic alignment of the investor and the timeliness and volume of investors' bids into the book¹.

IAG is pleased with the strong support shown for the equity raising from its shareholders. The success of the raise is an endorsement of the decisive action to maintain balance sheet strength. This positions the company well to execute on its strategic plan.

The Placement Shares will rank equally with existing IAG ordinary shares. The Placement Shares are expected to settle on Wednesday 25 November 2020, and will be issued and commence trading on the ASX on Thursday 26 November 2020.

IAG shares are expected to resume normal trading on the ASX from market open today, Monday 23 November 2020.

Details of the Share Purchase Plan (SPP)

IAG will also offer existing eligible retail shareholders the opportunity to participate in a non-underwritten SPP to raise up to \$100 million.

¹ An eligible institutional shareholder's 'pro rata' share of Placement Shares was estimated by reference to IAG's beneficial register of institutional and sophisticated investors on Friday 30 October 2020, but without undertaking any reconciliation processes and ignoring any shares that may be issued under the SPP. Unlike in a rights issue, this may not truly reflect the participating shareholder's actual pro rata share of the Placement Shares. A shareholder had no right or entitlement to participate in the Placement and IAG had no obligation to reconcile assumed holdings (e.g. for recent trading or swap positions) when determining a shareholder's 'pro rata' share of Placement Shares. This register was also used on a best endeavours basis to assess whether institutional and sophisticated investors were existing shareholders. Institutional investors who do not reside in Australia or other eligible jurisdictions were not able to participate in the Placement. IAG and the Underwriter disclaim any duty or liability (including for negligence) in respect of the determination of a shareholder's 'pro rata' share of Placement Shares.

Under the SPP, eligible IAG shareholders, being shareholders with a registered address in Australia or New Zealand on IAG's register as at 7.00pm on Thursday 19 November 2020 (AEDT) (and who are not in the United States or acting for the account or benefit of any person in the United States), will have the opportunity to apply for up to \$30,000 of shares without incurring brokerage or transaction costs.

The issue price of the shares under the SPP will be the lower of:

- the Placement Price; and
- a 2% discount to the 5-day volume weighted average price of IAG ordinary shares traded on the ASX up to and including the closing date of the SPP.

The shares issued under the SPP will rank equally with existing IAG shares from the date of issue.

IAG may accept applications (in whole or in part) that result in the SPP raising more or less than \$100 million at its absolute discretion.

Full details of the SPP will be set out in the SPP offer booklet, which is expected to be released to the ASX and dispatched to eligible shareholders from Monday 30 November 2020.

Key dates

Event	Date ²
Record date for the SPP	Thursday 19 November 2020 (7pm AEDT)
SPP offer opening date and dispatch of SPP booklet	Monday 30 November 2020
SPP offer closing date	Friday 18 December 2020 (5pm AEDT)
Issue date for SPP shares	Thursday 31 December 2020
New Shares issued under SPP commence trading on ASX	Monday 4 January 2021
Holding statement for SPP shares dispatched	Wednesday 6 January 2021

For further information about the SPP, call the IAG Information Line on 1300 360 688 (within Australia) or +61 3 9415 4210 (outside Australia), Monday to Friday.

This release has been authorised by the IAG Managing Director and CEO

² The above timetable is indicative only and subject to change. The commencement and quotation of shares issued under the SPP is subject to confirmation from ASX. Subject to the requirements of the Corporations Act, the ASX Listing Rules and other applicable rules, IAG reserves the right to amend this timetable at any time, including extending the period for the SPP or accepting late applications, either generally or in particular cases, without notice.

IMPORTANT DISCLAIMER

This announcement contains certain "forward-looking statements" that are based on management's belief, assumptions and expectations and on information currently available to management. These statements can generally be identified by the use of forward-looking words, such as "expect", "anticipate", "likely", "intend", "should", "could", "may", "predict", "plan", "propose", "will", "believe", "forecast", "estimate", or "target". Such statements may be based on underlying assumptions (which could prove incorrect or may be subject to change) and are subject to the risks disclosed in the Investor Presentation lodged with ASX on Friday 20 November 2020. You are strongly cautioned not to place undue reliance on forward-looking statements, particularly in light of the current economic climate and the significant uncertainty and disruption caused by the COVID-19 pandemic. This announcement does not take into account the financial position, needs or circumstances of investors. You are encouraged to seek independent advice.

This announcement may not be released or distributed in the United States. This announcement does not constitute an offer to sell, or the solicitation of an offer to buy, any securities in the United States or any other jurisdiction in which such an offer would be illegal. The securities referred to in this announcement have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (the U.S. Securities Act), or the securities laws of any state or other jurisdiction of the United States. Accordingly, the securities to be offered and sold in the Placement may not be offered or sold, directly or indirectly, in the United States unless they are offered and sold pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable securities laws of any state or other jurisdiction of the United States. The securities to be offered and sold in the SPP may not be offered or sold, directly or indirectly, in the United States, or to any person that is acting for the account or benefit of a person in the United States. All \$ references are to Australian dollars.

About IAG

IAG is the parent company of a general insurance group (the Group) with controlled operations in Australia and New Zealand. The Group's businesses underwrite over \$12 billion of premium per annum, selling insurance under many leading brands, including: NRMA Insurance, CGU, SGIO, SGIC, Swann Insurance and WFI (Australia); and NZI, State, AMI and Lumley (New Zealand). IAG also has an interest in a general insurance joint venture in Malaysia. For further information, please visit www.iag.com.au.

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